

CHAPTER X

MEMBER OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME (MPLADS)

Background

10.1 The MPLAD Scheme was launched on 23rd December, 1993, to provide a mechanism for the Members of Parliament to recommend works of developmental nature for creation of durable community assets and for provision of basic facilities including community infrastructure, based on locally felt needs. Thus, addressing locally felt developmental and infrastructural needs and bridging the gap for developmental works is envisaged under the Scheme.

10.2 The Scheme is governed by a set of Guidelines, which were issued by the Ministry of Rural Development in February, 1994. After the Scheme was transferred to the Ministry of Statistics and Programme Implementation, revised Guidelines were issued in December, 1994. The Guidelines were further revised in February, 1997, September, 1999 and April, 2002. The Guidelines have been comprehensively revised and issued on 16.11.2005.

MPLADS revised Guidelines took into account

- (i) the suggestions given by Hon'ble Members of Parliament during interactive sessions in August and December 2004.
- (ii) recommendations of the Lok Sabha and Rajaya Sabha Committees on MPLAD Scheme.
- (iii) observations of the Comptroller and Auditor General in its two reports.
- (iv) report of the Programme Evaluation Organisation, Planning Commission.
- (v) operational experience of over a decade.

Salient features

10.3 The salient features of the MPLAD Scheme are as follows:-

- The works under the Scheme shall be developmental in nature based on locally felt needs and will always be available for public use at large.
- Each MP will recommend works to the concerned District Authority who will get them implemented by following the established procedure of their State Government.
- The Lok Sabha Members can recommend works in their respective constituencies.
- The elected members of Rajya Sabha may recommend works for implementation anywhere in the State from which they are elected.
- Nominated Members of the Lok Sabha and Rajya Sabha may recommend works for implementation anywhere in the country.
- The funds released are non-lapsable.
- Important items of work like drinking water, education, public health, and funds for development of SC/ST are given priority.
- There is no limit for a work to be executed by Government Agencies. There is a ceiling of Rs.25 lakh for the works of Trusts/Societies.

- The maximum limit for rehabilitation of work in the affected areas by severe calamities is now Rs. 50 lakh.
- In order to give special attention to development of areas inhabited by Scheduled Castes and Scheduled Tribes, 15% of MPLADS funds would be utilized for areas inhabited by SC population and 7.5% for areas inhabited by ST population.
- Release of Rs.1 crore in respect of MPs at the time of constitution of Lok Sabha and election to the Rajya Sabha is done automatically without waiting for monthly progress report.
- The annual entitlement of Rs. 2 crore in respect of an Hon'ble Member of Parliament is released in two equal instalments of Rs. 1 crore each based on the monthly statement of expenditure received from his Nodal district showing unsanctioned balance as less than Rs. 50 lakh and unspent balance as less than Rs. 1 crore.
- To bring in more financial accountability, Utilization Certificate for the previous financial year and the Audit certificate for the funds released in the year prior to the previous year are also pre-requisites for the release of the next instalment.
- The role of Panchayati Raj Institutions and Urban Local Bodies as Implementing Agency is now stressed.
- Funds are to be deposited in nationalized banks by the District Administration.
- The normal financial and audit procedures will apply to all actions under the Scheme.
- The roles of Central Government, State Government, District Authorities and Implementing Agencies have been clearly demarcated.
- The role of Central Government is to monitor overall position of funds, receipt of completion reports etc. and to bring out annual report on the implementation of MPLADS.
- The role of State/UT Government is to coordinate with the Ministry for effective implementation of the Scheme.
- The role of the District Authority is to inspect and monitor the works regularly.
- The implementing agencies shall furnish physical and financial progress of each work to the District Authorities every month and also furnish completion report certificate etc.

Impact

10.4 Since its inception, the Scheme has benefitted the local community by meeting their various developmental needs such as drinking water facility, education, electricity, health and family welfare, irrigation, non-conventional energy, community centres, public libraries, bus stands/stops, roads, pathways and bridges, sports etc. These works are sanctioned, executed and monitored as per the provisions of the MPLADS Guidelines.

Scheme Performance

10.5 Physical Performance (As on 31.12.2005)

As compiled from reports received from the Districts, since scheme inception :-

- 8,91,802 works have been sanctioned.
- 7,85,862 works have been completed.
- The percentage work completed to sanctioned is 88.12.
- In the current financial year, 59,357 works have been recommended, 63,892 works have been sanctioned and 62,506 works have been completed.

