

Evaluation Report on Member of Parliament Local Area Development Scheme

Executive Summary

Objective of MPLADS

Member of Parliament Local Area Development Scheme (MPLADS) was introduced in December 1993. The objective is to enable the Members of Parliament (MP) to suggest and get executed developmental works of capital nature based on locally felt needs with emphasis on creation of durable assets.

Administration

The Ministry of Rural Development initially administered the scheme. Since October 1994 it has been transferred to the Ministry of Statistics and Programme Implementation (henceforth, the Ministry). The Ministry prepared guidelines of the scheme and amended this from time to time.

The Ministry of Statistics and Programme Implementation is the administrative ministry for the scheme at the Centre. At the level of States, each State and Union Territory designates one nodal department for effective implementation of the scheme and co-ordination with the Ministry at the Centre. The head of the district, where the MP recommends works, is responsible for implementation at the ground level. The authority and power to receive fund from the centre, to sanction the works recommended by MPs, to get the work executed and to ensure maintenance of the assets created are vested in him.

Recommendation of Works

Under this scheme each elected member of Lok Sabha suggests developmental works in his constituency. The elected member of Rajya Sabha can recommend works in any district of his State. A nominated member can suggest work in only one State of his choice¹.

Each MP can recommend to the District Collector developmental works, expenditure on each work generally not exceeding Rs. 10 lakhs (enhanced to Rs.25

¹ The guidelines have been amended while this study was in progress. The amended version reads as follows:
“Nominated members can suggest works in one or more districts anywhere in the Country.”

lakhs while this study was in progress) up to a total expenditure of Rs. 2 crores every year.

The Study

The scheme has been in operation since 1993. However, no comprehensive evaluation of its performance has been undertaken. In view of the comments made by the Standing Committee on Finance in its second report on demand for grants (1998-99) and the CAG of India in its report covering the period 1993-97 regarding underutilization of funds and certain other inadequacies in implementation, the Ministry requested the Programme Evaluation Organisation (PEO) of Planning Commission to undertake this evaluation study.

This study aims at an assessment of the design, implementation and impact of the scheme and identifies the areas of weakness and strength for suitable midcourse corrective action for improved performance of the scheme.

Information Base for Study

The findings of the study are largely based on the data and information gathered for the reference period 1994-95 to 1998-1999 from a sample of MPs, State nodal departments, other development functionaries and local people through a set of structured schedules. These have been supplemented by published and unpublished records of Government departments and studies by other agencies. The evaluation team also held discussions with various respondents and cross-checked the field situation with records by personal visits to a number of work sites. Following are the details of the respondents interviewed in the survey.

The Sample Size

Unit Interviewed	Numbers
State Nodal Department	22
MP (Lok Sabha)	92
MP (Rajya Sabha)	25
District Collector	103
Development Functionary	590
Village/Urban Ward Level Knowledgeable person	590
Local people	2892

Findings of the Study

Choice of Districts

A large number of MPs have selected 1 or 2 districts for recommending works. However, there are quite a few districts in the sample where several Rajya Sabha MPs

have recommended works, in addition to the Lok Sabha MP. A disproportionately large amount of money is flowing into these districts out of MPLADS fund alone. Apart from uneven distribution of development fund across districts, this increases the workload for the Collectors and their officials leading to weak monitoring and supervision. Many of these districts are not among the less developed ones in the country/State.

Lack of adequate information available to MPs seems to be one of the contributing factors leading to such an undesirable situation. Many of the MPs do not have full information even about the works they have recommended. Adequate arrangements need to be made for making all relevant information available to the MP. These should cover not only MPLADS but other developmental activities as well. As many of the selected Rajya Sabha MPs have recommended works in the same district (e.g. Muradabad –10 MPs) in addition to recommendation of works by Lok Sabha MP, there is a need for greater co-ordination between the MPs of a state on one hand and between the MPs and nodal agencies on the other so that, appropriate district will be selected for development works. As Rajya Sabha MPs have a wider choice in the selection of district, information made available to MPs will help in proper selection of district. There is a need to lay emphasis on the completion of the selected projects.

