The Member of Parliament Local Area Development Scheme (MPLADS)
A Primer

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November 2008
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Tracking the Member of Parliament
Local Area Development Scheme
(MPLADS)

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November 2008
This Primer explains the Member of Parliament Local Area Development Scheme (MPLADS), which allows MPs to allocate funds to capital works projects in sectors such as infrastructure development, public health, sanitation, and water. The primer also provides information on how citizens can track MPLADS projects in their constituencies.

Other Primers in this series:

Making Government Accountable: An Introduction to CAG Reports
The Union Budget
Engaging with Policy Makers: Ideas on Contributing to the Process of Law Making

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A Primer on the MPLAD Scheme

“The Members of Parliament are often approached by their Constituencies for executing implementation of small works mainly capital in nature to be undertaken in their individual Constituency. Prior to the formation of Members of Parliament Local Area Development Scheme, the Members of Parliament had to recommend such works either to local bodies, municipalities or State Government. During those times, the member did not have direct involvement either in the administrative implementation of such works or in the financial aspect involved in undertaking the works. He had to remain merely a silent spectator and any element of corruption which generally creeps in the entire system of implementation of projects and financing of the same…”

First Report of the Committee on Members of Parliament Local Area Development Scheme, Rajya Sabha

“…these schemes [MPLADS and MLALADS] do seriously erode the notion of separation of powers, as the legislator directly becomes the executive. The argument advanced that legislators do not directly handle public funds under these schemes, as these are under the control of the District Magistrate is flawed. In fact, no Minister directly handles public money. Even the officials do not personally handle cash, except the treasury officials and disbursing officers. Making day-to-day decisions on expenditure after the legislature has approved the budget, is a key executive function.”

Fourth Report, Second Administrative Reforms Committee

The Member of Parliament Local Area Development Scheme (MPLADS) was created so that MPs, who routinely receive requests from constituents for infrastructure development in their area, would have the means to address local problems. This primer focuses on the background and guidelines for MPLADS, the process for the release of money, and how constituents can access information about MPLADS projects.

Background on MPLADS

The Member of Parliament Local Area Development Scheme (MPLADS) was launched on December 23, 1993 as a programme for Members of Parliament (MPs) to recommend development projects in their constituencies. The MP may recommend capital works projects in sectors such as infrastructure development, public health, sanitation, and water.

When the programme began, each member of Parliament was given Rs 5 lakhs per annum to spend on development projects. This amount increased to Rs 1 crore in 1994-95 and was revised again in 1998-99 to Rs 2 crore.
MPLADS Guidelines

MPLADS funded projects are prohibited from benefiting individuals, and the money must be used for community development. Lok Sabha MPs can recommend projects in their constituencies while Rajya Sabha MPs can apply funds for projects anywhere in their state. Nominated members of Parliament can use MPLADS anywhere in India.

<table>
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<th><strong>2005 MPLADS Guidelines</strong></th>
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<td><strong>Allocation</strong></td>
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<td><strong>Spending Limit</strong></td>
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<td><strong>Eligible Projects</strong></td>
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<td><strong>Prohibited Projects</strong></td>
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<td><strong>SC &amp; ST areas</strong></td>
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<td><strong>Societies &amp; Trusts</strong></td>
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<td><strong>Existing Schemes</strong></td>
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Similar to MPLADS, several states have enacted schemes where funds are given to members of the state legislative assemblies (MLALADS). The amount of money and the specific guidelines for the scheme vary across states.

**Process for administering MPLADS**

The scheme is administered by the Ministry of Statistics and Programme Implementation (MOSPI), which formulates the guidelines, releases funds, and monitors implementation. At the state level, a nodal department is responsible for coordinating and monitoring MPLADS projects in the districts. Once a MP has authorized the release of money for a particular project, the relevant district authority (district collector or municipal commissioner) has 45 days to consider and sanction the project. If the recommended project is not approved, the district authority must notify the MP within 45 days of the receipt of their proposal.

Once a work is sanctioned, the district collector coordinates with the implementing agency to get the project completed within 1 year. The Ministry recommends that projects should be implemented by government agencies, but in some cases allows NGOs to execute projects.

**Release of the funds**

After the constitution of the Lok Sabha and election to the Rajya Sabha, Rs 1 crore is automatically released. For the subsequent funds, the MP must fulfill certain requirements.

<table>
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<th>Timeline for release of money</th>
<th>Twice a year</th>
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<td>Conditions for the release of the 1st instalment</td>
<td>The second instalment of the previous year should have been released</td>
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<td>Conditions for the release of the 2nd instalment</td>
<td>(i) The amount released by the government minus the amount sanctioned for all projects is less than Rs 50 lakh; &lt;br&gt; (ii) The amount released by the government minus the amount already spent on all projects is less than Rs 1 crore; and &lt;br&gt; (iii) utilization and audit certificates for the previous year are given</td>
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MPLADS funds left over from an earlier Lok Sabha MP are carried over to the incoming Lok Sabha MP’s account. For Rajya Sabha members, the remaining funds are distributed among that state’s incoming Rajya Sabha members. Similarly, unspent funds from outgoing nominated MPs are divided among the new nominated MPs.

**Tracking MPLADS in the Districts**

The district authority is responsible for making certain information available to the public.

- Information on MPLADS (the number and cost of works sanctioned, implementing agencies, projects completed, etc) should be made available to citizens under the Right to Information Act.

- The district authority should keep a list of all completed and ongoing MPLADS projects and the funds required. This list should be displayed at the District Authority Office and on the website.

- All MPLADS data should be uploaded to the MPLADS website.

- A plaque for each MPLADS project will be placed at the project location with information on the project cost, start date, completion date, inauguration, and the MP’s name.

- The district authority should maintain the works registers of recommended projects and a register for all assets created by MPLADS funds.

- Information and photographs of all projects above Rs 5 lakh should be given to the Ministry of Statistics and Programme Implementation to put on the website.

- The district authority shall review all MPLADS projects on a monthly basis with implementing agencies.

- At least 10% of the projects under implementation in the district are to be inspected every year by the district authority. All projects for societies/trusts shall be inspected to ensure compliance.
Accessing MPLADS Information

Information on MPLADS, the annual report, and sector specific data, go to http://mplads.nic.in/.

The chart below shows how one can access the details of funds utilised for any particular MP or for a constituency.
Use of MPLADS in the last 15 years

**Annual release of funds**

Since 1993 when the scheme was started until March 2007, the government has released approximately Rs 16,375 crore (about 90% of the total money allotted for the scheme). The chart shows the annual release of funds from the programme’s inception until 2006-07.

![Chart showing annual release of funds from 1994 to 2006.

Source: Statewise Status of Fund Release and Expenditure, MOSPI.]

**Sector wise distribution**

There are 11 eligible sectors for MPLADS projects, which broadly encompass infrastructure development, public health, sanitation, and water. Nearly 60% of the funds have been spent on two sectors: (a) roads, pathways, bridges; and (b) other public facilities.

![Pie chart showing sector wise distribution of funds.

Source: Annual Report MPLADS 2006-07, MOSPI. Note: The chart is based on projects that have been uploaded to the MPLADS website.]