

**COMMITTEE ON MEMBERS OF PARLIAMENT LOCAL
AREA DEVELOPMENT SCHEME
(2013-14)**

FIFTEENTH LOK SABHA

**MINISTRY OF STATISTICS AND
PROGRAMME IMPLEMENTATION**

**(Action Taken by the Government on the
recommendations contained in the Eleventh Report of
the Committee on MPLADS (15th Lok Sabha) on the
subject "Execution of MPLADS works through
Societies/ Trusts/ NGOs")**

THIRTEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

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Presented to Lok Sabha on 19 February, 2014



**LOK SABHA SECRETARIAT
NEW DELHI**

February 2014/Magha, 1935 (Saka)

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**COMPOSITION OF THE COMMITTEE ON MEMBERS OF PARLIAMENT LOCAL
AREA DEVELOPMENT SCHEME (LOK SABHA) 2013-14**

Shri A.K.S. Vijayan - *Chairman*

Members

2. Shri Ghanshyam Anuragi
3. Shri K.C. Singh "Baba"
4. Shri Raj Babbar
5. Shri Pulin Bihari Baske
6. Shri Kuvarjibhai M. Bavalia
7. Smt. Bijoya Chakravarty
8. Shri Dara Singh Chauhan
9. Shri Anant Kumar Hegde
10. Shri Syed Shahnawaz Hussain
11. Shri Sugumar K.
12. Shri Basori Singh Masram
13. Shri Raghuveer Singh Meena
14. Shri Gopinath Munde
15. Shri Sanjay Dina Patil
16. Shri Arjun Ray
17. Shri Rudramadhab Ray
18. Shri Modugula Venugopala Reddy
19. Prof. Saugata Roy
20. Shri S.D. Shariq
21. Shri Balkrishna Khanderao Shukla
22. Chaudhary Lal Singh
23. Shri Thirumaavalavan
24. Shri Harsh Vardhan

SECRETARIAT

- | | | | |
|----|-------------------------|---|------------------|
| 1. | Shri V.R. Ramesh | - | Joint Secretary |
| 2. | Shri D. R. Shekhar | - | Director |
| 3. | Shri C. Kalyanasundaram | - | Deputy Secretary |

INTRODUCTION

I, the Chairman of the Committee on Members of Parliament Local Area Development Scheme (MPLADS)(2013-14) having been authorized by the Committee to submit the Report on their behalf, present this Thirteenth Report on the action taken by the Government on the observations/ recommendations of the Committee contained in their Eleventh Report (15th Lok Sabha) on the subject "Execution of MPLADS works through Societies/ Trusts/ NGOs" relating to the Ministry of Statistics and Programme Implementation.

2. The Eleventh Report was presented to Lok Sabha on 8 May, 2013. The Ministry of Statistics and Programme Implementation furnished their Action Taken Notes on the observations/ recommendations contained in the Report on 14 November, 2013.

3. The Report was considered and adopted by the Committee at their sitting held on 17 February, 2014.

4. An analysis of the action taken by the Government on the observations/ recommendations contained in the Eleventh Report (15th Lok Sabha) of the Committee (2012-13) is given in Appendix-II.

New Delhi

17 February, 2014
Magha 28, 1935 (Saka)

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

REPORT

CHAPTER I

1.1 This Report of the Committee on Members of Parliament Local Area Development Scheme (MPLADS) deals with the action taken by the Government on the Observations/Recommendations contained in their Eleventh Report (Fifteenth Lok Sabha) on the subject "Execution of MPLADS works through Societies/Trusts/NGOs" relating to the Ministry of Statistics and Programme Implementation.

1.2 The Ninth Report which was presented to Lok Sabha on 8 May, 2013, contained 10 observations/recommendations. Action Taken Replies received from the Government in respect of all Observations/Recommendations have been categorized as follows:-

(i) Observations/Recommendations which have been accepted by the Government :-

Para Nos. - 4.6, 4.7 & 4.10 **(Total 03)**

(ii) Observations/Recommendations which the Committee do not desire to pursue in view of Government's reply :-

Para Nos. - 4.1 & 4.5 **(Total 02)**

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

Para Nos. - 4.2, 4.3, 4.4, 4.8 & 4.9 **(Total 05)**

(iv) Observations/Recommendations in respect of which final replies of the Government are still awaited :-

Para Nos. - Nil

1.3 The Committee trust that utmost seriousness will be shown by the Ministries concerned while implementing 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 the Action Taken Notes on the observations/recommendations contained in Chapter I of this Report should be furnished to them within three months of the presentation of this Report.

1.4 The Action Taken notes furnished by the Ministry of Statistics and Programme Implementation have been reproduced in the relevant chapters of this Report. The Committee will now deal with the action taken by the Government on some of their observations/ recommendations in the succeeding paragraphs.

A. Monitoring works awarded to trusts/societies.

(Para 4.2)

1.5 The Committee took a serious view that the Ministry did not maintain any information at its level about the works recommended, sanctioned and executed for trusts/societies under the Scheme. The Committee were of the view that making available the details of works awarded to trusts/societies in Work Monitoring Software will not only help the Ministry and the nodal departments to analyse the progress of implementation of works recommended by MPs for trusts/ societies and will also prove to be deterrent to the erring societies/trusts. The Committee, therefore, recommended that immediate steps should be taken to capture the details of the works recommended, sanctioned and executed for trusts/societies and the corresponding amount involved therein. Such information to be made available by the District Authorities should be analyzed by the Ministry and the nodal departments in the States/UTs for appropriate action in case of violations by the trusts/societies.

1.6 The Action Taken Reply furnished by the Ministry of Statistics and Programme Implementation is as follows:-

“Implementation of the works under the MPLADS is undertaken by the State Governments/District Authorities in accordance with the State Government administrative, financial and technical rules.

The primary responsibility of monitoring MPLADS works including works executed by Trusts/Societies is of the District Authority. In case of irregularity/illegality coming to notice in respect of any work/s including work/s executed by Trusts/Societies the necessary action has to be duly taken, which may include (i) penal action for criminal culpability (ii) civil action for recovery of MPLADS funds with interest and (iii) departmental action against the errant officials. On its part, in cases coming to its notice, the Ministry also directs and

monitors that the necessary action on the above lines is duly taken and the matter is not treated as closed till the necessary action is duly completed.

The State Nodal Departments are also required and expected to monitor the implementation of MPLADS works.

This Ministry also monitors the MPLADS works through Monthly Progress Reports, Utilization Certificates and the Audit Certificates submitted by the District Authorities. Physical and financial progress, C&AG Audit Paras, cases of complaints, etc. are also reviewed in Review Meetings with the States/District Authorities. From time to time officers of the Ministry also visit States to review MPLADS works. They also provide training to the State Government officials for better implementation. The State Governments/District Authorities are instructed to strictly adhere to the provisions of the Guidelines.

This Ministry is in the process of developing a new website, which is likely to be put to operational test soon. In the new software, the District Authorities would be required to make entries of the works awarded to Trusts/Societies. Data at a glance in respect of works recommended, sanctioned & executed by Trusts/Societies will be visible in the new integrated website of Ministry once it is operationalized. However, selection of eligible Trusts/Societies and direct monitoring of implementation at the ground level will continue to be undertaken by the District Authorities/State Governments. It may be mentioned that direct monitoring of implementation by a Ministry in the Government of India is not feasible in respect of a scheme implemented by all the State Governments at the ground level in all Districts in the country.”