Nature and Status of Works

Out of 25702 works recommended and sanctioned in 57 sample constituencies during 1993-99 those classified under *Roads & Bridges* and *Community Works* dominate constituting 29 and 24 percent respectively of the total. These are followed by *Education* and *Drinking Water and Sanitation* in that order.

Of these works, 17545 constituting about 68 percent of the total are reported to be complete while another 3531 (14%) are in progress and about 9 percent are yet to start. However, the current status of 2289 of these works, constituting about 9 per cent of the total, could not be known from Collector's office. This perhaps, is the result of weak monitoring and improper maintenance of records.

Recommendation of Works and Locally Felt Needs

An overwhelming majority of the MPs have taken locally felt needs into consideration while recommending works. However in as many as 148 out of 590 villages/wards where the works were/are being executed the heads of the village/ward suggested that *the MPs while recommending works should take the locally felt needs into account*. Also, 8.5 per cent of the 590 sample works were not found to be in use for the intended purpose. Locally felt needs perhaps vary across socio economic groups comprising the Society. A small group having easy access to the MP at times may impress upon him to recommend works according to *their* felt needs. Consequently the felt needs of many others may get overlooked.

The PRIs may be asked to provide a list of works to be recommended to the MP annually. This list may also be displayed conspicuously for public information. With such a list in hand it will be easier for the MP to prioritize the felt needs of various groups of people in order of importance. A majority of the recommendation of works originating from the PRIs will perhaps ensure that these are the pressing needs of the larger section of the population.

Allocation of Funds and Quality of Assets

Most of the MPs while allocating funds to individual works seem to be thrifty, despite the fact that there is large unspent balance of MPLADS. Both CAG of India and this evaluation team found financial mismanagement of the scheme and consequent inflated reporting of the amount spent. If these are taken account of; the percentage utilization of fund will be much lower than what is being officially reported.

All the works in the sample constituencies when cross tabulated by sectors and amount allocated depicts a distribution, which is skewed towards lower allocation irrespective of the sector. At the aggregate level about 46.4 percent of the works got an allocation less than Rs. 50 thousand while works with allocation of Rs. 5 lakhs or more constitute only 3.6 per cent of the works. Many of these small works are so small that one may classify these as *petty works*. A large number of these come under *Roads & Bridges*. The roads thus constructed are often *Kachcha* and of short length because of inadequate funds. Such roads often fail to connect effectively one village with another or the village with other important places. This perhaps, is not in conformity with the objective of creating durable assets.

Although there is a procedure to prepare a cost estimate by some concerned agency after the MP recommends the work, allocation of fund by MP is generally done without considering such estimates. Discussion of the evaluation team with development functionaries revealed that in majority of the cases allocation of fund is done simultaneously with recommendation of the work. Cost estimates are prepared afterwards and perhaps, made to conform to the amount allocated by the MP.

Knowledgeable persons of the 132 villages/wards out of 590 indicated that funds are not always allocated according to estimated cost of the asset to be created. As many as 23 of the sample Collectors are of the explicit opinion that the quantum of fund allocated by MPs is not enough in many cases to maintain the desired quality of the assets. Allocation of insufficient fund by MPs leaves many of the works incomplete, though often officially reported as complete, or completed by compromising the quality of the asset. In quite a few cases allocation by the MP had to be supplemented by funds from a number of sources to complete the work.

The asset intended to be created may be described in more detail so that its cost implication is clear. Such cost implication and necessary inter-agency coordination can then be taken account of while allocating fund. This will enable the MP to

allocate adequate funds for completion of the work leading to creation of a durable and useful asset. The MP may consider allocation of fund only after the cost estimate is prepared and the detailed work plan and coordination mechanism are made available to him. Perhaps, guidelines need to be changed so that funds are not spend thinly over a large number of projects.

The fund under the scheme being non-lapsable a large amount of unspent balance has accumulated which is rising over the years. Reasons for this, cited by Collectors and development functionaries, include recommendation of fewer works by some MPs and inadequate allocation for individual works. One solution to this problem, suggested by some of the MPs, is to make the fund lapsable. If the concerned MP fails to recommend enough works to cover the substantial part, say 80 percent, of the fund for the year the unspent balance may be returned to the Ministry at the Centre. Alternatively Department of Programme Implementation may consider allowing it to use as seed capital for self-help efforts by locals and NGOs. This provision, if made in the guidelines is likely to motivate the MPs to do away with the tendency to allocate inadequate fund for individual works.

