COMMITTEE ON MEMBERS OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME (2009-10)

FIFTEENTH LOK SABHA

MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION

{Action Taken by the Government on the recommendations contained in the Fifteenth Report of Committee on MPLADS (14th Lok Sabha) on 'MPLAD Scheme – A Review'}

FIRST REPORT



LOK SABHA SECRETARIAT

NEW DELHI
February, 2010/ Phalguna, 1931 (Saka)

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Presented to Lok Sabha on 24th February, 2010



LOK SABHA SECRETARIAT NEW DELHI

February, 2010/ Phalguna, 1931 (Saka)

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COMPOSITION OF THE MPLADS COMMITTEE (2009-10)

Shri A.K.S. Vijayan - Chairman

MEMBERS

- 2. Dr. Rattan Singh Ajnala
- 3. Dr. Baliram
- 4. Dr. Pulin Bihari Baske
- 5. Dr. Kakoli Ghosh Dastidar
- 6. Adv. Ganeshrao Nagorao Dudhgaonkar
- 7. Shri D.B. Chandre Gowda
- 8. Shri Deepender Singh Hooda
- 9. Shri Kailash Joshi
- 10. Shri Kaushalendra Kumar
- 11. Shri Babu Lal Marandi
- 12. Shri Shripad Yesso Naik
- 13. Shri Jagdambika Pal
- 14. Kumari Saroj Pandey
- 15. Shri Amarnath Pradhan
- 16. Shri Rajendrasinh Rana
- 17. Shri Rudramadhab Ray
- 18. Shri Tufani Saroj
- 19. Shri Ajit Singh
- 20. Shri Gopal Singh
- 21. Shri Udai Pratap Singh (Hoshangabad)
- 22. Shri Vijay Inder Singla
- 23. Shri Jagdish Thakor
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SECRETARIAT

- Shri N.K. Sapra
 Shri S. Bal Shekar
 Shri Harday Singh

 Addl. Secretary
 Joint Secretary
 Director
- 3. Shri Hardev Singh Director
- 4. Shri J.M. Baisakh Additional Director

INTRODUCTION

I. the Chairman of the Committee on Members of Parliament Local Area Development Scheme (2009-10) having been authorized by the Committee to submit the Report on their behalf, present this First Report the action taken by the Government on on observations/recommendations of the Committee contained in their Fifteenth Report (14th Lok Sabha) on 'MPLADS – A Review' relating to the

Ministry of Statistics and Programme Implementation.

2. The Fifteenth Report was presented to Lok Sabha on 15th December, 2008. The Ministry furnished their Action Taken Notes on the observations/recommendations contained in the Report on 03 June and 07

September, 2009.

3. The Report was considered and adopted by the Committee at their sitting held on 09 December, 2009.

4. An analysis of the action taken by the Government on the observations/recommendations contained in the Fifteenth (Fourteenth Lok Sabha) of the Committee (2008-09) is given at Appendix

11.

New Delhi 23 February, 2010 4 Phalguna, 1931 (Saka)

A.K.S. VIJAYAN Chairman. **Committee on Members of Parliament Local Area Development Scheme** (Lok Sabha)

CHAPTER I

REPORT

This Report of the Committee deals with the action taken by the

Government on the observations/recommendations of the Committee contained

in their Fifteenth Report (Fourteenth Lok Sabha) on 'MPLAD Scheme - A

Review' relating to the Ministry of Statistics and Programme Implementation.

2. The Fifteenth Report which was presented to Lok Sabha on 15 December,

2008 contained 21 observations/recommendations. The Action Taken Notes on

all these observations/recommendations have been received from the Ministry of

Statistics and Programme Implementation and are broadly categorised as

follows:-

(i) Observations/recommendations which have been accepted by

the Government :-

Para Nos:- 1.12-1.14, 1.17, 2.6-2.8, 10.21-10.22, 10.23, 10.24,

10.25- 10.27, 10.28 and 10.29

(Total 09)

(ii) Observations/recommendations which the Committee do not

desire to pursue in the light of replies received from the

Government:-

Para Nos:- 4.6-4.9, 5.12, 10.30, 10.32, 10.33 and 11.8

(Total 06)

(iii) Observations/recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:-

Para Nos:- 3.4, 6.13-6.14, 7.4-7.8 and 8.15

(Total 04)

(iv) Observations/recommendations in respect of which the Government have furnished interim replies :

Para Nos:-9.5 and 10.31

(Total 02)

- 3. The Committee trust that utmost importance would be given to the implementation of the observations/recommendations accepted by the Government. In cases where it is not possible for the Ministry to implement the observations/ recommendations in letter and spirit for any reason whatsoever, the matter should be reported to the Committee with reasons for non-implementation. The Committee further desire that Action Taken Notes on the observations/recommendations contained in Chapter-I final and the Action Taken Notes in of the respect observations/recommendations contained in Chapter-V of this Report should be furnished to them within three months of the presentation of this Report.
- 4. The Action Taken Notes furnished by the Ministry of Statistics and Programme Implementation have been reproduced in the relevant chapters of this Report. In the succeeding paragraphs, however, the Committee deal with the action taken by the Government on some of their observations/recommendations.

(A) The need for Continuance of the Scheme

(Para No. 2.7)

- 5. While appreciating the overall performance of the MPLAD Scheme, the Committee, in their earlier Report, had <u>inter-alia</u> opined that further improvement could be effected in its implementation by putting all the information on the website including submission of Monthly Progress Reports, strengthening the monitoring mechanism, devising mechanism for timely furnishing of Utilization and Audit Certificates.
- 6. In their Action Taken Note, the Ministry have stated as follows:-

"In November, 2004, the works monitoring software was launched on the MPLADS website, i.e., www.mplads.nic.in to enable further transparency and accountability.

Out of the 430 nodal districts, data regarding details of works sanctioned, completed, on-going, etc. has been uploaded from 423 **districts.**

As on 15.07.2009, data in respect of 2098 MPs have been uploaded. Of these, 1582 belong to the Lok Sabha (current and previous periods), with 522 belonging to the 14th Lok Sabha and 1060 belonging to the previous Lok Sabha. Data in respect of 516 Rajya Sabha MPs (sitting and previous) have been entered, of which 181 are of sitting MPs and 335 are previous MPs.

Efforts are being made to upload data from all districts and also complete details of works sanctioned, complete along with utilization of funds.

The Ministry has embarked on an initiative for online Monthly Progress Reports and instructions have been issued to States/UTs to operationalise online submission of Monthly Progress Reports, along with the current hard copies. When it is fully operationalised, it will be available on the web-site and the hard copy of the Monthly Progress Report would be dispensed with. The Ministry also constantly remains in touch with the District Authorities for timely submission of utilization & audit certificates."

7. The Committee take note of the steps taken in the direction of uploading relevant data regarding details of works undertaken under the MPLAD Scheme on the website to enable further transparency and accountability. In respect of online submission of Monthly Progress Reports (MPRs), the Committee have been informed about the instructions

issued to States/UTs to operationalise the same. The Committee desire the Administrative Ministry to closely monitor the progress made in the operationalisation of MPRs online by the implementing States/UTs and ensure that the job is taken up on top priority and completed in a time-bound manner so that the mechanism is put in place at the earliest. The Committee would like to be informed of the progress made in this regard within a period of three months.

(B) Allocation of funds

(Para No. 3.4)

- 8. In their earlier Report, taking note of the growing demands for developmental works for the people in the individual constituencies, the Committee had observed that the existing allocation of Rs. 2 crore per annum under MPLAD Scheme was inadequate. Having drawn a comparison with the provision of funds under MLALAD Scheme in certain States, the Committee felt that with the provision of a meagre amount of Rs. 2 crore, aspirations of the people in terms of developmental work in the constituencies could hardly be fulfilled. They had, therefore, recommended that annual allocation under MPLAD Scheme per constituency be raised upto Rs. 10 crore w.e.f. the financial year 2009-10.
- 9. In their Action Taken Note, the Ministry of Statistics and Programme Implementation have stated as follows:-

"The matter was examined in the Ministry and an EFC Memo in this regard was prepared and sent to Department of Expenditure, Ministry of Finance and the Planning Commission for appraisal vide letter dated 22nd August, 2008. The Department of Expenditure has informed this Ministry vide letter dated 05.01.2009 that the proposal has not yet been appraised by the

Planning Commission and their input is necessary before the scheme is examined by the EFC. Now, the Planning Commission has informed vide

letter dated 12.03.2009 that given the scarcity of resources, they are not in favour of an increase in the Annual Allocation for MPLAD Scheme. They have also informed that they would appraise the proposal only after a judgement is delivered by the Supreme Court in respect of a number of cases pending in the Supreme Court in this regard and also when there is clarity on availability of additional funds. These comments have been forwarded to Ministry of Finance, Department of Expenditure, New Delhi."