1.7 The Committee note that the Ministry is in the process of developing a new website which is likely to be put to operational test soon. The District Authorities would enter the data in respect of works recommended, sanctioned and executed by the Trusts/ Societies in the proposed software of the new website. This software is expected to help the Ministry, Nodal Departments and the District Authorities to monitor the works awarded to the trusts/ societies. However, the Ministry has expressed its inability to directly monitor the same in view of the implementation of the Scheme by the State Governments at ground level in all districts in the country. The Committee are of the view that the Ministry should ask both the Nodal Departments and District Authorities to analyze the information to be made available in the proposed software about the trusts/ societies and to take appropriate action in case of violations. The Nodal Department may also submit the Action Taken Reports to the Ministry for

monitoring on its part. Accordingly suitable provisions should be made in the MPLADS guidelines in this regard. The Committee would also like to be apprised about the efficacious steps taken by the Ministry to expedite the operationalization of the proposed software as the same is at developmental stage for the last few years.

B. Inspection of the works of trusts/societies by District Authorities.

(Para 4.3)

1.8 The Committee expressed concern over the inability of the Ministry to implement the provision made in para 6.4(v) of the guidelines that the District Authorities should inspect all the works executed by/for societies and trusts and ensure that the agreement conditions were complied with. In this regard, NABCONS in its monitoring report has pointed out that the District Authorities had not inspected all the works of trusts/societies as required by the above provision. Since the Ministry was not sure that the District Authorities inspect all the works pertaining to trusts/societies, the Committee recommended that the requisite information whether all the District Authorities were adhering to this provision and if not, the reasons therefor should be immediately obtained from the nodal departments of the States/UTs and the Ministry should fix an appropriate percentage of works that should mandatorily be inspected by the District Authorities.

1.9 In regard to the above recommendation, the Ministry in its Action Taken Reply had reproduced the provisions contained in Para 6.3 (vi), 6.4 (i) & (ii) and 6.5 (ii). Provisions contained the MPLAD Scheme guidelines on monitoring. It was further stated by the Ministry:-

“The findings of the NABCONS have been forwarded to the concerned District Authorities for examining each item of irregularity pointed out in their third party physical monitoring for taking appropriate action as per rules and furnishing Factual and Action Taken Reports to the Ministry.”

1.10 The Committee regret to note that the Ministry is unable to implement the provisions made by it in para 6.4(v) of the MPLADS guidelines which stipulates that all the works executed by the trusts/societies will be inspected by the District Authorities. The Committee are not inclined to accept that the District Authorities may not be in a position to inspect all the sanctioned works to Trusts/Societies as they are overloaded with variety of Central/State Schemes. The Committee are of the strong view that in order to make effective implementation of sanctioned works to Trusts/ Societies it is

imperative to inspect atleast a certain percentage of works of the trusts/societies by the District Authorities. The Committee, therefore, reiterate the recommendation that if any case all the works executed by the trusts/ societies are not inspected then the Ministry should fix an appropriate percentage of works that should be mandatorily inspected by the District Authorities.

C. Verification of credentials of societies/trusts.

(Para 4.4)

1.11 The Committee were concerned to note that the specific documents that need to be verified by the District Authorities for establishing credentials of a trust/society had not been mentioned in the guidelines. The extant provision in the guidelines did not offer any foolproof methods to verify the true identity of the trusts/ societies. NABCONS in its Report on Phase II monitoring had suggested a list of specific documents that need to be verified for identification of veracity and credentials of a trust/society. The documents include Registration Certificate, list of members in the Managing Committee, Annual and Audit Reports for three years, documents supporting the ownership of land, etc. Since proper verification of the documents suggested by the NABCONS before awarding works to trusts/societies will provide solution to the number of difficulties being faced by the Ministry in implementation of this provision, the Committee, recommended that a list of specific documents as suggested by NABCONS should be mentioned in the MPLADS guidelines for their certain verification before sanctioning works to trusts/societies.

1.12 The relevant extracts of the ActionTaken Reply furnished by the Ministry on the above recommendation are as under:-

“Implementation of the works under the MPLADS is undertaken by the State Governments/District Authorities in accordance with the State Government administrative, financial and technical rules.

Examining the eligibility and suitability of a Trust/Society and weeding out of unscrupulous organizations from availing MPLADS funds is primarily the responsibility of the District Authority.

Para 3.21 of the MPLADS Guidelines clearly stipulates : “Whether such a Society/Trust is well reputed are not, should be decided by the District Authority concern on the basis of relevant factors, like performance in the field of social service, welfare activities, non-profit orientation of its activities, transparency of its activity and sound financial position”.

Therefore, before disbursing MPLADS funds, it is required and expected of the District Authority to duly exercise its responsibility of ascertaining the bonafide and eligibility of the proposed Trust/Society.

For verifying the credentials of a Trust/Society, the District Authority is responsible for ascertaining the bonafide and eligibility of the Trust/Society in a comprehensive manner by obtaining all the relevant documents which are deemed appropriate and necessary. It might not be appropriate and feasible to limit the scope by prescribing a few documents.”

1.13 The Committee do not find any justifications for the above views expressed by the Ministry. It is not clear from the action taken reply whether the Ministry had consulted the District Authorities and other stakeholders before coming to the aforesaid conclusion. The Committee endorse its own view that the documents mentioned by the NABCONS would be very much helpful to the District Authority to scrutinize the credentials of a trust/ society and to prevent ample scope for the misuse of the same by unscrupulous trusts/ societies under the existing MPLADS Guidelines. Hence, the Committee therefore strongly reiterate that proper verification of the documents suggested by the NABCONS before awarding works to trusts/ societies would provide solution to the number of difficulties being faced by the ministry in implementation of the provisions relating to them. The Committee, therefore, recommend that the following provision should be added at the end of Para No.3.21 of the guidelines:-

"The District Authority may verify the Registration Certificate, list of Members of the Managing Committee, Annual Reports for the last three years, Audit Reports for the last three years, documents supporting the ownership of the land, etc. for identification of veracity and credentials of a Trust/ society before sanctioning MPLADS funds to them".

D. Uniformity in rules/guidelines for implementation of MPLADS in all States/UTs.

(Para 4.8)

1.14 The Committee took a serious view that the Ministry did not hold any consultation with the Committee before taking the decision on amendment of Para 2.11 of the guidelines. The Committee noted that the above guidelines modified in April, 2013 empowered the State Government for selection of the Implementing Agency and frame rules/guidelines applicable for the purpose. The Committee apprehended that each State would identify/select the implementing agency and frame rules/guidelines for the purpose as per their convenience, which in turn evolve different rules/guidelines and different interpretation in process of implementation of MPLADS in each State. Since the Committee were of the view that this would create disparities among the States in

implementation of the Scheme, they strongly recommended that the Ministry of Statistics and Programme Implementation should examine the matter and issue suitable directions to all States to maintain uniformity while framing rules/guidelines for identification of Implementing Agency and implementation of MPLADS guidelines.

1.15 The Ministry of Statistics and Programme Implementation in its Action Taken Reply has stated as follows :-

“Implementation of the works under the MPLADS is undertaken by the State Governments/District Authorities in accordance with the State Government’s administrative, financial and technical rules. In line with this principle, the guidelines regarding selection of implementing agencies have been recently modified so that District Authority can select the implementing agency in accordance with State Government rules/guidelines applicable for the purpose. Para 2.11 of the Guidelines of MPLADS has now been amended as follows (in April 2013) :

Para 2.11 Implementing Agency:

(a) The District Authority shall make the selection of an appropriate Implementing Agency through which a particular work recommended by an MP would be executed:

(b) The selection of the Implementing Agency shall be undertaken in accordance with the State Government rules/guidelines applicable for the purpose. Provided that for certain works in certain Central Government Ministries/Organizations (like Railways) where the Implementing Agency has necessarily to be the concerned Central Government Ministry/Organization, the same shall be selected as the Implementing Agency.

The established convention is that the guidelines are modified from time to time with the approval of Hon’ble Minister for Statistics and Programme Implementation, inter-alia on the basis of feedback from MPs, States, District Authorities, recommendations and advice from Parliamentary Committees, recommendations and advice of C&AG/PAC, internal examinations and discussions in the Ministry, etc., in order to improve the design and implementation of the scheme. The circulars for modifications in guidelines are also endorsed to the Secretariats of the two Committees for information”.