Execution of Works

The executing agency is to be selected by the Collector with the limitation that it should be a Government department, Panchayati Raj Institution or a capable NGO of repute. In practice however, majority of the Collectors (57 out of 103) sought advice from the MP in selecting the executing agency. In some States, the MPs while recommending works and allocating funds also suggested the executing agencies.

Engagement of private contractors is not permitted. Almost all the Collectors claimed that no contractor is engaged for works under this scheme. However, as many as 272 of the 590 development functionaries conceded that the work has been actually executed by a contractor. They pleaded that this had to be done since the concerned Government department lacks necessary infrastructure. Local people also corroborated such facts.

Contractors are engaged generally taking shelter behind some technicalities. This also creates an atmosphere where many irregularities thrive. It will be better if the guidelines are amended accordingly and precise procedures specified for this purpose. Similarly, contingency charges are being claimed and sanctioned in many cases though not permitted in the guidelines. Many Collectors and other development functionaries expressed the view that the guidelines should be amended to allow for this.

Monitoring and Supervision

Monitoring and supervision is perhaps the weakest part of the scheme. This seems to be largely due to inadequate infrastructure available to the Collector vested with the responsibility.

Despite suggestion in the guidelines, the number of visits to the sites by the head of the district was far short of the norm. Only 4 out of 103 Collectors in the sample claimed to have personally visited 10 percent or more of the works. However, as many as 93 of them reported to have taken appropriate action on finding the progress unsatisfactory. These Collectors largely depended on other development functionaries for monitoring. The concerned MPs visited the site in 212 cases out of 590 sample works. Of these, in 132 cases, the MPs visited the sites only once. The concerned Collectors could visit the site in 143 cases, of which in 88 cases the visit was only once.

Out of 103 Collectors interviewed, 92 claimed to have sent the monitoring report to the Ministry as prescribed in the guidelines. However, a large number of Collectors seem to have failed to send monitoring reports to concerned MPs every 2 months. As many as 48 MPs out of 116 reported that they have not received such reports at all, while another 14 received it only occasionally.

As many as 82 of the Collectors disclosed that they have no arrangement for teleconferencing, another 18 are not aware of any such facility. Among the 117 MPs, interviewed as many as 84 are not aware of any such facility.

Discussions by the evaluation team revealed that Internet and teleconferencing facilities do not exist in majority of the States. It seems the Ministry that formulated the guidelines has itself failed to follow the part pertaining to it. The ambition of the Ministry to *always have a complete and updated picture of the works under implementation* could not be achieved due to its own failure to provide facility for Internet and Teleconferencing. Thus, the object of *instantaneous monitoring of constituency wise progress* using Information Technology remained a goal yet to be reached. The Bureau of Parliamentary Studies and Training also failed to arrange for any training for the district officials. The responsibility of training the district officials has been shifted to the State governments while this study was in progress. However, it would be advisable to impart training to the district officials of the entire country by a centralized agency so that there could be better scope of uniformity and if possible replicability of the success story of the district of one State in the other.

Works recommended and sanctioned in the sample constituencies have been tabulated by sectors and current status. For 2289 of these works constituting about 9 per cent of the total, numbering 25702, current status could not be known from Collectors office. It seems that in a large number of cases, once the work is sanctioned and fund released, nobody kept track of progress. Such '*status not known*' works are largest in number among those classified under *Drinking Water and Sanitation* followed by *Roads & Bridges*. The evaluation team during its field visits failed to locate quite a few of the assets claimed to have been created in these sectors. Such cases, largely a consequence of weak monitoring perhaps, encourages various types of irregularities to thrive. The evaluation team also found quite a few cases where the actual status of the work was at variance with what is officially recorded.

