



Member of Parliament Local Area Development Scheme

For Prelims: [Member of Parliament Local Area Development Scheme](#), [Members of parliament](#), [Scheduled Castes](#), [Scheduled Tribes](#), [Mahatma Gandhi National Rural Employment Guarantee Scheme](#), [Khelo India](#), [Comptroller and Auditor General](#), [Supreme Court of India](#)

For Mains: [Separation of Powers](#), Significance of MPLAD Scheme and the Related Issues.

Source: [BS](#)

Why in News?

The [Member of Parliament Local Area Development Scheme \(MPLADS\)](#) remains a debated topic in India, with proponents arguing it empowers representatives to address local needs and critics claiming it undermines constitutional principles, particularly the [separation of powers](#).

- Recent reports of **incomplete projects and calls for increased funding** have further fueled the debate on the oversight and accountability of MPLADS.

What is MPLADS?

- **About:** MPLADS is a **Central Sector Scheme** introduced in 1993 that enables the [Members of Parliaments \(MP\)](#) to recommend developmental work in their constituencies with an emphasis on creating durable community assets based on locally felt needs.
- **Implementation:** A state-level nodal department oversees MPLADS, while **district authorities sanction projects**, allocate funds, and ensure implementation.
- **Funding Allocation:** Each **MP is allocated Rs 5 crore per year** since 2011-12. Funds are disbursed by the [Ministry of Statistics and Program Implementation \(MoSPI\)](#) to district authorities in two instalments of Rs 2.5 crore each.
 - **Nature of Funds:** Funds are **non-lapsable and carried forward** if not utilised in a given year. MPs must allocate a minimum of 15% and 7.5% of their funds to create assets for [Scheduled Castes \(SCs\)](#) and [Scheduled Tribes \(STs\)](#), respectively.
- **Special Provisions:** MPs can allocate up to **Rs 25 lakh annually outside their constituencies or states** for projects promoting national unity. For severe natural calamities, MPs can allocate up to Rs 1 crore for projects anywhere in India.
- **Projects Eligible Under MPLADS:** MPLADS funds can be converged with the [Mahatma Gandhi National Rural Employment Guarantee Scheme \(MGNREGS\)](#) for durable asset creation and integrated with the [Khelo India program](#) for sports infrastructure development.
 - Infrastructure support is permitted on lands owned by **registered societies or trusts** engaged in social welfare for at least three years, but **prohibited for societies where the MP or their family members** are office-bearers.

What are the Main Arguments For and Against MPLADS?

- **Criticisms:**

- **Violation of Constitutional Principles:** Critics argue that MPLADS breaches the **separation of powers** by allowing legislators to perform executive functions.
 - While MPs claim to only recommend projects, there are concerns that **district authorities rarely defy MP recommendations**, raising questions about accountability and the separation of powers in democratic governance.
 - The **2nd Administrative Reforms Commission (ARC) (2005)** recommended the abrogation of the scheme, highlighting the problems of the legislator stepping into the **shoes of the executive** and **infringe on the rights of local governments**.
- **Lack of Accountability:** Concerns include inadequate monitoring and evaluation mechanisms, leading to **potential misuse of public funds**.
 - It is widely alleged that MPs use these funds to benefit opinion-makers, contractors, or even family members.
 - The MPLADS scheme is not **governed by any statutory law**, which has made it challenging to enforce the rules and regulations associated with it.
- **Political Misuse:** Reports suggest that investigations into fund utilisation are often politically motivated, especially during election periods.
- **Issues in MPLADS:** The **Comptroller and Auditor General (CAG)** has reported multiple flaws in the scheme's execution:
 - Funds under MPLADS are often underutilised, with utilisation rates ranging from 49% to 90%.
 - Instead of **funding new asset creation**, a significant portion of the funds was used for the improvement of existing assets.
 - Excess payments and substandard works due to use of lesser materials have been observed.
 - Delay in **issuing work orders and poor record-keeping** have further compounded the issue, raising concerns about transparency and accountability.
- **Supportive Views:**
 - **Local Development Focus:** Supporters, primarily elected representatives, believe MPLADS serves as a tool for **localised development**, enabling MPs to respond directly to the needs of their communities.
 - **Flexibility in Project Selection:** Elected representatives argue that MPLADS supports **faster implementation of projects** that reflect local priorities.
 - **Increased Allocation Demand:** Some MPs are advocating for increased **MPLADS funding**, arguing that the current per capita allocation is lower than what state legislators (**Member of the Legislative Assembly**) receive for smaller populations.
 - It is believed that this increase would enable **more equitable development across larger MP constituencies**, aligning resources with those available to MLAs.