10. The Committee note that the annual allocation of Rs. 2 crore under MPLAD Scheme made in the year 1998 is grossly inadequate to fulfil the developmental needs in the individual constituencies today particularly when the prices of construction materials such as cement, steel, etc. have risen many times and the value of rupee has eroded almost by 50 percent since 1998. The need for a suitable enhancement was therefore emphasized by the Committee time and again in the past. Recognising the imperative need and urgency in the matter, the Committee in their earlier Report had aptly recommended that annual allocation under MPLAD Scheme be raised to Rs. 10 crore with effect from the financial year 2009-10. In pursuance thereof, the matter was reportedly taken up by the Nodal Ministry with the Ministry of Finance (Department of Expenditure) and the According to the Planning Commission, the Planning Commission. proposal for enhancement would be appraised by them only after a judgement is delivered by the Supreme Court in respect of some cases pending before it in this regard and also when there is clarity on availability of additional funds. The Committee have been given to understand that only after receiving the input from the Planning Commission, the proposal will be examined by the Department of Expenditure. The Committee do not approve of the stance taken by the Planning Commission in view of the fact that the scheme is an on-going scheme and no formal court order has so far been issued forbidding its execution. It is appalling to note that the Administrative Ministry continues to advance the same plea in utter disregard to the repeated recommendation of the Committee in the matter. The Committee are of the firm view that it is high

time for the Government to have a realistic appraisal of the proposal in

isolation of the unsound arguments advanced so far. The Committee, therefore, recommend that the Administrative Ministry should convey to the Department of Expenditure and the Planning Commission the unhappiness of the Committee in the matter and emphasize the urgent need to re-examine the proposal for enhancement of annual allocation of MPLAD fund to Rs. 10 crore. The Committee would like to be informed about the precise action taken and the outcome in the matter within a period of three months.

(C) Appellate Mechanism to review the works rejected by the District Authority (Para Nos. 6.13 & 6.14)

11. In their earlier Report, the Committee had observed that in the extant Guidelines on MPLADS, there was no mechanism for redressal of grievances of MPs in case of rejection of recommended works by the concerned District Authorities where MPs considered those works to be admissible. After careful consideration of the matter, the Committee had recommended that an appellate mechanism should be instituted to review the recommended works rejected by the District Authorities. The Committee had opined that provisions should be made whereby, as a first step, the Divisional Commissioner be made the appellate authority to review the rejected proposals and come out with a conclusion within a specific time frame. In case the Member is not satisfied with the decision taken at the level of Divisional Commissioner, he may approach the Ministry of Statistics and Programme Implementation for further clarifications. Taking a step further, if the Ministry intend to take a decision contrary to the proposal/recommendation of the Member, the concerned Parliamentary Committee on MPLADS might be consulted by them before taking a final decision in the matter. Eventually, the Committee may look into the matter and if required, report to the House on the issue with necessary recommendations.

The Committee accordingly urged the Government to insert a suitable provision in the Guidelines providing for such an appellate mechanism.

- 12. In their Action Taken Note, the Ministry of Statistics and Programme Implementation stated that they are the nodal Department and will be the final authority in respect of disputes/grievances.
- 13. The Committee are dismayed to note the casual response of the Ministry to such an important issue by merely stating that they are the final authority in respect of disputes/grievances. There is no evidence to substantiate the point that the recommendation of the Committee for devising an appellate mechanism to address the grievances of MPs was at all objectively examined by the Ministry with the seriousness it deserved. Pertinently, while tendering evidence before the Committee on the subject, on 20 June, 2008 the Secretary of the Ministry had candidly advocated that a review process with the appointment of an appellate authority was desirable. What the Committee emphasised in their earlier Report was the strengthening of the system with an appellate mechanism which would bring transparency in the selection process with inbuilt checks and balances. Furthermore, providing for such a mechanism is all the more necessary considering the number of complaints/representations received from the MPs regarding rejection of their proposals on flimsy grounds and inadequate follow-up action taken thereon by the nodal Ministry. Recognising the systemic inadequacies in the present set-up and the important role assigned to MPs in fulfilling the envisaged objectives of the Scheme, the Committee had urged upon the Ministry to devise a suitable review process. However, to the utter dissatisfaction of the Committee, the Ministry appeared to be apathetic and indifferent in implementing this important recommendation of the Committee as they did not assign due importance to this vital issue. Taking strong exception to the negative attitude of the Ministry on this score, the Committee reiterate their earlier recommendation and desire the Ministry to have a fresh look at the whole

matter with a view to providing for a suitable appellate mechanism in the extant Guidelines. The Committee would like to be apprised of the decision taken in the matter at an early date.

(D) Public/Community Contribution to Central/State Governments Schemes/ Programmes under MPLADS

(Para Nos. 7.4 to 7.8)

- 14. In their earlier Report, the Committee took note of the suggestion received from the Ministry of Non-Conventional Energy Sources about substitution of minimal public contribution with MPLADS funds in respect of implementation of Central/State Government Schemes. The Committee were of the opinion that the public and the community in some of the areas might be so poor, particularly those inhabitated by SCs/STs that they are not able to contribute their share to such Schemes/Programmes and for want of that contribution, those welfare schemes might not be implemented in those areas at all. The Committee had, therefore, recommended that it would be in the interest of the public, particularly of the areas inhabitated by SCs/STs to make a provision for community contribution share out of MPLADS funds.
- 15. The Ministry in their Action Taken Note stated as follows:-

"The issue relating to substitution of public contribution with MPLADS funds had been deliberated upon in various meetings of the Committee. The Secretary, M/o Rural Development was also summoned in one of the meetings for her views on substitution of public contribution in "Swajaldhara Scheme". After taking into consideration the objectives of the provisions, it is felt that substitution of community contribution would go against the very philosophy and rationale of community involvement and empowerment."

16. Taking note of the overall benefits of convergence of MPLAD Scheme with other Welfare Schemes run by Central/State Governments, particularly in the areas inhabitated by SCs/STs, the Committee had recommended that a suitable provision be incorporated in the extant Guidelines to substitute public contribution with MPLAD funds. The Ministry, however, in their Action Taken Note have stated that the substitution of community contribution would go against the very

philosophy and rationale of community involvement and empowerment. The Committee observe that the Government could not appreciate the fact that the implementation of a large number of community schemes has been impeded in some areas due to the inherent limitations of the persons belonging to SC/ST community to contribute their share. The Committee wish to point out that the central idea of the whole concept is to facilitate the execution of such schemes in those specific pockets inhabited by SCs/STs without diluting the holistic spirit of community involvement as enshrined in those schemes. The Committee are, therefore, not inclined to accept the generalised assertion of the Ministry that substitution of community contribution with MPLAD funds would undermine the concept of community involvement and empowerment. Looking at a broader perspective, with minimal contribution of MPLADS funds, benefits will accrue to a sizeable portion of deserving sections of the society and the recommendation is, therefore, very much in consonance with the envisaged objectives of the MPLAD Scheme. The Committee are of the firm view that this is a viable proposal and the Ministry need to be pragmatic in their approach to implement the same. They, therefore, urge upon the Ministry to examine the matter afresh and put in place the desired provisions in the Guidelines giving effect to the recommendation of the Committee.

(E) Definition of Family

(Para No. 8.15)

17. In their earlier Report, the Committee had noted that one of the important objectives of the Scheme is to promote beneficial or developmental works which are basically executed by societies, trusts, private organizations and institutions, etc. Paragraph 3.21 of the Guidelines on MPLAD Scheme *inter-alia* provides that the MPLADS funding is not permissible to a Society/Trust, if the recommending MP or any of his/her family members is the President/Chairman or Member of the Managing Committee or Trustee of the registered Society/Trust

in question. According to the Guidelines, family members would include MP and MP's spouse which would comprise their parents, brothers and sisters, children, grandchildren and their spouses and their in-laws. The Committee had observed that defining the family in such a broader way had restricted the purpose of the scheme. They had accordingly recommended that the word 'family' be amended where the family members would include MP and his/her spouse, sons and daughters of MP and their spouses, parents of MP and his/her spouse, brothers and sisters of MP and his/her spouse and grandchildren of MP.

18. The Ministry in their Action Taken Note have stated as follows:-

"The Ministry feels that the present definition of family is an inclusive definition and is necessary in view of criticism of the Scheme."

19. The Committee note that the Ministry have taken a rigid stance not to amend the definition of family as was recommended by the Committee. The Ministry have taken the plea that the present definition is an inclusive one and is necessary in view of criticism of the scheme. It is pointed out in this connection that the suggestion by the Committee excludes only the spouses of Member's grandchildren and their in-laws from the ambit of the existing definition of family. The Committee are of the considered view that the definition with the proposed amendment is quite logical and broad enough to dispel any apprehensions about possible misuse of the Scheme. As a matter of fact, the conservative approach of the Ministry in conceiving the concept of family in the existing format of the Guidelines has been a hindrance in the way of objective implementation of the Scheme. The Committee, therefore, strongly advocate the adoption of the desired amendment in the definition of family with a view to achieving the objectives of the Scheme.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY
THE GOVERNMENT

Observation/Recommendation

On a pointed criticism of the MPLAD Scheme that the scheme usurped the powers of the Executive by the Legislature, interference by MPs and Central Ministry in the functioning of District Administration was against the basic tenets and philosophy of the Constitution, diverted funds from rural and local bodies increased the areas of conflict between District Administration and Panchayati Raj bodies, the Committee in their Thirteenth Report had observed that the issue of constitutional validity of the scheme was pending before the Hon'ble Supreme Court. As the matter was *sub judice*, the Committee did not give any recommendation in this regard at that stage. The Committee had also observed that the scheme did not interfere in the functioning of District Administration and in no way compromised with the District planning process. The Committee were of the view that the scheme had been conceptualized to supplement the efforts of the State and the District Administration in planning and execution of developmental projects and plug the resource gap between the Central and State Government's funds.