An overwhelming majority of the Collectors and other development functionaries conceded weak monitoring and pleaded inadequacy of staff and other infrastructure to be the major reason for this. It seems necessary to strengthen the State nodal department in terms of staff and other infrastructure for this purpose. At the ground level the PRIs may be involved in execution as well as in monitoring to a larger extent. This is already being done in a few States like Madhya Pradesh and Kerala with good results. Since the local people for whose benefit the assets are created, have stakes in timely completion of the work, the quality of the assets created and its proper maintenance and upkeep, supervision by PRIs at ground level is likely to be more effective. The PRIs may send monitoring reports to the State nodal department and the Collector periodically. The Collector on receipt of these reports can then make it available to the Ministry and the concerned MPs.

Maintenance of Assets

Maintenance of assets created is another area of weakness of the scheme. This seems to have received less attention than it deserves.

Despite suggestion in the guidelines only 55 of the 103 Collectors claimed that they could ensure some provision of maintenance before sanctioning works. For many of the assets created there seem to be no arrangement, either physical or financial, for maintenance. In fact, nobody seems to know how and by whom these assets are being maintained. Information gathered on this from different sources failed to match each other even closely. For some of the assets there is a *natural* agency for maintenance, upkeep and use. For example, assets created for an existing school or hospital will be used and looked after by the school or hospital. For others, it is necessary to locate an agency to maintain the assets. This should preferably be done before the work is sanctioned. As many as 95 of the Collectors claimed that they are maintaining a list of the assets created. However, many of them failed to make such a list available to the evaluation team. For many others, information about the assets supplied to the PEO regional offices at different times were found to be at variance with each other.

Functionaries at different levels conceded poor maintenance of the assets and pleaded inadequacy of institutional arrangement and finance responsible for this. Availability of adequate fund for this purpose will also need to be ensured either from public fund or through user charges to be collected.

Awareness Among People and Perceived Impact

The evaluation team during its visits to the worksite observed widespread lack of awareness about the scheme among the people. Even a board displaying the relevant information, which is mandatory according to MPLADS guidelines, was not erected in majority of the cases. Out of 590 development functionaries as many as 353

conceded that such a board could not be erected for one reason or the other. Among them, 61 appeared to be not even aware of this condition laid down in the guidelines.

During discussions with local people it was revealed that many of them were aware that the work in the village/ward *is being done by such and such MP*. However, they rarely had other details about the scheme or even about the particular work in his village/ward.

An overwhelming majority, more than 95 per cent, of the local people voted the assets created as useful to them. They also felt that the majority, about 83 percent, of the assets have a positive impact on their lives. For the majority of the assets, about 67 percent, the quality has also been assessed to be good by them. However, they felt only 53 percent of the assets are being maintained properly. For another 22 percent, quality of maintenance is rated to be average. One aspect of impact of the scheme, not less important by any means, is the perception of the common people for whose benefit the assets have been created. If they feel happy about it a part of the job is perhaps, well done. It is another matter to scrutinize what has been really achieved and what more could have been achieved with this quantum of fund if optimally used.

Awareness among the people is perhaps the best watchdog for successful implementation of any scheme. Displaying the details of the work at the site may be made mandatory. In addition, full details about all the ongoing works under MPLADS (and other such schemes) in the district may be displayed prominently at Collector's office. This will expose the scheme to public scrutiny and is likely to improve its performance. Other methods of publicity through local newspapers and electronic media may be explored. In addition, explaining the scheme in a meeting of the *Gram Sabha* for the benefit of those who cannot read and write is likely to be very effective.

It may however, be emphasised that the local people's knowledge about the scheme is limited. Their perception about the quality and utility of the assets should not be extended to infer about the overall performance of the scheme. Thus, satisfaction of the majority of the local people with the assets already created should not lead to the conclusion that money allocated under the scheme is being properly utilized and the scheme has achieved its intended objective.