1.16 The Committee are constrained to note that the Ministry has not given any specific reply to the above recommendation. Presently, the Ministry has empowered the States to execute the MPLADS works in accordance with the State Government’s administrative and financial rules. The Ministry had also amended Para 2.11 of the guidelines that the selection of the Implementing Agencies may also be undertaken as per the State Government rules/guidelines

applicable for the purpose. Such tendency of the Ministry to pass all the powers to the States has resulted in deficiencies/ disparities in implementation of the scheme by various States. In practice due to political reasons, it is evident that Members of Parliament face lot of difficulties in effective implementation of the Scheme in their constituencies particularly in the State/UTs particularly where they do not belong to the ruling party as District Authorities have been empowered to implement the Scheme as per State rules/procedures. It is a matter of concern that different set of rules/guidelines in different States/UTs has lead to whimsical interpretation and increased scope of misinterpretation of application of the same by District Authorities as per their own convenience and political compulsions. In the case of ineffective/ improper implementation of the Scheme in any constituency, it directly reflects on the performance of the MP concerned as the people consider the same as his/ her non performance. The Committee, therefore, reiterate the earlier recommendation that Ministry of Statistics and Programme Implementation should examine the matter in detail and issue suitable directions to all the States to maintain uniformity while framing rules/guidelines for identification of Implementing Agency and implementation of MPLADS guidelines.

E. Identification of organizations for operation of ambulance under the Scheme.

(Para 4.9)

1.17 The Committee took a serious view of the provision made by the Ministry in the MPLADS guidelines on outsourcing an ambulance for its operation by a reputed organization on the recommendation of a three member Committee consisting of CMO/Civil Surgeon and two other representatives of the District Magistrate as the same did not provide any role to the MP who recommends the ambulance. Concentrating all powers in the hands of the said Committee would defeat the very purpose of the Scheme to fulfill the locally felt needs of the people. Constituents approach an MP to fulfill their requirements and accordingly the MP makes recommendations. Hence, it is necessary that an MP identify the organization to which the ambulance should be given for its operation. The Committee, therefore, recommended that the Member of Parliament may recommend one or a few organizations to which the ambulance is to be given. The said Committee may scrutinize the recommendation and advise the District Magistrate about the suitability of the organizations recommended by the MP. In case the organizations recommended by the MP were not found fulfilling the criteria fixed for the purpose, the same may be informed to him/her with the request that he/she may

recommend some other reputed national/state level organizations for the operation of the ambulance.

1.18 The Ministry of Statistics and Programme Implementation in its Action Taken Reply has stated as under:-

“The essential principle with MPLAD Scheme is that the **recommendation** is made by the Hon’ble MP and the **implementation** is carried out by the District Authority. Hon’ble MPs cannot be prescribed role in implementational aspects.”

1.19 The Committee are constrained to observe that the Ministry has denied MPs the right to recommend a suitable organization to which ambulance should be given under the Scheme. As per the Ministry, the Member would only recommend a particular amount for provision of ambulance. A three Member Committee set up by the District Authorities would identify and select the organization suitable for operation of the ambulance. Identification of suitable organizations should be part of the recommendation process as per the local requirement and the ability of the organization to fulfill the same. The process of selection of one of the organizations identified by the MP should only be vested with the said Committee. The present provision is, therefore, against the very principle of the Scheme to enable MPs to identify and recommend a particular work as per the locally felt needs of the people of an area. The Committee are of the view that concentrating all the powers of identification of organizations by executives may pave way for irregularities and malpractices. The Committee, therefore, reiterate the above recommendation and urge the Ministry to examine the issue in the light of the recommendation.

CHAPTER – II

Observations/ recommendations which have been accepted by the Government

Observations/ Recommendations (Para 4.6)

2.1 The Committee are constrained to note that 14 out of 22 cases pointed out by NABCONS, in its Reports on various phases of monitoring, were pertaining to sanction of works worth more than Rs. 25 lakh which was the ceiling when those inspections were carried out by NABCONS. In these cases, the district authorities concerned were at fault as they should have rejected those recommendations. A Member of Parliament makes recommendation based on the local needs and the demands of the constituents. It is the responsibility of the District Authorities to examine the recommendations scrupulously according to the guidelines. The Committee note that the district authorities concerned were requested to take corrective action wherever deviation from MPLADS Guidelines are observed in implementation of the Scheme. Merely requesting the District Authorities may not yield the desired results, the Committee, therefore, recommend that such cases should individually be pursued for appropriate action. This would also prove to be deterrent for others.

Reply of the Government

Third party agencies are engaged by this Ministry to physically monitor all MPLADS works including works awarded to Trusts/ Societies. NABARD Consultancy Services (NABCONS) is one of the agencies which was selected for the third party monitoring of MPLADS works during the period 2007-08 to 2010-11. Presently the work is being done by Agriculture Finance Corporation (AFC). The agency keeps on changing as the selection of agency for the third party monitoring is now undertaken through tendering process. The reports furnished by the third party monitoring agencies are duly examined in the Ministry. The observations are forwarded to the State Governments for examination of each item/irregularity and taking appropriate action as per rules and under law. The action taken would include (a) penal action for criminal culpability of, (b) civil action for recovery of MPLADS funds with interest and (c) departmental action against the errant officers. The District Authority/State Governments are also asked to furnish Factual and Action Taken Reports. The matters are **not** treated as settled till the State Governments/District Authorities take the necessary appropriate action that is warranted and essential in these cases.

(vide Ministry of Statistics and Programme Implementation OM No.C-29/2013-MPLADS dated 14.11.2013)

Observations/ Recommendations (Para 4.7)

2.2 The Committee are surprised to note that the Ministry has opined to the States that it is worth examining to involve reputed NGOs as implementing agencies. On the one hand, the Ministry is skeptical of the credibility of trusts/societies and on the other hand it encourages engagement of NGOs as implementing agencies without prescribing proper qualifications and criteria for their selection by the District Authorities. The Committee expects that the Ministry should adopt level playing field approach towards

all the stake holders while implementing a Scheme. Since NGOs are private organizations like trusts/societies, it is essential that they should also be selected as implementing agencies after following a transparent process. Present guidelines merely states that an NGO selected as implementing agency should have the requisite expertise in the chosen field of execution and preferably be of national repute. Moreover, it has been stated that a Committee under District Authority should select it. In this regard, the Committee are of the firm view that stringent criteria should be fixed for identification and selection of NGOs as implementing agencies because handing over of execution to any unscrupulous NGO may lead to creation of substandard work and may also lead to embezzlement of public money. The Committee, therefore, recommend that NGOs considered as implementing agencies should have proven record of expertise in the field i.e. they should have successfully executed minimum of five such works and the composition of the Committee for the selection of NGOs should be clearly expressed in the Scheme guidelines. The composition should include the Head of the Engineering Department of the District in the chosen field.

Reply of the Government

Including NGOs in the list of eligible implementing agencies appears inappropriate. An implementing agency should be accountable. The level of accountability in NGOs is very low/non-existent. And “reputed” NGO conveys nothing (unless and until the parameters for judging the “repute” of an NGO are objectively laid down).