(Para No. 1.12)

The Committee still hold the same view and disagree with the view point that the concept of MPLAD scheme is against the parliamentary system, demarcation of powers in the federal system, democratic decentralization and responsibility and accountability for moneys withdrawn from the public exchequer. The Committee note that the scheme is sponsored by the Central Government and money is directly disbursed to the district authorities who are responsible for its execution. Under the Scheme, the MPs merely recommend works under this scheme and they are in no way involved in its sanction and execution in any manner. The scheme is for the welfare of the common people and MPs being their representatives, play the role of mitigating the people's grievances and their locally felt needs. In this regard, the Committee also take

note of the role being played by an MP in the District Level Vigilance & Monitoring Committee which comprises a senior MP (Lok Sabha) as Chairperson and public representatives and civil servants from the State and the Union Governments, as Members and meet at least once every quarter. The primary responsibility of this Committee is to effectively monitor the implementation of the schemes and programmes of the Ministry of Rural Development as per the relevant Guidelines and also ensure that the funds are used for the purpose of which they are meant. The Committee inter alia undertake both Input Monitoring (i.e. whether resources are being mobilized as planned) and Output Monitoring (i.e. whether services and projects are being delivered on schedule) besides looking into complaints / alleged irregularities received by them, in respect of the implementation of the Programmes, including complaints of wrong selection of beneficiaries, mis-appropriation / diversion of funds of various Schemes of the Ministry and recommend follow-up action. As such an MP involves himself in this process much more than in the MPLAD Scheme where his role is restricted to merely recommending works to the District Authority. The role of MPs in this scheme, thus, cannot be categorized as against parliamentary system and encroachment of the powers and functions of Executive by the legislators. Besides the works suggested by MPs are only recommendatory in nature and the sanction, execution and monitoring is done by the District Authorities under the provisions made in the guidelines on MPLADS issued by the Union Ministry of Statistics and Programme Implementation, which is responsible for the policy formulation, release of funds and prescribing monitoring mechanism for implementation of the scheme. The Committee are of the firm opinion that the scheme is only supplementary to other Central and State Schemes. As the MPs are not being given grants/funds, mere recommendation of works of locally felt needs by them cannot be termed as substitution of important parliamentary work by MPs. Rather, the scheme seems to meet on priority those felt needs of the constituents which otherwise may not find place in ordinary planning. As regards the loopholes, lapses and misutilization of MPLAD funds, the corrective and the remedial measures can be taken by the Government in consultation with C&AG of India, if required.

The Committee note that the Parliament has not shied away from taking action against its own Members for improper conduct as recommended by the Committee constituted by the Hon'ble Speaker to inquire into allegations of improper conduct on the part of some Members in the matter of implementation of MPLAD Scheme that the membership of four Members, viz. Sarvashri Alemao Churchill, Paras Nath Yadav, Faggan Singh Kulaste and Ramswaroop Koli be suspended from 20 December 2005 to 22 March 2006 for not finding their conduct above board. The Committee are of the view that for mitigating the criticism of rampant corruption in this Scheme, proper mechanism is already available as per the law of the land and no one, including MPs, is above law.

(Para 1.14)

While appreciating the initiatives taken by the Ministry of Statistics and Programme Implementation for plugging the loopholes in implementation of the scheme and strengthening the monitoring mechanism as well, the Committee fully endorsed the view of the Ministry that the scheme attempts to foster a symbiotic relationship between the people and their representatives, in an innovative manner and the MPLAD Scheme is basically a constituency development scheme in which the MP plays a catalytic role. The Committee have been informed by the Ministry that their study report shows the impact of the scheme as perceived at the grassroots level and the majority voted that the created assets have met their needs and improved the quality of life. The Committee had also, during the course of examination of the subject "MPLAD Scheme – A Review" invited suggestions/opinions of various Ministries of Union Government, State Governments/UTs Administration, Ministers, MPs, ex-MPs, individuals and organizations/NGOs through letters/open advertisements in the Press. About 200 suggestions on the MPLAD Scheme were received in the Committee Secretariat. The comments of the Ministry of Statistics and Programme Implementation were also obtained on those suggestions. Committee infer from the suggestions received that almost all the respondents have favoured the scheme. However, they had suggested some changes in implementation as well as monitoring aspects of the Scheme. The Committee will be dealing with these suggestions issue-wise in subsequent paragraphs.

(Para 1.17)

Action taken by the Ministry

The Committee discussed all the comments/information provided to them on various points and hence, requires no comments.

Observation/Recommendation

The Committee take note of the performance appraisal of the Scheme which *inter-alia* shows that percentage utilization over release has increased from 54.59% as on 31 March 1998 to 90.14% as on 31 March 2007. The percentage of cumulative works completed to cumulative works sanctioned has also increased from 80.14% as on 31 March 2004 to 90.58% as on 31 March 2008. Introduction of Utilization and Audit Certificates since 2005 onwards for release of second instalment of funds has certainly strengthened the financial discipline under the Scheme.

(Para No. 2.6)

Action taken by the Ministry

Consequent upon introduction of Utilization and Audit Certificates since 2005 onwards for release of second instalment of funds, utilization of funds and thereby the performance of the Scheme has improved. As on 26.02.2009, Rs. 20045.25 crore has been released since inception of the Scheme and as reported by the Districts, an expenditure of Rs. 18437.73 crore has been incurred. The percentage utilization over release is **92.25%**.

As on 26.08.2009, 12.79 lakh works have been recommended by the Members of parliament, district authorities have sanctioned 11.42 lakh works and 10.41 lakh works are reported to be completed. The percentage of works completed to sanctioned at the national level is 96.89.

Observation/Recommendation

The Committee appreciate the performance of the Scheme and note that the Scheme has benefited the local community by meeting their locally felt developmental needs and has significantly contributed towards providing infrastructure at the grassroots level in the fields of education, health, roads, drinking water, irrigation, sanitation, etc. and observe that there is still a lot of scope for improvement in the performance and monitoring of the scheme by putting all the information on the website including submission of Monthly Progress Report, strengthening the monitoring mechanism, devising mechanism for timely furnishing of utilization and audit certificates which need to be addressed without any delay.

(Para No. 2.7)

Action taken by the Ministry

In November, 2004, the works monitoring software was launched on the MPLADS website, i.e., www.mplads.nic.in to enable further transparency and accountability.

Out of the 430 nodal districts, data regarding details or works sanctioned, completed, on-going, etc. has been uploaded from 423 **districts.**

As on 15.07.2009, data in respect of 2098 MPs have been uploaded. Of these, 1582 belong to the Lok Sabha (current and previous periods), with 522 belonging to the 14th Lok Sabha and 1060 belonging to the previous Lok Sabha. Data in respect of 516 Rajya Sabha MPs (sitting and previous) have been entered, of which 181 are of sitting MPs and 335 are previous MPs.

Efforts are being made to upload data from all districts and also complete details of works sanctioned, completed along with utilization of funds. The Ministry has embarked on an initiative for online Monthly Progress Reports and instructions have been issued to States/UTs to operationalise online submission of Monthly Progress Reports, along with the current hard copies. When it is fully operationalised, it will be available on the web-site and the hard copy of the

Monthly Progress Report would be dispensed with. The Ministry also constantly remains in touch with the District Authorities for timely submission of utilization & Audit certificates.

Observation/Recommendation

The Committee after pursuing more than 200 suggestions received on the subject under examination besides taking note of evidence adduced on the subject by Ministry of Statistics and Programme Implementation, Department of Personnel and Training and Ministry of Law and Justice, find that only two suggestions from individuals were received favouring scrapping of this Scheme. All other suggestions are in favour of continuance of the Scheme, though any of individuals suggested for improvements/amendments in the guidelines for better and effective implementation of the same. All the respondents who have suggested amendments in the guidelines and have not specifically advocated for discontinuance of the scheme can be construed to be in favour of continuance of the Scheme. In view of the benefits of the Scheme, the Committee strongly recommend for continuance of the Scheme.