Suggestions

Analysis in chapters 3-8 has shown that the scheme in its present form has a number of strengths, weaknesses and deficiencies at various stages from recommendation, execution, monitoring to maintenance of assets created. These have been located, discussed and commented upon during the course of analysis of available data and information. Some changes in the scheme seem to be necessary to improve its performance and achieve optimum benefits out of it. Some of the important suggestions for revitalizing the scheme are:

- Many of the MPs do not have full information even about the works they have recommended for effective monitoring and supervision of the works in progress. Adequate arrangements need to be made for making all relevant information available to the MP. These should cover not only MPLADS but other developmental activities as well. In addition, emphasis on co-ordination between MPs (both Lok Sabha and Rajya Sabha) and between MPs and nodal departments is required for the selection of districts. Upper limit on number of projects and completion of the same as per specifications with appropriate fund need to be ensured in the guidelines.
- The State nodal departments will need to be strengthened in terms of staff and other infrastructure. At the ground level, the PRIs may be involved in execution as well as in monitoring to a larger extent. The Collector may continue to receive fund from the Ministry and recommendation of works from MPs. He may also scrutinise the recommendations, accord administrative sanction and release fund for individual works. The execution, monitoring and supervision may be largely shared between the strengthened State nodal department and the PRIs. The PRIs may send monitoring reports to the State nodal department and the Collector periodically. The Collector on receipt of these reports can then make it available to the Ministry and the concerned MPs. Relevant information about other developmental activities in the district may also be made available to the MP. Equipped with these detailed information the MPs are likely to be in amore comfortable position to recommendation specific works.
- To help the MPs to prioritise the felt needs of various groups of population, the PRIs may be asked to provide a list of works to be recommended to the MP annually. This list may also be displayed conspicuously for public information.
- In majority of the states similar schemes with fund at the control of the members of respective Legislatures are in operation. The development fund allocated under these Schemes is substantial. It may be appropriate to think in terms of co-ordination of works recommended under these schemes together with those recommended for the respective Lok Sabha Constituencies and utilize them in a more fruitful way without interfering with the freedom of individual MPs and MLAs to recommend works of their choice within their budgetary limits. Focus must be on most important felt needs of the people and limiting the number of active projects per district. Allocating adequate money to the selected projects and completing the same. Such co-ordination will offer a few distinct advantages. First, with the consent of the MPs and MLAs it may be possible to allocate adequate money to selected works. Second, the approval and sanction of such schemes need not undergo routine departmental scrutiny, instead a simplified and speedy procedure may be followed by creating a separate agency for implementation under the State nodal department. Third, a single watchdog committee of representatives from major political parties for each LS constituency (with 6/7 MLA constituency) with the MP on the Chair may be formed to oversee the works in progress. The committee should meet quarterly to review progress and suggest remedial measures wherever needed

- To avoid inadequate allocation of fund for individual works, the asset intended to be created may be described in more details so that its cost implication is clear. The MP may consider allocation of fund only after the cost estimate is prepared and the detailed work plan and coordination mechanism are made available to him.
- Since engaging contractors and payment of contingency charges cannot be avoided for pragmatic reasons the guidelines may be amended accordingly and precise procedures specified for this purpose.
- For some of the assets there is a *natural* agency for maintenance, upkeep and use. For others, it is necessary to locate an agency to maintain the assets. This should preferably be done before the work is sanctioned. Availability of adequate fund for this purpose will also need to be ensured either from public fund or through user charges to be collected, wherever possible.
- One solution to the problem of rising unspent balance is to make the fund lapsable. If the concerned MP fails to recommend enough works to cover the substantial part, say 80 percent, of the fund for the year the unspent balance may be returned to the Ministry at the Centre. In case of a new MP, elected during the course of a financial year, the entire amount of Rs. 2 crore need not be released for him. The unspent balance of the predecessor MP should lapse. Amount to be released for the successor MP for the remaining part of the year may be determined in consultation with him. The amount thus released to the successor MP and the amount spent by the predecessor MP together should not exceed Rs. 2 crores. These procedural changes will prevent accumulation of unspent balance without affecting the development works under the scheme.
- Displaying the details of the work at the site may be made mandatory. In addition, full details about all the ongoing works under MPLADS (and other such schemes) in the district may be displayed prominently at Collector's office. Other methods of publicity through local newspapers and electronic media may be explored. In addition, explaining the scheme in a meeting of the *Gram Sabha* for the benefit of those who cannot read and write is likely to be very effective. The details may also be provided exhaustively on the internet so that it could be closer to public scrutiny which goes along the basic objective of the scheme which emphasizes creation of assets as per the felt needs of the people.