Table-10.1**Physical Performance of MPLADS**

As on	Number of works			Percentage work completed to recommended	Percentage works completed to sanctioned
	Recommended	Sanctioned	Completed		
31-03-2003	740100	653622	519676	70.22	79.51
31-03-2004	857169	762554	611131	71.30	80.14
31-03-2005	938641	827910	891802	77.06	87.37
31.12.2005	997998	891802	785862	78.74	88.12
During the Period	Number of works				
	Recommended	Sanctioned	Completed		
2002-03	99776	95071	100396		
2003-04	117069	108932	91455		
2004-05	81472	65356	112225		
2005-06 *	59357	63892	62506		

*(Upto December, 2005)

10.6 Financial Performance (As on 31.12.2005)

- **Rs 14474.20 crore** have been released since the scheme inception.
- Expenditure of **Rs. 12920.76 crore** incurred since inception of the Scheme.
- **The percentage of expenditure over release is 89.27**
- **Rs. 984.40 crore** has been released in 2005-2006 (upto 31.12.2005) and an expenditure of **Rs 1002.27 crore** has been incurred.

The year-wise funds released so far under the scheme is furnished below:-

Table-10.2**MPLADS funds released****(Rs. in Crore)**

Year	Funds Released	Cumulative Release
1993-1994	37.80	37.8
1994-1995	771.00	808.80
1995-1996	763.00	1571.80
1996-1997	778.00	2349.80
1997-1998	488.00	2837.80
1998-1999	789.50	3627.30
1999-2000	1390.50	5017.80
2000-2001	2080.00	7097.80
2001-2002	1800.00	8897.80
2002-2003	1600.00	10497.80
2003-2004	1682.00	12179.80
2004-2005	1310.00	13489.80
2005-2006	984.40	14474.20
(As on 31.12.2005)		
Total	14474.20	

The cumulative funds released, expenditure incurred, percentage utilization and unspent balance, at various points of time are depicted below:-

Table-10.3

Financial Performance of MPLADS

	As on				
	31.03.02	31.03.03	31.03.04	31.03.05	31.12.05
Funds released	8897.80	10497.80	12179.80	13489.80	14474.20
Funds available in the districts	9047.07	10683.92	12413.64	13765.99	14775.71
Expenditure incurred	6613.58	8272.70	10009.38	11918.49	12920.76
% Utilisation over release	74.33	78.80	82.18	88.35	89.27
% Utilisation over funds available	75.07	79.51	80.14	87.37	88.12
Unspent balance	2433.49	2411.22	2404.26	1847.50	1854.95

Achievements

10.7 **Scheme performance** : A quantum improvement in utilization of funds, reduction in unspent balance and faster completion of pending works, especially since the start of year 2004-05, has been made in the scheme performance.

The improvements have been achieved on account of

- pro-active policy initiatives aimed towards ensuring greater financial discipline and proper utilization of fund.
- focused monitoring of implementation of the scheme.
- a series of review meetings held in the states, by Hon'ble Minister and senior officers.

The comparative position at different time periods is given as under :-

(i) **During 2004 - 2005: (a) Improved utilization of the funds: A remarkable improvement in the utilization of funds**, was seen during this period. There was an increase of **6.17** in the percentage utilization over release, which was **88.35** as on 30.03.2005 as compared to **82.18** as on 31.3.2004. (b) **Decrease in the unspent balance**: A considerable decrease in the unspent balance was achieved during this period, through effective monitoring and introduction of policies towards financial discipline. The unspent balance which was Rs.2404.26 crore as on 31.3.2004 came down to Rs.1847.50 crore, i.e. there was a **reduction of Rs.556.76 crore**, which comes to about **23%**. (c) **Completion of more works**: There has been a substantial increase in the number of works completed. **112225 works have been completed** during the period whereas only 65356 works had been sanctioned during the period, i.e. the percentage of works completed to sanctioned during the period is to the order of **171**. While the percentage of works completed to recommended has increased to **77.06** as on 31.03.2005 from 71.30 as on 31.3.2004 (**increase of 5.76**), the percentage of works completed to sanctioned has increased from **87.37** as on 31.03.2005 from 80.14 as on 31.3.2004 (**increase of 7.23**).



Construction of Community Hall for Tsunami affected people at Thirupondi East Panchayat in Nagapattinam District (Tamil Nadu) under MPLADS.



High School , Koni, Distt. Bilaspur, Chhatisgarh constructed under MPLADS.

(ii) **During April 2005 to December 2005:** (a) **Funds released during the period:** Rs. 984.40 crore has been released and as compiled by the reports received from the districts, an expenditure of Rs. 1002.27 crore has been incurred, i.e. the percentage utilization over release for this period works out to **102**. (b) **Maintaining the improvement in utilization of funds:** The improvement achieved in utilization of funds in financial year 2004-05, **has been maintained**. There has been an increase of **0.92** in the percentage utilization over release, which is **89.27** as on 31.12.2005 as compared to **88.35** as on 31.3.2005. (c) **Completion of more works:** The completion of more works **has been sustained**. **63892** works were sanctioned and **62506** works were completed during this period. The percentage of works completed to sanctioned is of the order of **98**.