Implementation of the works under the MPLADS is undertaken by the State Governments/District Authorities in accordance with the State Government’s administrative, financial and technical rules. In line with this principle, the guidelines regarding selection of implementing agencies have been recently modified so that District Authority can select the implementing agency in accordance with State Government rules/guidelines applicable for the purpose. A specific provision for NGOs as implementing agencies no longer exists in the Guidelines. Para 2.11 of the Guidelines of MPLADS has now been amended as follows (in April 2013) :

Para 2.11 Implementing Agency:

(a) The District Authority shall make the selection of an appropriate Implementing Agency through which a particular work recommended by an MP would be executed:

*(b) The selection of the Implementing Agency shall be undertaken in accordance with the State Government rules/guidelines applicable for the purpose. Provided that for certain works in certain Central Government Ministries/Organizations (like Railways) where the Implementing Agency has necessarily to be the concerned Central Government Ministry/Organization, the same shall be selected as the Implementing Agency (copy enclosed at **Annexure II**).*

(vide Ministry of Statistics and Programme Implementation OM No.C-29/2013-MPLADS dated 14.11.2013)

Observations/ Recommendations (Para 4.10)

2.3 The Committee are concerned to note that the Ministry does not take effective steps to obtain the information desired by the Committee in connection with the subjects under examination. In order to assess the implementation of the provisions relating to trusts/societies, the Committee sought the details such as the funds recommended, works carried out by the trusts/societies etc. The Committee also sought information on mandatory inspection of all the works of trusts/societies by the District Authorities. Since it is not maintaining any details, as a knee jerk reaction to the question of the Committee seeking above information before the oral evidence on the subject, the Ministry requested all the State/UT Governments to furnish the requisite information. An assurance was given by the Ministry that the information will be furnished to the Committee Secretariat. Lamentably the Ministry not serious in the matter and has not furnished the required information to the Committee. The Committee trust that in view of the improvement of the MPLAD Scheme and to yield desired results, the Ministry will take effective steps to collect and analyze the information for smooth and effective implementation of the scheme and to achieve objectives of the scheme.

Reply of the Government

Implementation of the works under the MPLADS is undertaken by the State Governments/District Authorities in accordance with the State Government's administrative, financial and technical rules.

By the very nature of the scheme, continuous, regular , normal monitoring of the works is the responsibility of the District Authority and of the State Government. Pan India monitoring of MPLADS works at the ground level by the Central Ministry is neither envisaged nor feasible.

This Ministry, however, monitors the MPLADS works through Monthly Progress Reports, Utilization Certificates and the Audit Certificates submitted by the District Authorities. Physical and financial progress, C&AG Audit Paras, specific cases of complaints etc., are also reviewed in Review Meetings with the States/District Authorities. From time to time officers of the Ministry also visit States to review MPLADS works. They also provide training to the State Government officials for better implementation. The State Governments /District Authorities are instructed to strictly adhere to the provisions of the Guidelines.

Third party agencies are engaged by this Ministry to physically monitor all MPLADS works including works awarded to Trusts/ Societies. NABARD Consultancy Services (NABCONS) is one of the agencies which was selected for the third party monitoring of MPLADS works during the period 2007-08 to 2010-11. Presently the work is being done by Agriculture Finance Corporation (AFC). The agency keeps on changing as the selection of agency for the third party monitoring is now undertaken through tendering process. The reports furnished by the third party monitoring agencies are duly examined in the Ministry. The observations are forwarded to the State Governments for examination of each item/irregularity and taking appropriate action as per rules and

under law. The action taken would include (a) penal action for criminal culpability of, (b) civil action for recovery of MPLADS funds with interest and (c) departmental action against the errant officers. The District Authority/State Governments are also asked to furnish Factual and Action Taken Reports. The matters are **not** treated as settled till the State Governments/District Authorities take the necessary appropriate action that is warranted and essential in these cases.

Controller & Auditor General of India (C&AG) also conduct performance audit of MPLAD Scheme on sample basis in selected districts across the country. The State Governments are asked to furnish Action Taken Notes/Comments/Replies to the observations made in the C&AG audit paras and the matter is followed -up regularly. This subject was also taken up in the review of MPLADS with State Government officers and District Magistrates held on 26.02.2013, wherein it was interalia directed as below:

“Pending CAG audit paras: Attention was specifically drawn to one important aspects that many of the CAG audit paras enumerate facts that points towards malafide violations of guidelines and financial malfeasance. It bears emphasis that in such cases the CAG has already seen the record and also given opportunity to explain before recording such facts. It therefore becomes important to immediately examined such reports for appropriate action, which could include action in any or all of the following three domains- **(a)** criminal culpability, **(b)** departmental action and **(c)** civil action for recovery. Delaying or diluting action in such cases has to be avoided.

“The state governments were requested to expedite (a) necessary action to get the paras settled as per rules and (b) in case of facts pointing towards malafide violations of guidelines and financial malfeasance, to take appropriate action under law and report on action taken in a time-bound manner.”

The minutes of the review meeting were sent to all State Governments for taking necessary action (the minutes had been approved by Hon'ble Minister for Programme Implementation, Government of India).

In addition, the Controller of Accounts in the Ministry has also been instructed to start internal audit of MPLADS.

The Integrated MPLADS Software under development, which is likely to be made operative soon, shall be more effective in comprehensive monitoring of the scheme in all its aspects on real time basis, including capturing of details of the works recommended, sanctioned & executed Trusts/Societies.

(vide Ministry of Statistics and Programme Implemenation OM No.C-29/2013-MPLADS dated 14.11.2013)

CHAPTER – III

Observations/ recommendations which the Committee do not desire to pursue in view of Government's reply:-

Observations/ Recommendations (Para 4.1)

3.1 The Committee note that the Ministry has increased the ceiling of MPLADS Funds that can be recommended to an individual society/trust from Rs.25 lakh to Rs.50/- lakh and the annual ceiling to all trusts/societies from Rs.50 lakh to Rs.1 crore subsequent to the increase in annual allocation of MPLADS funds to Rs.5 crore. The Committee examined the necessity of these ceilings and it was learnt from the replies furnished by the Ministry that these ceilings were put in place by it on the basis of discussions held with the State/District Authorities. However, it is disheartening to note that the Ministry has neither conducted any on-the-field study on implementation of provisions relating to the trusts/societies except a few sample inspections by NABCONS nor it is maintaining the records of the works awarded to trusts/societies. In Committee's view, any policy changes should be initiated by the Government only on the basis of in depth on-the-field study and analysis of the records of implementation of the Scheme. Moreover, the guidelines of the Ministry should aim to be prohibitory towards trusts/societies that indulge in scandalous activities to snatch public money for the selfish purposes and at the same time be enabling to trusts/societies that are engaged in providing exemplary services to the poor and needy. The Committee, therefore, recommends that the trusts/societies which are providing true service to the poor and needy may be allowed to use the MPLADS funds over and above the ceilings fixed by the Ministry. In such cases, the Ministry may provide approvals to those societies/trusts on case-to-case basis on the basis of report by the District Authorities.

Reply of the Government

The Ministry held a national level consultation meeting on 20.12.2010 (when the annual entitlement per MP was Rs. 2 crore) with Secretaries of State /UT Nodal Departments and DCs/DMs for getting feedback on field-level experience in the implementation of MPLADS. Most of the participants suggested to restrict the annual ceiling for works relating to Trusts/ Societies to Rs.50 lakh in a financial year so that balance of MPLADS funds could be used for creation of community assets based on the felt need of the people. Consequent to the enhancement in the annual entitlement per MP under MPLADS from Rs. 2 crore to Rs. 5 crore during the year 2011-12, the annual ceiling per MP for allocation to Trusts & Societies was increased from Rs.50 lakh to Rs. 1 crore and the ceiling of total contribution to one particular Society/Trust in its life time was increased from Rs 25 lakh to Rs. 50 lakh. The enhancement was considered in the light of recommendations received from Hon'ble MPs, recommendations from the Lok Sabha and Rajya Sabha Committees on MPLADS for waiving the annual ceiling of Rs. 50 lakh for allocation to trusts and societies and recommendation from Public Accounts Committee(PAC) for doubling the ceiling of Rs. 25 lakh per Trust/Society commensurate

with the increase of the MPLADS funds from Rs 2 crore to Rs. 5 crore per MP per annum.