Supreme Court Stance on MPLADS

- In 2010, the **Supreme Court** upheld the scheme as constitutional, legitimising MPLADS while emphasising that **MPs only recommend projects, which are executed by district officials**.
 - The SC noted that the scheme has **contributed positively to local communities**, funding essential developmental works like water facilities, **education, health, and infrastructure**.
- The SC clarified that the Union government can allocate funds for public welfare schemes through an Appropriation Bill (**Article 282 of the Indian Constitution**), making the MPLAD Scheme legally valid as part of the public purpose under **Directive Principles of State Policy (Article 38)**.

How Effective is the Monitoring of MPLADS?

- **Third-Party Evaluations:** The government has attempted to evaluate MPLADS through third-party monitoring. Organisations like **National Bank for Agriculture and Rural Development Consultancy Services (NABCONS)** and the **Agricultural Finance Corporation (AFC) Limited**

have highlighted some positive outcomes, such as creating good-quality assets and providing decentralised development.

- However, the third-party evaluations also revealed irregularities such as **sanction of ineligible works, encroachment of assets, non-existence of some assets**, diversion of use of assets, delay in financial sanction and completion of works, and works awarded to ineligible trusts/societies.
- **Key Problems in Monitoring MPLADS:** Third-party evaluations are often delayed, leaving little room for corrective actions during project execution.
 - Insufficient checks and **lack of follow-up on irregularities** allow misuse of funds.
 - Opaque processes and **limited public access to fund utilisation data** hinder scrutiny.
 - Each MP's office has the exact details of the fund utilisation over the last 10 years, but **this information has not been updated on the portal** as it was supposed to be.

Does MPLADS Require Reform or Abolition?

- **Arguments for Reform:**
 - Reforming the MPLADS could involve giving it **statutory backing and establishing an independent monitoring body**. This would ensure better governance, accountability, and transparency, addressing concerns about misuse and inefficiency.
 - **Open tendering** can be used for contractor selection, with CAG representatives present to ensure compliance.
 - There could be reforms that enable better integration with national schemes like the MGNREGS and [Pradhan Mantri-Janjati Adivasi Nyaya Maha Abhiyan \(PM-JANMAN\) Scheme](#) to maximise the impact of funds.
 - The current scheme allows MPs to fund various projects, but reforms could **focus on targeting welfare initiatives** for marginalised communities to enhance local development.
- **Arguments for Abolition:**
 - Abolishing MPLADS could **redirect funds directly to local governments (Panchayats, Municipalities)**, which are better positioned to understand and address the specific needs of the community.
 - Many argue that existing government schemes already address local development needs, and abolishing MPLADS could lead to better utilisation of resources and **prevent duplication of efforts**.
 - The weak regulations have led to misuse and uneven distribution of funds, leaving it vulnerable to **corruption** and inefficiency.

Conclusion

Balancing MPLADS's development objectives with **robust accountability mechanisms could determine its future**. Whether reforms to enhance transparency will suffice or whether more drastic measures like abolition are required remains a vital point of debate in India's democratic governance.

Drishti Mains Question:

What are the issues associated with the MPLADS scheme? How does it challenge the separation of powers?

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims

Q. With reference to the funds under Members of Parliament Local Area Development Scheme (MPLADS), which of the following statements are correct? (2020)

1. MPLADS funds must be used to create durable assets like physical infrastructure for health, education, etc.
2. A specified portion of each MP's fund must benefit SC/ST populations.
3. MPLADS funds are sanctioned on a yearly basis and the unused funds cannot be carried forward to the next year.
4. The district authority must inspect at least 10% of all works under implementation every year.

Select the correct answer using the code given below:

- a) 1 and 2 only
- b) 3 and 4 only
- c) 1, 2 and 3 only
- d) 1, 2 and 4 only

Ans: (d)

PDF Reference URL: <https://www.drishtiias.com/printpdf/member-of-parliament-local-area-development-scheme>