(iii) **Overall Performance (April 2004 to December 2005):** (a) **Improved utilization of the funds:** There has been a **remarkable improvement in the utilization of funds**, during the last 1½ years, as highlighted by the increase of 7.09 in the percentage utilization over release, which is **89.27** as on 31.12.2005 as compared to **82.18** as on 31.3.2004. (b) **Decrease in the unspent balance:** A considerable decrease in the unspent balance has been achieved through effective monitoring and introduction of policies towards financial discipline. The unspent balance which was Rs.2404.26 crore as on 31.3.2004 has now come down to Rs.1854.95 crore, i.e. a **reduction of Rs. 549.31 crore**, (which means a reduction of about **22.85%**). (c) **Completion of more works:** There has been a substantial increase in the number of works completed. **174731 works have been completed** during the period whereas only 129248 works had been sanctioned during the period, i.e. the percentage of works completed to sanctioned during the period is to the order of **135**. While the percentage of works completed to recommended has increased to 78.74 as on 31.12.2005 from 71.30 as on 31.3.2004 (**increase of 7.45**), the percentage of works completed to sanctioned has increased to 88.12 as on 31.12.2005 from 80.14 as on 31.3.2004 (**increase of 7.98**).

Tsunami rehabilitation

10.8 In order to help rehabilitation works in the Tsunami affected areas, the Government has relaxed the provisions of the Guidelines on MPLADS so as to enable the MPs to recommend any amount out of his entitlement. In response to the appeals issued to MPs, 202 Lok Sabha MPs and 160 Rajya Sabha MPs have given their consent for Rs. 2273.51 lakh and Rs. 3045 lakh respectively. An amount of Rs. 2148 lakh consented by Lok Sabha MPs and an amount of Rs. 1965 lakh consented by MPs of Rajya Sabha have already been authorized for transfer to the districts of Tsunami affected areas as per priority lists submitted by the State Governments/UTs.

- Rs. 2273.51 lakh has been consented by Lok Sabha MPs for Tsunami Rehabilitation work, in the States/UTs of Andaman & Nicobar, Tamil Nadu, Pondicherry, Kerala and Andhra Pradesh out of which, Rs. 2148 lakh has already been allocated. A balance amount of Rs. 125.51 lakh is to be allocated.
- Rs. 3045 lakh has been consented by Rajya Sabha MPs for Tsunami Rehabilitation work, in the States/UTs of Andaman & Nicobar, Tamil Nadu, Pondicherry, Kerala and Andhra Pradesh out of which, Rs. 1965 lakh has already been allocated. A balance amount of Rs. 1080 lakh is to be allocated.

Works monitoring software

10.9 For monitoring of works created under the Scheme, software was developed and launched on 30th November, 2004. With the help of the software reports will be generated at district level, State level and Central level. The Ministry had nominated 74 officers of JAG and SAG level working in the Ministry, as nodal officers for the districts for entering the data in respect of the ongoing and completed works. This had **facilitated substantial improvement** in the data entry and uploading in the software. So far, data in respect of **971** MPs (sitting and former Lok Sabha, Rajya Sabha) in **359** nodal districts have been uploaded.

Monitoring

10.10 MPLADS performance has improved due to result oriented reviews and visits taken up by Minister, Secretary and Additional Secretary. Hon'ble Minister visited Tamil Nadu, Jharkhand, Pondicherry, Meghalaya, Andhra Pradesh and Orissa in connection with monitoring of works under MPLADS. Secretary/Additional Secretary held meetings and reviewed the implementation of MPLADS in the States/UTs of Assam, Meghalaya, Orissa, Tamilnadu, Delhi, Jammu & Kashmir, Maharashtra, West Bengal, Punjab, Chandigarh, Tripura, Andaman & Nicobar Islands, Himachal Pradesh, Andhra Pradesh, Sikkim, Pondicherry, Rajasthan, Uttar Pradesh, Haryana and Gujarat.

10.11 One-page financial and physical status of implementation progress of implementation of MPLADS in respect of all Members of Parliament has been communicated **four times** to all Members of Parliament concerned.

10.12 Meetings with the Secretaries of State Nodal Departments, with a view to clarify policy initiatives, monitoring of release of funds and taking stock of the implementation of the scheme in the States/UTs, have been held twice, on 11.07.2005 and 16.12.2005.