On a recent reference received from Hon'ble Rajya Sabha Committee on MPLADS to enhance the annual limit at least in proportion to the enhancement in annual entitlement (that is, to consider increase in the annual entitlement to trusts/societies to Rs.1.25 crore) the Ministry has submitted the following (in April 2013):

The initial limit of Rs.25 lakh for an individual Trust/Society in its life-time and Rs.50 lakh for all trusts/societies in a year was not based on any calculation or study – it was arbitrarily fixed, presumably on the considerations of 'reasonableness'. Consequent upon the increase in annual entitlement from Rs.2 crore to Rs.5 crore per MP per annum, the limit was revised to Rs.50 lakh for an individual Trust/Society in its life-time and Rs. 1 crore to all Trusts/Societies in a year (in November 2012). There are other works of community infrastructure and public utility that require attention and priority under MPLADS. As it is, the annual entitlement for trusts and societies is 1/5th of the total annual entitlement of an MP. This is a high fraction. No case, on logic or 'reasonableness', is made out to enhance it any further.

The Ministry has made the following relaxation for trusts/societies working for the most deprived segments in the MPLADS Guidelines (in April 2013):

“Para 3.21.5: Relaxed provision for most deprived segments: *For trusts/societies that run charitable residential homes for orphans (anathalaya/yateemkhana) charitable residential homes/colonies for widows, charitable residential homes/colonies for lepers, charitable residential homes for blind persons, charitable residential homes for spastic/mentally retarded children or charitable residential homes for deaf and dumb children, the restriction of getting MPLADS funds up to Rs. 50 lakh in their life time will stand relaxed to Rs. 1 crore. The total funds received from MPLADS under this relaxed dispensation will be used only in and for the charitable and residential home/ colony mentioned afore (and not for any other purpose of the trust /society concerned). And the fund will be utilized only for the purposes provided for in para 3.21 of the Guidelines.”* (Copy enclosed at **Annexure I**)

Case to case relaxation to Trusts/Societies over and above prescribed ceilings is **not** undertaken by the Ministry as a matter of strict policy.

The District Authority cannot sanction a work unless and until it is recommended by the MP. Also, the very fact that a provision is there in the Guidelines does not mean that it has to be exercised by the MP. It is up to the MP to make his recommendations. Provisions in the Guidelines of MPLADS are enabling provisions, not binding on the MP.

On a reference received from Hon'ble Rajya Sabha Committee for putting in place proper checks and balances to prevent siphoning off of MPLADS funds to any unscrupulous organization, the Ministry has issued a circular dated 17.04.2013 (copy

enclosed at **Annexure I**) on the above lines (paras 1 to 6 of the circular specifically refer).

Observations/ Recommendations (Para 4.5)

3.2 The Committee are pained to note that the Ministry has neither made any analysis on usefulness of the provision relating to trusts/societies nor any effort was made to inspect a specific percentage of works pertaining to trusts/societies through NABCONS which has been engaged by the Ministry to monitor the Scheme. The decisions regarding trusts/societies are made by the Ministry only on the basis of oral suggestions made by the State Govt. officials in the Biannual Review Meetings and other interactions held with them. Continuous monitoring and analysis of the outcome of the monitoring are essential to ascertain whether a society/trust which has got MPLADS has bonafide intentions of public service. The Committee, therefore, recommend that 25% of the sample works chosen for monitoring by NABCONS should be pertaining to trusts/societies. An assessment / study must be made to the effect / usefulness of the works pertaining to societies/ trusts for which MPLAD funds are recommended and utilized by them. On the basis of the findings of the NABCONS' Reports, the appropriate action should be taken against those trusts/societies which violate the provisions of the guidelines in the cases of violations.

Reply of the Government

Implementation of the works under the MPLADS is undertaken by the State Governments/District Authorities in accordance with the State Government's administrative, financial and technical rules.

As and when any irregularity in implementation of MPLADS, at the District level, is brought/comes to the notice of the Ministry, the matter is taken up with State Government/District Authority for taking the appropriate action and the matter is **not** treated as closed till the appropriate action is duly taken.

Third party agencies are engaged by this Ministry to physically monitor all MPLADS works including works awarded to Trusts/ Societies. NABARD Consultancy Services (NABCONS) is one of the agencies which was selected for the third party monitoring of MPLADS works during the period 2007-08 to 2010-11. Presently the work is being done by Agriculture Finance Corporation (AFC). The agency keeps on changing as the selection of agency for the third party monitoring is now undertaken through tendering process. The reports furnished by the third party monitoring agencies are duly examined in the Ministry. The observations are forwarded to the State Governments for examination of each item/irregularity and taking appropriate action as per rules and under law. The action taken would include (a) penal action for criminal culpability of, (b) civil action for recovery of MPLADS funds with interest and (c) departmental action against the errant officers. The District Authority/State Governments are also asked to furnish Factual and Action Taken Reports. The matters are **not** treated as settled till the State Governments/District Authorities take the necessary appropriate action that is warranted and essential in these cases.

(vide Ministry of Statistics and Programme Implementation OM No.C-29/2013-MPLADS dated 14.11.2013)

CHAPTER – IV

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

Observations/ Recommendations (Para 4.2)

4.1 The Committee takes a serious view that the Ministry does not maintain the details of the works recommended under the MPLAD Scheme. The Ministry is dependent on the data uploaded on the Work Monitoring Software available in the MPLAD Scheme website by the District Authorities. In this regard, it is disheartening to note that the present Work Monitoring Software does not capture the information specific to trusts/societies. As such, the Ministry is not maintaining any information at its level about the works recommended, sanctioned and executed for trusts/societies under the Scheme. The Ministry is the nodal agency responsible for implementation of the Scheme including policy formulation. It is imperative that the Ministry makes continuous analysis of the actual implementation of the Scheme so as to make changes in the policy for effective implementation of the Scheme. The kind of replies furnished by the Ministry to the questions raised by the Committee on the subject shows that it is apprehensive of the credentials of the trusts/societies. However, the corresponding measures such as maintenance, analysis and verification of the details of implementation of the provisions relating to trusts/societies and appropriate action based on them is absent on the part of the Ministry. Making available the details of works awarded to trusts/societies in Work Monitoring Software will not only help the Ministry and the nodal departments to analyses the progress of implementation and will also prove to be deterrent to the erring societies/trusts. The Committee, therefore, recommends that immediate steps should be taken to capture the details of the works recommended, sanctioned and executed for trusts/societies and the corresponding amount involved therein. Such information to be made available by the District Authorities should be analyzed by the Ministry and the nodal departments in the States/UTs for appropriate action in case of violations by the trusts/societies.

Reply of the Government

Implementation of the works under the MPLADS is undertaken by the State Governments/District Authorities in accordance with the State Government administrative, financial and technical rules.

The primary responsibility of monitoring MPLADS works including works executed by Trusts/Societies is of the District Authority. In case of irregularity/illegality coming to notice in respect of any work/s including work/s executed by Trusts/Societies the necessary action has to be duly taken, which may include (i) penal action for criminal culpability (ii) civil action for recovery of MPLADS funds with interest and (iii) departmental action against the errant officials. On its part, in cases coming to its notice, the Ministry also directs and monitors that the necessary action on the above lines is duly taken and the matter is **not** treated as closed till the necessary action is duly completed.

The State Nodal Departments are also required and expected to monitor the implementation of MPLADS works.

This Ministry also monitors the MPLADS works through Monthly Progress Reports, Utilization Certificates and the Audit Certificates submitted by the District Authorities. Physical and financial progress, C&AG Audit Paras, cases of complaints, etc. are also reviewed in Review Meetings with the States/District Authorities. From time to time officers of the Ministry also visit States to review MPLADS works. They also provide training to the State Government officials for better implementation. The State Governments /District Authorities are instructed to strictly adhere to the provisions of the Guidelines.