(Para No. 2.8)

Action taken by the Ministry

The matter was examined in the Ministry and an EFC Memo in this regard was prepared and sent to Department of Expenditure, Ministry of Finance and the Planning Commission for appraisal vide letter dated 22nd August, 2008. The Department of Expenditure has informed this Ministry vide letter dated 05.01.2009 that the proposal has not yet been appraised by the Planning Commission and their input is necessary before the scheme is examined by the EFC. Now, the Planning Commission has informed vide letter dated 12.03.2009 that given the scarcity of resources, they are not in favour of an increase in the Annual Allocation for MPLAD Scheme. They have also informed that they would appraise the proposal only after a judgment is delivered by the Supreme Court in respect of a number of cases pending in the Supreme Court in this regard and also when there is clarity on availability of additional funds. These comments

have been forwarded to Ministry of Finance, Department of Expenditure, New Delhi.

Observation/Recommendation

The Committee note that despite the problem of shortage of manpower and constraints in having effective control over the officials of State/UT Governments in our federal structure, the Ministry of Statistics and Programme Implementation are taking several steps to improve monitoring of the implementation of the scheme, like engaging NABARD Consultancy Service (NABCONS) for full-scale appraisal of the MPLAD Scheme in selective districts and enabling universal online access of details of works under MPLAD Scheme among other things. The Committee are of the opinion that the Ministry of Statistics and Programme Implementation being the custodian of MPLAD funds which are being spent by the State Authorities which are not under their direct control, have greater responsibility for having a vigilant eye over all the expenses being spent towards MPLADS works. The Committee feel that in order to strengthen transparency and accountability under the Scheme, the physical monitoring of the Scheme has to be strengthened and the Ministry should work to equip themselves with adequate manpower and mobilize them for proper physical monitoring in every nook and corner of the country. The Committee appreciate the step of engaging NABCONS for physical monitoring of works in selected districts and recommend that the scope of engaging independent agency like NABCONS for full-scale appraisal of MPLAD works should be explored by the Ministry. The Committee would like to be apprised of the outcome of the monitoring undertaken by the NABCONS.

(Para No. 10.21)

Observation/Recommendation

The Committee are of the view that in the age of modern era of information technology, the dependency on the physical transmission of the reports/documents/data/information from districts to Centre is obsolete and the Ministry should expedite efforts for implementing online transmission of Monthly Progress Reports in revised format to incorporate maximum information on

working of the scheme including the position of pending works/recommendations. In order to make the process of release of funds smooth, quick and hassle free, the Ministry should also undertake the task of shifting to electronic transfer of MPLAD funds on a war footing and keep the Committee informed about the achievements from time to time.

(Para No. 10.22)

Action taken by the Ministry

The Ministry does not have the manpower for physical monitoring of the Scheme. The Ministry has embarked on physical monitoring through NABARD Consultancy services. So far 73 districts have been covered and 60 more districts are to be covered during the financial year 2009-2010. More information would soon be available on the website to make the Scheme more transparent. The transfer of MPLADS funds to the District Authorities electronically is at finalization stage. The Committee would be informed about the progress in due course.

Observation/Recommendation

The Committee note that the provisions of review meetings at Centre, State and District Levels has been thoughtfully incorporated in the extant guidelines in order to identify and sort out problems in implementation of the MPLAD Scheme. But the Committee are constrained to observe on the basis of information provided by the Ministry of Statistics and Programme Implementation and the feedback received from various States/UTs, that the Review Meetings are not being taken even once in a year in many States/UTs. This shows the lackadaisical attitude on the part the State Governments/Nodal Ministries Departments at State/UT level. The Committee were informed during Study Visits in some of the States that exclusive review meetings at the level of Chief Secretary/Additional Chief Secretary/Principal Secretary/Secretary to the Nodal Ministry/Department were difficult to hold due to the officers being occupied in various other schemes and works. The same difficulty was expressed by many

District Collectors in respect of inspection of selected projects and review meetings with the Implementing Agencies. The Committee while taking notice of the difficulties expressed by the State/District Authorities, feel that even though the MPLAD Scheme is a Central Government Scheme and the works are being suggested by the Members of Parliament, the basic objective of the Scheme is to undertake development works to the extent of creating durable assets for community welfare in the States/UTs and to meet the felt needs of the local people. Since the needs of local common people cannot be undermined, in view of the Committee the MPLAD Scheme should not, in any manner, be given less priority. While emphasizing on the exclusive meetings by the concerned authorities in States/UTs/Districts in connection with MPLAD works, the Committee suggest that whenever feasible, review of MPLAD works can also be clubbed with review of other Schemes in States/UTs/Districts. The Committee also stress the need for extra efforts on the part of the Ministry of Statistics and Programme Implementation to pursue constantly the State/UT and District Authorities to ensure that they review the works under MPLAD Scheme regularly without fail.

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Action taken by the Ministry

Bi-annual Review meetings are held under the Chairmanship of Hon'ble MOS(IC), S&PI, with the Nodal Secretaries of all State/UT Govts. During these meetings, the State representatives also discuss practical problems faced by them at the functional level. In these meetings, Ministry also stresses on the need to review/inspect works by the District Authorities. The States/UTs are requested to organize State Level Review Meeting where MPs should be invited.

In addition, review meetings are also organized at State level with district officials and feedback is obtained regarding problems faced by them.

To review the progress of implementation of the Scheme at State/UT level, States/UTs have been asked to constitute State/UT level Monitoring Committees and hold regular meetings. Barring Mizoram and Dadra & Nagar

Haveli, all other States/UTs have formed the State/UT level Monitoring Committees.

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In the present scenario, where the review meetings by the Secretary to the Nodal Ministry/Department of States/UTs are not being taken regularly, the Committee are of the opinion that even when the State Level review meeting is taken once in a year, it may not be practical for them to go into details of the ongoing as well as pending works apart from resolving the doubts in the minds of District Authorities regarding admissibility and feasibility in implementation of the suggested works and also the genuineness of rejected works in each case. The Committee, therefore, strongly feel the need for an intermediary stage of supervision at the level of Divisional Commissioner. The Committee recommend that the Ministry of Statistics and Programme Implementation should make suitable provisions in the Guidelines to ensure review meetings of the Divisional Commissioners with the District Collectors and Implementing Agencies at least The Committee also recommend that the Monthly Progress twice a year. Reports (MPRs) should be appropriately modified to cover maximum information including the status of all the recommended works by the MPs, including quality of work whether pending, ongoing or complete in addition to the fund utilization in each case and the position of the availability and requirement of MPLAD funds. The Committee desire that the MPRs should be submitted by the District Authority every month to the concerned Divisional Commissioner, State Nodal Ministry, Ministry of Statistics and Programme Implementation. A quaterly statement may also be sent to the Secretariats of the Parliamentary Committees on MPLADS. The submission of MPRs may not be difficult as online submission is also being envisaged and emphasized.

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The Ministry is holding review meetings with the nodal Secretaries of the State/UT Governments twice a year to review the Implementation of Scheme. Para 6.3 of the Guidelines provides that a committee under the Chairmanship of the Chief Secretary/Development Commissioner/Additional Chief Secretary

should review MPLADS implementation progress with the District Authorities and MPs at least once in a year. The Nodal Department Secretary and other Administrative Department Secretaries also participate in such meetings. The Ministry shall also consider the recommendation of the Committee that the Divisional Commissioners should take review meetings with District Collectors and Implementing Agencies at least twice a year, at the time of revision of Guidelines.

The Ministry has embarked on an online Monthly Progress Reporting System to generate Monthly Progress through the new system, at disaggregated levels. However, inclusion of a number of additional items in the MPR would render the release of funds difficult. The details of works are available on the MPLADS software and the district authorities are required to upload data regularly.

Observation/Recommendation

From the feedback received during the course of the review of the Scheme, the Committee find that in many cases MPLAD funds were not released even for the years 2005-06 onwards due to non-submission of required documents like Monthly Progress Report (MPR), Utilization Certificate (UC) and Audit Certificates (AC) by the district authorities. The reasons for delay, as put forward by the concerned authorities, are not satisfactory in most of the cases as delay in appointing auditors, carelessness of implementing agencies in timely submission of UCs, improper and insufficient efforts on the part of District Authorities and casual monitoring by State Nodal Ministry/Department and Ministry of Statistics and Programme Implementation have been observed. In some of the cases, the District Authorities did not bother to submit MPRs/UCs/ACs in time, gave wrong information to MPs about availability of funds, took arbitrary decisions in assessing the admissibility and feasibility of works recommended by MPs and rejected the recommended works on flimsy grounds. Many a time, the District Authorities did not take decision on MPs recommendations within 45 days as required in the Guidelines and did not even intimate the MPs the reasons in cases of rejections. The Committee are

perturbed to note that in certain cases, no action could be taken against the erring officers for years even when the Committee raised the issue repeatedly and constantly with the Ministry of Statistics and Programme Implementation. To the utter surprise of the Committee, the Ministry simply kept on writing letters and reminders to the concerned State authorities after being questioned every time by the Committee. The Committee are rather shocked by the response from the Secretary to the Ministry of Statistics and Programme Implementation that in a federal structure, no action can be taken against the officers responsible for violating the Guidelines who are working under State Governments. While disagreeing with the helplessness shown by the Ministry with regard to the issue of taking action against erring officers, the Committee are of the opinion that the Ministry should first of all put in their best efforts in identifying and getting the responsibility fixed in respect of the officers committing such violations and then pursue the matter vigorously at the highest level, if needed, for taking appropriate action under the rules as per law of the land, including criminal prosecution. In case it is felt that action is being delayed or no action is being taken in such cases by the concerned State Government, the Ministry of Statistics and Programme Implementation should communicate their displeasure at the highest level to the State Government. In case where the concerned officer against whom action has to be taken belongs to All India Services, the Ministry of Statistics and Programme Implementation should also bring the matter to the notice of Department of Personnel and Training (DoPT), Ministry of Personnel, Public Grievances and Pensions for appropriate action on their part. The Committee also recommend that as a deterrent, the Ministry of Statistics and Programme Implementation should insert an appropriate clause in the Guidelines specifying clearly that action under the relevant Rules would be taken against the erring officers found guilty of violating the guidelines and indulging in corrupt practices with a Compliance Report from his / her immediate controlling officer within a month to the Nodal Ministry.