This Ministry is in the process of developing a new website, which is likely to be put to operational test soon. In the new software, the District Authorities would be required to make entries of the works awarded to Trusts/Societies. Data at a glance in respect of works recommended, sanctioned & executed by Trusts/Societies will be visible in the new integrated website of Ministry once it is operationalized. However, selection of eligible Trusts/Societies and direct monitoring of implementation at the ground level will continue to be undertaken by the District Authorities/State Governments. It may be mentioned that direct monitoring of implementation by a Ministry in the Government of India is not feasible in respect of a scheme implemented by all the State Governments at the ground level in all Districts in the country.

(vide Ministry of Statistics and Programme Implementation OM No.C-29/2013-MPLADS dated 14.11.2013)

Observations/ Recommendations (Para 4.3)

4.2 The Committee is concerned to note that the Ministry is unable to implement its guidelines on trusts/societies. As per Para 6.4(v) of the guidelines, the District Authorities have to inspect all the works executed by/for societies and trusts and ensure that the agreement conditions are complied with. The Committee are perturbed to note that the Ministry has expressed its inability to maintain statistical data pertaining to the implementation of this provision and the same is maintained by the District Authorities. NABCONS in its monitoring report has pointed out that the District Authorities have not inspected all the works of trusts/societies as required by this provision. Instead of taking stern action against those District Authorities who have not inspected the works of trusts/societies, the Ministry is contended by stating that they may not be in a position to inspect all the sanctioned works to societies/trusts as they are overloaded with variety of Central/State Schemes. Just making a guideline and leaving everything to the District Authorities is one of the reasons for the hindrances encountered in smooth implementation of the Scheme. Moreover, the guideline should be practical and easy to follow. Since the Ministry is not sure that the District Authorities inspect all the works pertaining to trusts/societies, the Committee recommend that the requisite information whether all the District Authorities are adhering to this provision and if not, the reasons therefor should be immediately obtained from the nodal departments of the States/UTs and the Ministry should fix an appropriate percentage of works that should mandatorily be inspected by the District Authorities.

Reply of the Government

The responsibility of the Implementing Agencies/District Authorities/State Governments in respect of monitoring are prescribed as below:

Para 6.5 (ii): The Implementing Agencies shall furnish physical and financial progress of each work to the District Authority every month with a copy to the concerned State Department. The Implementing Agencies should provide the report also in the soft format. A work register should also be maintained by the implementing agencies showing details of the physical and financial progress of projects being undertaken by them. This register should also contain the details of spot visit made by the implementing agencies. Implementing Agency must inspect 100% of the works.

Para 6.4 (i): The District Authority would be responsible for overall coordination and supervision of the works under the scheme at the district level, and inspect atleast 10% of the works under implementation every year. The District Authority should involve the MPs in the inspections of projects to the extent feasible.

Para 6.4 (v): The District Authority will inspect all works executed by/for Societies and Trusts under MPLADS and ensure that the agreement conditions are being complied with. In case of violation of any of the provisions of the agreement, action as per the agreement shall be taken by the District Authority.

Para 6.3 (vi): The State/UT Government may authorize its officers not below the rank of Deputy Secretary/Executive Engineer to inspect MPLADS works as and when they make official field visits. It may also check and review the number of MPLADS works inspected by the District Authorities. The District Authority shall mandatorily maintain inspection registers-one for details of inspections of works carried out by Trusts/Societies under Para 3.21 and the second for showing details of works given to other Implementing Agencies, including NGOs as Implementing Agencies. State Nodal officials should inspect a minimum of 1% of the MPLADS works in a District every year and an inspection register should be maintained at the State level and follow up action should also be taken on the findings during those inspections.

The findings of the NABCONS have been forwarded to the concerned District Authorities for examining each item of irregularity pointed out in their third party physical monitoring for taking appropriate action as per rules and furnishing Factual and Action Taken Reports to the Ministry.

(vide Ministry of Statistics and Programme Implementation OM No.C-29/2013-MPLADS dated 14.11.2013)

Observations/ Recommendations (Para 4.4)

4.3 The Committee notes from the guidelines that a beneficiary society/trust shall be a well-established, public spirited, nonprofit making entity, enjoying a good reputation in the area. And such credibility of a society /trust should be decided by the District Authority concerned on the basis of relevant factors, like performance in the field of social service, welfare activities, non-profit orientation of its activities, transparency of its activities and sound financial position. However, the Committee is concerned to note that the specific documents that need to be verified for establishing credentials of a trust/society have not been mentioned in the guidelines. This is in contrary to the recommendations of Shri V.Kishore Chandre Dev Committee which had suggested that the Union Government should revise the guidelines to plug various loopholes and lacunae to make it truly effective. It is the responsibility of the District Authority to screen the credentials of the trusts/societies scrupulously before sanctioning works to them. Since the Ministry have not prescribed any particular documents to be verified by the District Authority before sanctioning works to trusts/societies, above provisions do not offer any foolproof methods to verify their true identity. In this regard, NABCONS in its Report on Phase II monitoring had suggested a list of specific documents that need to be verified for identification of veracity and credentials of a trust/society. The documents include Registration Certificate, list of members in the Managing Committee, Annual and Audit Reports for three years, documents supporting the ownership of land, etc. In Committee's view, proper verification of the documents suggested by the NABCONS before awarding works to trusts/societies will provide solution to the number of difficulties being faced by the Ministry in implementation of this provision. The Committee, therefore, recommend that a list of specific documents as suggested by NABCONS should be mentioned in the MPLADS guidelines for their certain verification before sanctioning works to trusts/societies.

Reply of the Government

The Ministry held a national level consultation meeting on 20.12.2010 (when the annual entitlement per MP was Rs. 2 crore) with Secretaries of State /UT Nodal Departments and DCs/DMs for getting feedback on field-level experience in the implementation of MPLADS. Most of the participants suggested to restrict the annual ceiling for works relating to Trusts/ Societies to Rs.50 lakh in a financial year so that balance of MPLADS funds could be used for creation of community assets based on the felt need of the people. Consequent to the enhancement in the annual entitlement per MP under MPLADS from Rs. 2 crore to Rs. 5 crore during the year 2011-12, the annual ceiling per MP for allocation to Trusts & Societies was increased from Rs.50 lakh to Rs. 1 crore and the ceiling of total contribution to one particular Society/Trust in its life time was increased from Rs 25 lakh to Rs. 50 lakh. The enhancement was considered in the light of recommendations received from Hon'ble MPs, recommendations from the Lok Sabha and Rajya Sabha Committees on MPLADS for waiving the annual ceiling of Rs. 50 lakh for allocation to trusts and societies and recommendation from Public Accounts Committee(PAC) for doubling the ceiling of Rs. 25 lakh per Trust/Society commensurate with the increase of the MPLADS funds from Rs 2 crore to Rs. 5 crore per MP per annum.

On a recent reference received from Hon'ble Rajya Sabha Committee on MPLADS to enhance the annual limit at least in proportion to the enhancement in annual entitlement (that is, to consider increase in the annual entitlement to trusts/societies to Rs.1.25 crore) the Ministry has submitted the following (in April 2013):

The initial limit of Rs.25 lakh for an individual Trust/Society in its life-time and Rs.50 lakh for all trusts/societies in a year was not based on any calculation or study – it was arbitrarily fixed, presumably on the considerations of 'reasonableness'. Consequent upon the increase in annual entitlement from Rs.2 crore to Rs.5 crore per MP per annum, the limit was revised to Rs.50 lakh for an individual Trust/Society in its life-time and Rs. 1 crore to all Trusts/Societies in a year (in November 2012). There are other works of community infrastructure and public utility that require attention and priority under MPLADS. As it is, the annual entitlement for trusts and societies is 1/5th of the total annual entitlement of an MP. This is a high fraction. No case, on logic or 'reasonableness', is made out to enhance it any further.