(Para No. 10.25)

The Committee note that most of the district authorities functioning under the State Governments are the officers of All India Services. The officers of All

India Services are appointed to a State cadre by the President of India and their services are placed under the control of respective State Governments. It is also noted in the light of information received from DoPT that if there is any specific charge of violation or misconduct against any officer of the All India Services functioning under the control of State Government, the preliminary enquiry can be conducted by the State Government on the initiation of the Ministry of Statistics and Programme Implementation, Government of India, which is the nodal Ministry for MPLAD Scheme, or on the recommendations of the Parliamentary Committee on MPLADS. In case lapses on the part of the officers of the All India Services or the State Services are brought out in the preliminary enquiry, the competent disciplinary authority in the State Government can initiate disciplinary proceedings under relevant rules after obtaining preliminary explanation of the concerned officers who have been found responsible for the act of omission. In the cases relating to the officers of All India Services, the Committee have been given to understand by the DoPT, Ministry of Personnel, Public Grievances and Pensions of Government of India that on being apprised of such cases by the nodal Ministry of Statistics and Programme Implementation, they can keep them in their record and when those officers opt to come to Government of India on deputation, they will inform the State Government that the officer would be taken on deputation only if the State Government clarifies to them as to what action has taken against those officers for violation of the MPLAD Guidelines.

(Para No. 10.26)

The Committee, therefore, recommend that the Ministry of Statistics and Programme Implementation should invariably bring all cases relating to lapses, violation and misconduct in MPLAD Scheme on the part of officers of All India Services working under State Governments to the notice of DoPT, Government of India and DoPT on their part should pursue the reported cases with the concerned State Government for action. The DoPT should place such cases in their record and should act appropriately to as per existing rules and provisions.

Action taken by the Ministry

As already intimated to the Committee, in a federal structure, no action can be taken by this Ministry against the officers belonging to All India Services and State Services working under the State/UT Governments. Whenever instances of any irregularity or violation of Guidelines come to the notice of this Ministry, the State Govts. are asked to take immediate action for investigation of the matter. However, as recommended by the Committee, Ministry would report all the cases of lapses, violation and misconduct in MPLAD Scheme on the part of officers of All India Services working under State/UT Governments of DOP&T for appropriate action.

Observation/Recommendation

The Committee further recommend that the DoPT should take appropriate steps to ensure that a module regarding all aspects of MPLAD Scheme is introduced in the training programme of the officers of Indian Administrative Service at the Lal Bahadur Shastri National Academy of Administration at Mussorie. The IAS officers including the district collectors should be made to attend orientation programmes on MPLAD Scheme as a part of their mid-career training programme also in order to sensitize them about the need for proper, complete and time-bound implementation and effective monitoring of MPLAD Scheme in a responsible manner. The nodal Ministry in Government of India i.e. the Ministry of Statistics and Programme Implementation should also be associated in such training and orientation programmes. The MPLADS Committees of both the House of Parliament should also be apprised from time to time of the action taken.

(Para No. 10.28)

Action taken by the Ministry

The Secretary, DOPT had already assured action regarding training module on MPLADS in the Training Programme of the Officers of Indian Administrative Services at LBSNA, Mussorie, during the meeting of the Committee held on 20-06-2008. In this regard the Ministry has also written a

letter to DOP&T requesting them to include a module regarding all aspects of MPLAD Scheme in the training programme of the officers of Indian Administrative Services at the Lal Bahadur Shastri National Academy of Administration at Mussorie.

Observation/Recommendation

The Committee note that the Ministry has woken up very late and taken monitoring of MPLADS works implementation a bit seriously now a software has been developed and launched on 30 December 2004 by the Ministry of Statistics and Programme Implementation. The facilitated substantial improvement in the data entry in the software but the Committee had observed during their study visit to different parts of India and especially to Goa on 9 February 2008 that many of the works were rejected on flimsy grounds and district agencies are not properly maintaining asset registers of the completed works. The Central government has not taken concrete action on the findings of the audit reports, the Planning Commission's Evaluation Report and complaints received from the Members of Parliament. Not only this, the Ministry was not in a position to remove misconception about this scheme at various for a including the press and electronic media. The Committee are also unhappy to note that the Ministry was unable to get pending instalments released of a number of MPs.

(Para No.10.29)

Action taken by the Ministry

The Ministry has taken into consideration the suggestions/ recommendations made in the Planning Commission's evaluation report, findings in audit reports and complaints received from the Members of Parliament and incorporated appropriate provisions in the Guidelines for a smooth release of funds based on the requisite documents. For creating awareness about the benefits of the Scheme among the general public, a new provision is under consideration. Release of funds, can be made only after receipt of the requisite documents as per para 4.3 showing progress on the previously released funds. The Ministry regularly communicates with the District Authorities for obtaining the requisite documents required for release of funds. As a pro-active measure, the Ministry reasonably reacts to the media and press for removing misconception about the Scheme.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY
THE GOVERNMENT

Observation/Recommendation

On a pointed criticism of the MPLAD Scheme that the scheme usurped the powers of the Executive by the Legislature, interference by MPs and Central Ministry in the functioning of District Administration was against the basic tenets and philosophy of the Constitution, diverted funds from rural and local bodies increased the areas of conflict between District Administration and Panchayati Raj bodies, the Committee in their Thirteenth Report had observed that the issue of constitutional validity of the scheme was pending before the Hon'ble Supreme Court. As the matter was *sub judice*, the Committee did not give any recommendation in this regard at that stage. The Committee had also observed that the scheme did not interfere in the functioning of District Administration and in no way compromised with the District planning process. The Committee were of the view that the scheme had been conceptualized to supplement the efforts of the State and the District Administration in planning and execution of developmental projects and plug the resource gap between the Central and State Government's funds.

(Para No. 1.12)

The Committee still hold the same view and disagree with the view point that the concept of MPLAD scheme is against the parliamentary system, demarcation of powers in the federal system, democratic decentralization and responsibility and accountability for moneys withdrawn from the public exchequer. The Committee note that the scheme is sponsored by the Central Government and money is directly disbursed to the district authorities who are responsible for its execution. Under the Scheme, the MPs merely recommend works under this scheme and they are in no way involved in its sanction and execution in any manner. The scheme is for the welfare of the common people and MPs being their representatives, play the role of mitigating the people's grievances and their locally felt needs. In this regard, the Committee also take

note of the role being played by an MP in the District Level Vigilance & Monitoring Committee which comprises a senior MP (Lok Sabha) as Chairperson and public representatives and civil servants from the State and the Union Governments, as Members and meet at least once every quarter. The primary responsibility of this Committee is to effectively monitor the implementation of the schemes and programmes of the Ministry of Rural Development as per the relevant Guidelines and also ensure that the funds are used for the purpose of which they are meant. The Committee inter alia undertake both Input Monitoring (i.e. whether resources are being mobilized as planned) and Output Monitoring (i.e. whether services and projects are being delivered on schedule) besides looking into complaints / alleged irregularities received by them, in respect of the implementation of the Programmes, including complaints of wrong selection of beneficiaries, mis-appropriation / diversion of funds of various Schemes of the Ministry and recommend follow-up action. As such an MP involves himself in this process much more than in the MPLAD Scheme where his role is restricted to merely recommending works to the District Authority. The role of MPs in this scheme, thus, cannot be categorized as against parliamentary system and encroachment of the powers and functions of Executive by the legislators. Besides the works suggested by MPs are only recommendatory in nature and the sanction, execution and monitoring is done by the District Authorities under the provisions made in the guidelines on MPLADS issued by the Union Ministry of Statistics and Programme Implementation, which is responsible for the policy formulation, release of funds and prescribing monitoring mechanism for implementation of the scheme. The Committee are of the firm opinion that the scheme is only supplementary to other Central and State Schemes. As the MPs are not being given grants/funds, mere recommendation of works of locally felt needs by them cannot be termed as substitution of important parliamentary work by MPs. Rather, the scheme seems to meet on priority those felt needs of the constituents which otherwise may not find place in ordinary planning. As regards the loopholes, lapses and misutilization of MPLAD funds, the corrective and the remedial measures can be taken by the Government in consultation with C&AG of India, if required.