The Ministry has made the following relaxation for trusts/societies working for the most deprived segments in the MPLADS Guidelines (in April 2013):

“Para 3.21.5: Relaxed provision for most deprived segments: *For trusts/societies that run charitable residential homes for orphans (anathalaya/yateemkhana) charitable residential homes/colonies for widows, charitable residential homes/colonies for lepers, charitable residential homes for blind persons, charitable residential homes for spastic/mentally retarded children or charitable residential homes for deaf and dumb children, the restriction of getting MPLADS funds up to Rs. 50 lakh in their life time will stand relaxed to Rs. 1 crore. The total funds received from MPLADS under this relaxed dispensation will be used only in and for the charitable and residential home/ colony mentioned afore (and not for any other purpose of the trust /society concerned). And the fund will be utilized only for the purposes provided for in para 3.21 of the Guidelines.”* (Copy enclosed at **Annexure I**)

Case to case relaxation to Trusts/Societies over and above prescribed ceilings is **not** undertaken by the Ministry as a matter of strict policy.

The District Authority cannot sanction a work unless and until it is recommended by the MP. Also, the very fact that a provision is there in the Guidelines does not mean that it has to be exercised by the MP. It is up to the MP to make his recommendations. Provisions in the Guidelines of MPLADS are enabling provisions, not binding on the MP.

Implementation of the works under the MPLADS is undertaken by the State Governments/District Authorities in accordance with the State Government administrative, financial and technical rules.

Examining the eligibility and suitability of a Trust/Society and weeding out of unscrupulous organizations from availing MPLADS funds is primarily the responsibility of the District Authority.

Para 3.21 of the MPLADS Guidelines clearly stipulates : “Whether such a Society/Trust is well reputed are not, should be decided by the District Authority concern on the basis of relevant factors, like performance in the field of social service, welfare activities, non-profit orientation of its activities, transparency of its activity and sound financial position”.

Therefore, before disbursing MPLADS funds, it is required and expected of the District Authority to duly exercise its responsibility of ascertaining the bonafide and eligibility of the proposed Trust/Society.

For verifying the credentials of a Trust/Society, the District Authority is responsible for ascertaining the bonafide and eligibility of the Trust/Society in a comprehensive manner by obtaining all the relevant documents which are deemed appropriate and necessary. It might not be appropriate and feasible to limit the scope by prescribing a few documents.”

(vide Ministry of Statistics and Programme Implementation OM No.C-29/2013-MPLADS dated 14.11.2013)

Observations/ Recommendations (Para 4.8)

4.4 The Committee take a serious view that the Ministry did not hold any consultation with the Committee before taking the decision on amendment of Para 2.11 of the guidelines. The Committee note that above guidelines modified in April, 2013 empowers the State Government for selection of the Implementing Agency and frame rules/guidelines applicable for the purpose. The Committee observe that above modification in Para 2.11 of the MPLAD Guidelines issued in April, 2013 is in fact substitution of Para 2.11 of the MPLADS Guidelines issued in August, 2012 by the Ministry of Statistics and Programme Implementation. On implementation of above guidelines, the Committee apprehend that each State will identify/select the implementing agency and frame rules/guidelines for the purpose as per their convenience, which in turn evolve different rules/guidelines and different interpretation in process of implementation of MPLADS in each State. The Committee are of the view that this will create disparities among the States in implementation of the Scheme. The Committee, therefore, strongly recommend that Ministry of Statistics and Programme Implementation should examine the matter and issue suitable directions to all States to maintain uniformity while framing rules/guidelines for identification of Implementing Agency and implementation of MPLADS guidelines.

Reply of the Government

Implementation of the works under the MPLADS is undertaken by the State Governments/District Authorities in accordance with the State Government's administrative, financial and technical rules. In line with this principle, the guidelines regarding selection of implementing agencies have been recently modified so that District Authority can select the implementing agency in accordance with State

Government rules/guidelines applicable for the purpose. Para 2.11 of the Guidelines of MPLADS has now been amended as follows (in April 2013) :

Para 2.11 Implementing Agency:

(a) The District Authority shall make the selection of an appropriate Implementing Agency through which a particular work recommended by an MP would be executed:

*(b) The selection of the Implementing Agency shall be undertaken in accordance with the State Government rules/guidelines applicable for the purpose. Provided that for certain works in certain Central Government Ministries/Organizations (like Railways) where the Implementing Agency has necessarily to be the concerned Central Government Ministry/Organization, the same shall be selected as the Implementing Agency (copy enclosed at **Annexure II**).*

The established convention is that the guidelines are modified from time to time with the approval of Hon'ble Minister for Statistics and Programme Implementation, inter-alia on the basis of feedback from MPs, States, District Authorities, recommendations and advice from Parliamentary Committees, recommendations and advice of C&AG/PAC, internal examinations and discussions in the Ministry, etc., in order to improve the design and implementation of the scheme. The circulars for modifications in guidelines are also endorsed to the Secretariats of the two Committees for information.

This position has also been communicated to Lok Sabha Secretariat vide letter dated 3rd July 2013 (copy enclosed at **Annexure III**).

(vide Ministry of Statistics and Programme Implementation OM No.C-29/2013-MPLADS dated 14.11.2013)

Observations/ Recommendations (Para 4.9)

4.5 The Committee take a serious view of the provision made by the Ministry in the MPLADS guidelines on outsourcing an ambulance for its operation by a reputed organization on the recommendation of a three member Committee consisting of CMO/Civil Surgeon and two other representatives of the District Magistrate. This provision while giving overriding powers to the said Committee in identification and selection of the organization does not provide any role to the MP who recommends the ambulance. This is in contrary to the recommendation of the Committee that the ambulance should be placed at the disposal of only such organization for which it is recommended by an MP. Concentrating all powers in the hands of the said Committee will defeat the very purpose of the Scheme to fulfill the locally felt needs of the people. Constituents approach an MP to fulfill their requirements and accordingly the MP makes recommendations. Hence, it is necessary that an MP identify the organization to which the ambulance should be given for its operation. The Committee, therefore, recommend that the Member of Parliament may recommend one or a few organizations to which the ambulance is to be given. The said Committee may scrutinize the recommendation and advise the District Magistrate about the suitability of the

organizations recommended by the MP. In case the organizations recommended by the MP were not found fulfilling the criteria fixed for the purpose, the same may be informed to him/her with the request that he/she may recommend some other reputed national/state level organizations for the operation of the ambulance.

Reply of the Government

The essential principle with MPLAD Scheme is that the **recommendation** is made by the Hon'ble MP and the **implementation** is carried out by the District Authority. Hon'ble MPs cannot be prescribed role in implementational aspects.

(vide Ministry of Statistics and Programme Implementation OM No.C-29/2013-MPLADS dated 14.11.2013)

CHAPTER – V

Observations/ recommendations in respect of which replies of the Government are still awaited:-

Nil

New Delhi

17 February, 2014
Magha 28, 1935(Saka)

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

Ministry of Panchayats (Local Area Development Scheme)

आर. राजेश
निदेशक

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No.C-23/2011-MPLADS (Vol-II)



सत्यमेव जयते

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GOVERNMENT OF INDIA
MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION
211, SARDAR PATEL BHAWAN, NEW DELHI-110001
E-mail : rajesh@nic.in, mplads@nic.in
17-04-2013

To

1. The Commissioners,
Corporations of Kolkata / Chennai / Delhi
2. All District Collectors / District Magistrates / Deputy Commissioners

Subject: Community infrastructure and public utility building works by registered trusts / societies under MPLADS.

Sir,

Preventing disbursement of MPLADS funds to unscrupulous organisations

1. The Rajya Sabha Committee on MPLADS has drawn attention to the responsibility of putting in place proper checks and balances to prevent siphoning off of MPLADS funds to any unscrupulous organisation.
2. The implementation of the MPLAD Scheme in the field is undertaken by the District Authority / State Government. The weeding out of unscrupulous organisations is primarily the responsibility of the District Authority.
3. There is need to put in place proper checks and balances to prevent disbursement of MPLADS funds to any unscrupulous organisation.
4. Attention is invited to para 3.21 of the Guidelines of MPLADS wherein, *inter alia*, the District authorities are required to ascertain the repute, bonafide and eligibility of a registered trust / society before disbursing MPLADS funds.
5. Attention is specifically drawn to the following stipulation in para 3.21 : "Whether such a society / trust is well reputed or not, should be decided by the District Authority concerned on the basis of relevant factors, like performance in the field of social service, welfare activities, non-profit orientation of its activities, transparency of its activities and sound financial position."
6. Therefore, before disbursing MPLADS funds, the District Authority should duly exercise its responsibility of ascertaining the bonafide and eligibility of the proposed trust / society.