The Committee note that the Parliament has not shied away from taking action against its own Members for improper conduct as recommended by the Committee constituted by the Hon'ble Speaker to inquire into allegations of improper conduct on the part of some Members in the matter of implementation of MPLAD Scheme that the membership of four Members, viz. Sarvashri Alemao Churchill, Paras Nath Yadav, Faggan Singh Kulaste and Ramswaroop Koli be suspended from 20 December 2005 to 22 March 2006 for not finding their conduct above board. The Committee are of the view that for mitigating the criticism of rampant corruption in this Scheme, proper mechanism is already available as per the law of the land and no one, including MPs, is above law.

(Para 1.14)

While appreciating the initiatives taken by the Ministry of Statistics and Programme Implementation for plugging the loopholes in implementation of the scheme and strengthening the monitoring mechanism as well, the Committee fully endorsed the view of the Ministry that the scheme attempts to foster a symbiotic relationship between the people and their representatives, in an innovative manner and the MPLAD Scheme is basically a constituency development scheme in which the MP plays a catalytic role. The Committee have been informed by the Ministry that their study report shows the impact of the scheme as perceived at the grassroots level and the majority voted that the created assets have met their needs and improved the quality of life. The Committee had also, during the course of examination of the subject "MPLAD Scheme – A Review" invited suggestions/opinions of various Ministries of Union Government, State Governments/UTs Administration, Ministers, MPs, ex-MPs, individuals and organizations/NGOs through letters/open advertisements in the Press. About 200 suggestions on the MPLAD Scheme were received in the Committee Secretariat. The comments of the Ministry of Statistics and Programme Implementation were also obtained on those suggestions. Committee infer from the suggestions received that almost all the respondents have favoured the scheme. However, they had suggested some changes in implementation as well as monitoring aspects of the Scheme. The Committee will be dealing with these suggestions issue-wise in subsequent paragraphs.

(Para 1.17)

Action taken by the Ministry

The Committee discussed all the comments/information provided to them on various points and hence, requires no comments.

Observation/Recommendation

The Committee take note of the performance appraisal of the Scheme which *inter-alia* shows that percentage utilization over release has increased from 54.59% as on 31 March 1998 to 90.14% as on 31 March 2007. The percentage of cumulative works completed to cumulative works sanctioned has also increased from 80.14% as on 31 March 2004 to 90.58% as on 31 March 2008. Introduction of Utilization and Audit Certificates since 2005 onwards for release of second instalment of funds has certainly strengthened the financial discipline under the Scheme.

(Para No. 2.6)

Action taken by the Ministry

Consequent upon introduction of Utilization and Audit Certificates since 2005 onwards for release of second instalment of funds, utilization of funds and thereby the performance of the Scheme has improved. As on 26.02.2009, Rs. 20045.25 crore has been released since inception of the Scheme and as reported by the Districts, an expenditure of Rs. 18437.73 crore has been incurred. The percentage utilization over release is **92.25%**.

As on 26.08.2009, 12.79 lakh works have been recommended by the Members of parliament, district authorities have sanctioned 11.42 lakh works and 10.41 lakh works are reported to be completed. The percentage of works completed to sanctioned at the national level is 96.89.

Observation/Recommendation

The Committee appreciate the performance of the Scheme and note that the Scheme has benefited the local community by meeting their locally felt developmental needs and has significantly contributed towards providing infrastructure at the grassroots level in the fields of education, health, roads, drinking water, irrigation, sanitation, etc. and observe that there is still a lot of scope for improvement in the performance and monitoring of the scheme by putting all the information on the website including submission of Monthly Progress Report, strengthening the monitoring mechanism, devising mechanism for timely furnishing of utilization and audit certificates which need to be addressed without any delay.

(Para No. 2.7)

Action taken by the Ministry

In November, 2004, the works monitoring software was launched on the MPLADS website, i.e., www.mplads.nic.in to enable further transparency and accountability.

Out of the 430 nodal districts, data regarding details or works sanctioned, completed, on-going, etc. has been uploaded from 423 **districts**.

As on 15.07.2009, data in respect of 2098 MPs have been uploaded. Of these, 1582 belong to the Lok Sabha (current and previous periods), with 522 belonging to the 14th Lok Sabha and 1060 belonging to the previous Lok Sabha. Data in respect of 516 Rajya Sabha MPs (sitting and previous) have been entered, of which 181 are of sitting MPs and 335 are previous MPs.

Efforts are being made to upload data from all districts and also complete details of works sanctioned, completed along with utilization of funds. The Ministry has embarked on an initiative for online Monthly Progress Reports and instructions have been issued to States/UTs to operationalise online submission of Monthly Progress Reports, along with the current hard copies. When it is fully operationalised, it will be available on the web-site and the hard copy of the

Monthly Progress Report would be dispensed with. The Ministry also constantly remains in touch with the District Authorities for timely submission of utilization & Audit certificates.

Observation/Recommendation

The Committee after pursuing more than 200 suggestions received on the subject under examination besides taking note of evidence adduced on the subject by Ministry of Statistics and Programme Implementation, Department of Personnel and Training and Ministry of Law and Justice, find that only two suggestions from individuals were received favouring scrapping of this Scheme. All other suggestions are in favour of continuance of the Scheme, though any of individuals suggested for improvements/amendments in the guidelines for better and effective implementation of the same. All the respondents who have suggested amendments in the guidelines and have not specifically advocated for discontinuance of the scheme can be construed to be in favour of continuance of the Scheme. In view of the benefits of the Scheme, the Committee strongly recommend for continuance of the Scheme.

(Para No. 2.8)

Action taken by the Ministry

The matter was examined in the Ministry and an EFC Memo in this regard was prepared and sent to Department of Expenditure, Ministry of Finance and the Planning Commission for appraisal vide letter dated 22nd August, 2008. The Department of Expenditure has informed this Ministry vide letter dated 05.01.2009 that the proposal has not yet been appraised by the Planning Commission and their input is necessary before the scheme is examined by the EFC. Now, the Planning Commission has informed vide letter dated 12.03.2009 that given the scarcity of resources, they are not in favour of an increase in the Annual Allocation for MPLAD Scheme. They have also informed that they would appraise the proposal only after a judgment is delivered by the Supreme Court in respect of a number of cases pending in the Supreme Court in this regard and also when there is clarity on availability of additional funds. These comments

have been forwarded to Ministry of Finance, Department of Expenditure, New Delhi.

Observation/Recommendation

The Committee note that despite the problem of shortage of manpower and constraints in having effective control over the officials of State/UT Governments in our federal structure, the Ministry of Statistics and Programme Implementation are taking several steps to improve monitoring of the implementation of the scheme, like engaging NABARD Consultancy Service (NABCONS) for full-scale appraisal of the MPLAD Scheme in selective districts and enabling universal online access of details of works under MPLAD Scheme among other things. The Committee are of the opinion that the Ministry of Statistics and Programme Implementation being the custodian of MPLAD funds which are being spent by the State Authorities which are not under their direct control, have greater responsibility for having a vigilant eye over all the expenses being spent towards MPLADS works. The Committee feel that in order to strengthen transparency and accountability under the Scheme, the physical monitoring of the Scheme has to be strengthened and the Ministry should work to equip themselves with adequate manpower and mobilize them for proper physical monitoring in every nook and corner of the country. The Committee appreciate the step of engaging NABCONS for physical monitoring of works in selected districts and recommend that the scope of engaging independent agency like NABCONS for full-scale appraisal of MPLAD works should be explored by the Ministry. The Committee would like to be apprised of the outcome of the monitoring undertaken by the NABCONS.

(Para No. 10.21)

Observation/Recommendation

The Committee are of the view that in the age of modern era of information technology, the dependency on the physical transmission of the reports/documents/data/information from districts to Centre is obsolete and the Ministry should expedite efforts for implementing online transmission of Monthly Progress Reports in revised format to incorporate maximum information on

working of the scheme including the position of pending works/recommendations. In order to make the process of release of funds smooth, quick and hassle free, the Ministry should also undertake the task of shifting to electronic transfer of MPLAD funds on a war footing and keep the Committee informed about the achievements from time to time.

(Para No. 10.22)

Action taken by the Ministry

The Ministry does not have the manpower for physical monitoring of the Scheme. The Ministry has embarked on physical monitoring through NABARD Consultancy services. So far 73 districts have been covered and 60 more districts are to be covered during the financial year 2009-2010. More information would soon be available on the website to make the Scheme more transparent. The transfer of MPLADS funds to the District Authorities electronically is at finalization stage. The Committee would be informed about the progress in due course.