Relaxation for charitable and residential homes for orphans, old / aged persons, widows, lepers and blind persons.

7. At present, an MP can recommend funds to trusts / societies in terms of the provisions of the MPLADS Guidelines upto a maximum of Rs.1 crore in a year and subject to the condition that one trust / society will get a maximum of Rs.50 lakh in its life-time. It has been seen that trusts / societies that run charitable orphanages, old- age homes, widow homes, leprosy homes and blind homes are serving the most deprived segments of humanity; for them, the restriction of being eligible for only Rs.50 lakh in their life-time is not required or warranted. For such homes, this condition should be relaxed. Accordingly, the following new provision has been added as para 3.21.5 in the Guidelines of MPLADS, with immediate effect:

"Para 3.21.5: Relaxed provision for most deprived segments: For trusts / societies that run charitable residential homes for orphans (*anathalaya / yateemkhana*), charitable residential homes for old / aged persons, charitable residential homes for widows, charitable residential homes / colonies for lepers, charitable residential homes for blind persons, charitable residential homes for spastic / mentally retarded children or charitable residential homes for deaf and dumb children, the restriction of getting MPLADS funds upto Rs.50 lakh in their life-time will stand relaxed to Rs.1 crore. The total funds received from MPLADS under this relaxed dispensation will be used only in and for the charitable and residential home / colony mentioned afore (and not for any other purpose of the trust / society concerned). And the funds will be utilised only for the purposes provided for in para 3.21 of the Guidelines."

8. This issues with the approval of Competent Authority.

Yours faithfully,

Rajesh

(R. Rajesh)

Director (MPLADS)

Copy for information to:

1. All Hon'ble Members of Parliament (Lok Sabha / Rajya Sabha).
2. The Secretaries, Nodal Departments dealing with MPLADS (All States / UTs).
3. Rajya Sabha Committee on MPLADS, Rajya Sabha Secretariat, New Delhi.
4. Lok Sabha Committee on MPLADS, Lok Sabha Secretariat, New Delhi.
5. To all concerned in MPLADS Division.
6. NIC for uploading on the MPLADS website.

Copy for information also to: Rajya Sabha Committee on MPLADS, Rajya Sabha Secretariat, New Delhi, in reference to their letter No. RS/12(xxii)/2011-MPLADS dated 11-07-2012.

Member of Parliament Local Area Development Scheme



भारत सरकार
सांख्यिकी एवं कार्यक्रम कार्यान्वयन मंत्रालय
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E-mail : mplads@nic.in

File No. C/16/2009-MPLADS,

Dated: 16th April, 2013

To

1. The Commissioners,
Corporations of Kolkata/Chennai/Delhi
2. All District Collectors/District Magistrates /Deputy Commissioners.

Sub: - Modification in MPLADS Guidelines- Implementing Agency(Para 2.11)

Sir/Madam,

It has been decided to modify Para 2.11 of the Guidelines of MPLADS as follows:-

2.11 Implementing Agency:

- (a) The District Authority shall make the selection of an appropriate Implementing Agency through which a particular work recommended by an MP would be executed;
- (b) The selection of the Implementing Agency shall be undertaken in accordance with the State Government rules/guidelines applicable for the purpose. Provided that for certain works in certain Central Government Ministries/Organizations (like Railways) where the Implementing Agency has necessarily to be the concerned Central Government Ministry/Organization, the same shall be selected as the Implementing Agency.

2. This issues with the approval of competent authority.

Yours faithfully,

R. Rajesh
(R. Rajesh)

Copy for information to:

1. All Hon'ble Members of Parliament (Lok Sabha/Rajya Sabha).
2. The Secretaries, Nodal Departments, dealing with MPLADS (All States/UTs).
3. Rajya Sabha Committee on MPLADS, Rajya Sabha Secretariat, New Delhi.
4. Lok Sabha Committee on MPLADS, Lok Sabha Secretariat, New Delhi.
5. All concerned officers in MPLADS Division.
6. NIC for uploading on the MPLADS Website.



संयुक्त संसदीय कार्यपालिका
संयुक्त संसदीय कार्यपालिका, नई दिल्ली-110001
GOVERNMENT OF INDIA
MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION
SARDAR PATEL BHAWAN, NEW DELHI-110001
FAX : 011-23364197
E-mail : mplads@nic.in

File No. File No.C-23/2011-MPLADS (pt-II)

Dated.....3rd July, 2013

To
Shri C. Kalyanasundaram,
Deputy Secretary,
Lok Sabha Secretariat
Parliament House, New Delhi

Subject: - Amendment/ Addition in the MPLADS Guidelines

Sir,

I am directed to refer to Lok Sabha Secretariat O.M No.1/3/MPLADSC/2010-11 dated 14.03.2012 on the subject mentioned above and state that the established convention is that the guidelines are modified from time to time with the approval of Hon'ble Minister for Statistics and Programme Implementation, *inter-alia* on the basis of feedback from MPs, States, District Authorities, etc., recommendations and advice from Parliamentary Committees, recommendations and advice of C & AG/PAC, internal examination and discussions in the Ministry, etc., in order to improve the design and implementation of the scheme. The circulars for modifications in guidelines are also endorsed to the Secretariats of the two Committees for information.

2. This issues with the approval of Hon'ble Minister of State for Statistics & Programme Implementation (I/C).

Yours faithfully

(D. Saibaba)
Director (MPLADS)

COMMITTEE ON MPLAD SCHEME, LOK SABHA (2013-14)

**MINUTES OF THE THIRD SITTING OF THE COMMITTEE ON MEMBERS OF
PARLIAMENT LOCAL AREA DEVELOPMENT SCHEME,
LOK SABHA (2013-14) HELD ON MONDAY, 17 FEBRUARY, 2014.**

The Committee sat on Monday, 17 February, 2014 from 1500 hours to 1555 hours in Room No.117, Parliament House Annexe, New Delhi.

PRESENT

Shri A. K. S. Vijayan - *Chairman*

MEMBERS

2. Shri Raj Babbar
3. Shri Dara Singh Chauhan
4. Shri Syed Shahnawaz Hussain
5. Shri Raghuveer Singh Meena
6. Shri Gopinath Munde
7. Shri Arjun Ray
8. Prof. Saugata Roy
9. Shri S.D. Shariq

SECRETARIAT

Shri D. R. Shekhar - *Director*

2. At the outset, the Hon'ble Chairman welcomed the Members of the Committee and thereafter, the Committee took up for consideration the draft Action Taken Report on the recommendations contained in the Eleventh Report (15th Lok Sabha) of the Committee on the subject 'Execution of MPLADS works through Societies/ Trusts/ NGOs'.

3. The Committee adopted the report unanimously without any amendments.

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 ELEVENTH REPORT OF THE COMMITTEE ON MPLADS (15TH LOK SABHA)

I.	Total number of recommendations	10
II.	Recommendations which have been accepted by Government:	03
	Para Nos 4.6, 4.7 & 4.10	(30%)
III.	Recommendations which the Committee do not desire to pursue in view of the Government's reply:	02
	Para Nos. 4.1 & 4.5	(20%)
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:	05
	Para Nos. 4.2, 4.3, 4.4, 4.8 & 4.9	(50%)
V.	Recommendations in respect of which final replies of the Government are still awaited:	00
	Para Nos. Nil	