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(Para No. 10.25)

The Committee note that most of the district authorities functioning under the State Governments are the officers of All India Services. The officers of All

India Services are appointed to a State cadre by the President of India and their services are placed under the control of respective State Governments. It is also noted in the light of information received from DoPT that if there is any specific charge of violation or misconduct against any officer of the All India Services functioning under the control of State Government, the preliminary enquiry can be conducted by the State Government on the initiation of the Ministry of Statistics and Programme Implementation, Government of India, which is the nodal Ministry for MPLAD Scheme, or on the recommendations of the Parliamentary Committee on MPLADS. In case lapses on the part of the officers of the All India Services or the State Services are brought out in the preliminary enquiry, the competent disciplinary authority in the State Government can initiate disciplinary proceedings under relevant rules after obtaining preliminary explanation of the concerned officers who have been found responsible for the act of omission. In the cases relating to the officers of All India Services, the Committee have been given to understand by the DoPT, Ministry of Personnel, Public Grievances and Pensions of Government of India that on being apprised of such cases by the nodal Ministry of Statistics and Programme Implementation, they can keep them in their record and when those officers opt to come to Government of India on deputation, they will inform the State Government that the officer would be taken on deputation only if the State Government clarifies to them as to what action has taken against those officers for violation of the MPLAD Guidelines.

(Para No. 10.26)

The Committee, therefore, recommend that the Ministry of Statistics and Programme Implementation should invariably bring all cases relating to lapses, violation and misconduct in MPLAD Scheme on the part of officers of All India Services working under State Governments to the notice of DoPT, Government of India and DoPT on their part should pursue the reported cases with the concerned State Government for action. The DoPT should place such cases in their record and should act appropriately to as per existing rules and provisions.

Action taken by the Ministry

As already intimated to the Committee, in a federal structure, no action can be taken by this Ministry against the officers belonging to All India Services and State Services working under the State/UT Governments. Whenever instances of any irregularity or violation of Guidelines come to the notice of this Ministry, the State Govts. are asked to take immediate action for investigation of the matter. However, as recommended by the Committee, Ministry would report all the cases of lapses, violation and misconduct in MPLAD Scheme on the part of officers of All India Services working under State/UT Governments of DOP&T for appropriate action.

Observation/Recommendation

The Committee further recommend that the DoPT should take appropriate steps to ensure that a module regarding all aspects of MPLAD Scheme is introduced in the training programme of the officers of Indian Administrative Service at the Lal Bahadur Shastri National Academy of Administration at Mussorie. The IAS officers including the district collectors should be made to attend orientation programmes on MPLAD Scheme as a part of their mid-career training programme also in order to sensitize them about the need for proper, complete and time-bound implementation and effective monitoring of MPLAD Scheme in a responsible manner. The nodal Ministry in Government of India i.e. the Ministry of Statistics and Programme Implementation should also be associated in such training and orientation programmes. The MPLADS Committees of both the House of Parliament should also be apprised from time to time of the action taken.

(Para No. 10.28)

Action taken by the Ministry

The Secretary, DOPT had already assured action regarding training module on MPLADS in the Training Programme of the Officers of Indian Administrative Services at LBSNA, Mussorie, during the meeting of the Committee held on 20-06-2008. In this regard the Ministry has also written a

letter to DOP&T requesting them to include a module regarding all aspects of MPLAD Scheme in the training programme of the officers of Indian Administrative Services at the Lal Bahadur Shastri National Academy of Administration at Mussorie.

Observation/Recommendation

The Committee note that the Ministry has woken up very late and taken monitoring of MPLADS works implementation a bit seriously now a software has been developed and launched on 30 December 2004 by the Ministry of Statistics and Programme Implementation. The facilitated substantial improvement in the data entry in the software but the Committee had observed during their study visit to different parts of India and especially to Goa on 9 February 2008 that many of the works were rejected on flimsy grounds and district agencies are not properly maintaining asset registers of the completed works. The Central government has not taken concrete action on the findings of the audit reports, the Planning Commission's Evaluation Report and complaints received from the Members of Parliament. Not only this, the Ministry was not in a position to remove misconception about this scheme at various for a including the press and electronic media. The Committee are also unhappy to note that the Ministry was unable to get pending instalments released of a number of MPs.

(Para No.10.29)

Action taken by the Ministry

The Ministry has taken into consideration the suggestions/ recommendations made in the Planning Commission's evaluation report, findings in audit reports and complaints received from the Members of Parliament and incorporated appropriate provisions in the Guidelines for a smooth release of funds based on the requisite documents. For creating awareness about the benefits of the Scheme among the general public, a new provision is under consideration. Release of funds, can be made only after receipt of the requisite

documents as per para 4.3 showing progress on the previously released funds. The Ministry regularly communicates with the District Authorities for obtaining the requisite documents required for release of funds. As a pro-active measure, the Ministry reasonably reacts to the media and press for removing misconception about the Scheme.

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES

OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Observation/Recommendation

The Committee note that the allocation of MPLAD fund per constituency per year was made Rs. 2 crore in the year 1998. In view of the growing demands for developmental works for the people in every constituency, the Committee have been recommending for the enhancement of the allocation vide their Second, Ninth and Thirteenth Reports which were presented to Lok Sabha in August 2000, December 2001 and December 2006, respectively. Committee had been informed that in many States the allocations under MLA Local Area Development Scheme are reasonably high like Rs. 2 crore per MLA per year in Delhi, Rs. 1.25 crore per MLA per year in Uttar Pradesh, Rs. 80 lakh per MLA per year in Rajasthan, etc. If a comparison is made between MLALAD Scheme and MPLAD Scheme, the Parliamentary constituency is much bigger than the Assembly constituency and in many cases there are as many as 6-10 Assembly segments in a Parliamentary constituency. In Delhi, for example, there are 7 Parliamentary constituencies while the number of Assembly constituencies is 70. Moreover, the Committee also feel that coupled with the cost escalation, it has become difficult for Members of Parliament to keep pace with development of their vast constituencies with the meagre amount of Rs. 2 crore presently allocated under the Scheme. Over a decade when the MPLAD fund allocation was fixed at Rs. two crore, even the enhancement of the allocation upto Rs. 5 crore may not serve the purpose in the present scenario. The Committee do not agree with the stand taken by the Ministry of Statistics and Programme Implementation that in view of the recent report of the Administrative Reforms Commission and the Supreme Court case challenging the Constitutional validity of the Scheme, this matter could be examined only after the decision of the Supreme Court. It is strange that on one hand the Ministry take shield under the pretext that the issue is pending before the Supreme Court which has never forbidden the execution of the scheme, on the other hand they assure that the proposal for enhancement is under examination. In view of the foregoing and keeping in mind the suggestions received in this regard, the Committee recommend that annual allocation under MPLAD Scheme per constituency may be raised upto Rs. 10 crore with effect from the next financial year, i.e. 2009-10.

(Para No. 3.4)

Action Taken by the Ministry

The matter was examined in the Ministry and an EFC Memo in this regard was prepared and sent to Department of Expenditure, Ministry of Finance and the Planning Commission for appraisal vide letter dated 22nd August, 2008. The Department of Expenditure has informed this Ministry vide letter dated 05.01.2009 that the proposal has not yet been appraised by the Planning Commission and their input is necessary before the scheme is examined by the EFC. Now, the Planning Commission has informed vide letter dated 12.03.2009 that given the scarcity of resources, they are not in favour of an increase in the Annual Allocation for MPLAD Scheme. They have also informed that they would appraise the proposal only after a judgment is delivered by the Supreme Court in respect of a number of cases pending in the Supreme Court in this regard and also when there is clarity on availability of additional funds. These comments have been forwarded to Ministry of Finance, Department of Expenditure, New Delhi.

Observation/Recommendation

The Committee note that as per the existing provisions of the Guidelines, District Authority is the only competent Authority to sanction / reject the works recommended by MPs under this Scheme. In the existing Guidleines there is no mechanism for redressal of grievances of MPs in case of rejection of recommended works by District Authority where MPs consider those works to be admissible.

(Para No. 6.13)

The Committee further take note of all the above views on this issue and find that most of the Departments / State Governments who had given their views to the Committee on this issue were of the opinion that there is an urgent need for devising a mechanism through which grievances of Members (MPs) regarding rejected works (which are otherwise admissible under Guidelines) may be addressed by providing for an appellate authority against the decisions taken by the District Authority. After indepth deliberations on this issue, the Committee are of firm view and strongly recommend that it would be appropriate that all the rejected proposals (recommendations) along with necessary documents and reasons / grounds of rejection are invariably forwarded to the Divisional Commissioner by the District Authority within 7 days of their rejection under intimation to the concerned MP. The Divisional Commissioner shall cause to review and decide the fate of those proposals / recommended works within 30 days of the receipt of the same. If required, the Divisional Commissioner can seek the comments / clarifications from the Ministry of Statistics and Programme Implementation. The Committee further recommend that if a member is not satisfied with decision taken on the proposal / recommendation of work at the level of Divisional Commissioner or no decision is taken by the Divisional Commissioner within stipulated period of 30 days, he shall be at liberty to approach Ministry of Statistics and Programme Implementation in writing for clarifications on this issue. If Ministry of Statistics and Programme Implementation comes to the conclusion that proposal / recommended work is admissible under the Guidelines, District Authority shall proceed to execute the works as per directions of the Ministry of Statistics and Programme Implementation by following established procedure. In case the Ministry of Statistics and Programme Implementation intend to take a decision against the proposal/recommendation of the Member, the concerned Parliamentary Committee on MPLADS may be consulted by the Ministry before asking final decision. MP may also approach the Committee on MPLADS of the concerned House who shall cause to refer the issue to Ministry of Statistics and Programme Implementation or examine / investigate the matter and if required, report to the House on the issue with necessary recommendations, if any, to the Govt. of India (Ministry of Statistics and Programme Implementation). A suitable paragraph may be inserted in the existing Guidelines providing for such a mechanism in the existing Guidelines.

(Para No. 6.14)

Action taken by the Ministry

The Ministry of Statistics & PI is the nodal department and will be the final authority in respect of disputes/grievances.

Observation/Recommendation

The Committee note that as per the comments of the Ministry of Statistics and Programme Implementation, suggestion regarding public / community contribution is covered in the provisions of paras 3.17 and 3.18 of MPLADS Guidelines. In the suggested Schemes i.e. Rajiv Gandhi Grameen Vidyutikaran Yojana and Village Energy Security Projects, 90% of the systems costs is stated to be met by the Ministry of Non-Conventional Energy Sources and balance 10% cost is stated to be mobilized by State Agencies / beneficiaries, NGOs, etc. which has been a constraint in some of the States. It has been suggested that 10% cost can be tapped from MPLADS funds. The Committee are constrained to observe that reply given by the Ministry is not specific and complete to the suggestion of the Ministry of Non-Conventional Energy Sources. Their reply does not seem to be correct as there is no mention of convergence of MPLAD Scheme for meeting out the share to be contributed by beneficiaries, NGOs, etc.

(Para No. 7.4)

The Committee are of the opinion that the Public and Community in some of the areas may be so poor, particularly those inhabited by SC/STs and / or in remote areas that they are not able to contribute their share to such Schemes / Programmes and for want of that contribution, those Central / State Govts. Welfare Schemes might not be implemented in those areas at all.

The Committee do not find any sound logic and valid reasoning in the view of the Ministry of Statistics and Programme Implementation for not allowing the public / community contributions at all out of MPLADS funds because ultimately all Central / State Schemes / Programme are for the welfare of the community as a whole.

(Para No. 7.6)

The Committee further note that MPLAD Scheme can be converged with the Central and State Governments Schemes provided such works are eligible under the Guidelines. Community contribution share of the Schemes under suggestion is not permissible and it would be in the interest of the public particularly of the areas inhabited by SC/STs to make a provision for community contribution share out of MPLADS funds.

(Para No. 7.7)

The Committee appreciate that the existing provision must have been included in these Guidelines so as to provide for public / community audit / accountability in respect of the contributions made by them and strongly recommend that it would be appropriate, while retaining the existing provision, a provision may be included in the Guidelines that if certain proposals relating to substitution of Public/Community Contribution in SC/STs inhabited areas out of MPLAD funds are brought before the concerned Committee on MPLADS and those proposals are approved by the Committee, then Member concerned may be authorized to substitute the public / community contribution in central / state Govt. Schemes / Programmes where there is a component of such contribution. For facilitating such a provision in the existing Guidelines a suitable proviso may be inserted after the existing paragraph 3.20.

Action taken by the Ministry

The issue relating to substitution of public contribution with MPLADS funds had been deliberated upon in various meetings of the Committee. The Secretary, M/o Rural Development was also summoned in one of the meetings for her views on substitution of public contribution in "Swajaldhara Scheme". After taking into consideration the objectives of the provisions, it is felt that substitution of community contribution would go against the very philosophy and rationale of community involvement and empowerment.

Observation/Recommendation

The Committee have, since insertion of the definition of family in the Guidelines in November 2005, been taking a categorical stand that the definition of family adopted in the Guidelines is too broad and it should be restricted to a reasonable limit. In the Thirteenth Report, the Committee had reiterated that the definition of family for the purpose of MPLADS should be restricted to blood relatives only. However, the Ministry of Statistics and Programme Implementation didn't accept the recommendation of the Committee and with the intention to continue with the same definition of family as stated in para 3.21 of the Guidelines, quoted the opinion of the Department of Legal Affairs that in the context in which the definition of the family is proposed to be used, there may not be any legal objection to continue with the definition of the family given in MPLADS. However, the Secretary, Department of Legal Affairs submitted before the Committee that different definitions of family are being adopted in different contexts and there is no legal issue involved in that. According to the Secretary, Department of Legal Affairs, the definition of the family can be modified to the extent that it is in consonance of the object of the scheme. The Committee feel that one important object of the scheme is to assist different beneficial and developmental works. Many developmental and public welfare works are undertaken by many societies, trusts, private organizations, institutions, etc. The Committee are of the opinion that defining the family in a broader way as in the extant guidelines, restricts the purpose of the Scheme. The Committee feel that the approach adopted by the Ministry of Statistics and Programme Implementation is rigid and predetermined and strongly recommend that the definition of the word 'family' may be suitably amended in the following manner:-

"The family members would include :-

- "(i) MP and his/her spouse;
- (ii) Sons and daughters of MP and their spouses;
- (iii) Parents of MP and his/her spouse;
- (iv) Brothers and sisters of MP and his/her spouse;
- (v) Spouses and children of the brothers and sisters of the MP and his/her spouse; and
- (iv) Grandchildren of MP."

(Para No. 8.15)

Action taken by the Ministry

The Ministry feels that the present definition of family is an inclusive definition and is necessary in view of criticism of the Scheme.

CHAPTER IV

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Action taken by the Ministry

The Ministry feels that the present definition of family is an inclusive definition and is necessary in view of criticism of the Scheme.

New Delhi

23 February , 2010 4 Phalguna, 1931 (Saka) A.K.S. VIJAYAN
Chairman,
Committee on Members of Parliament
Local Area Development Scheme
(Lok Sabha)

CONFIDENTIAL

MINUTES OF THE THIRD SITTING OF THE COMMITTEE ON MEMBERS OF PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME, LOK SABHA (2009-10)

The Committee sat on Wednesday, 9 December, 2009 from 1530 hours to 1615 hours in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Shri Rudramadhab Ray In the Chair

MEMBERS

- 2. Dr. Rattan Singh Ajnala
- Dr. Pulin Bihari Baske 3.
- 4. Dr. Kakoli Ghosh Dastidar
- 5. Adv. Ganeshrao Nagorao Dudhgaonkar
- 6. Shri Kaushalendra Kumar
- 7. Shri Shripad Yesso Naik
- 8. Shri Jagdambika Pal
- 9. Shri Tufani Saroj
- 10. Shri Vijay Inder Singla

SECRETARIAT

Shri S. Bal Shekar Shri Hardey Singh -1. Joint Secretary

2. Shri Hardev Singh Director

Shri C. Kalyanasundaram -3. **Under Secretary**

2. Since the Chairman of the Committee (Shri A.K.S. Vijayan) could not attend the sitting of the Committee due to unavoidable reasons, the Committee chose Shri Rudramadhab Ray, Member of the Committee to act as Chairman for the meeting under Rule 258 (3) of the Rules of Procedure & Conduct of Business in Lok Sabha.

3. The acting Chairman welcomed the Members of the Committee. Thereafter, the Committee took up for consideration the draft Report on action taken on the recommendations contained in the 15th Report of the Committee on MPLADS of Fourteenth Lok Sabha on the subject "MPLADS – A Review" and adopted the same with the following modifications:-

Page No.	Para No.	Line	Modifications/addition
			as
5	10	3	After : today
			Add: Particularly when
			the prices of
			construction materials
			such as cement, steel,
			etc. have risen many
			times and the value of
			rupee has eroded
			almost by 50 percent
			since 1998.

4. The Committee authorized the Chairman to finalise the Report in the light of the above modification and other consequential changes, if any, and present the same to the House.

The Committee then adjourned.

APPENDIX II

(Vide para 4 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE FIFTEENTH REPORT OF THE COMMITTEE ON MPLADS (14TH LOK SABHA)

- I. Total number of recommendations 21
- II. Recommendations which have been accepted 09 by the Government: (42.85%)

Para Nos:- 1.12-1.14, 1.17, 2.6-2.8, 10.21-10.22, 10.23, 10.24, 10.25-10.27, 10.28 and 10.29

III. Recommendation which the Committee do not 06

Desire to pursue in view of Government's reply: (28.58%)

Para Nos:- 4.6- 4.9, 5.12, 10.30, 10.32, 10.33 and 11.8

IV. Recommendations in respect of which replies of the 04
Government have not been accepted by the Committee: (19.05%)

Para Nos:- 3.4, 6.13-6.14, 7.4-7.8 and 8.15

V. Recommendation in respect of which final reply of the 02 Government is still awaited : (09.52%)

Para Nos:- 9.5 and 10.31