



## MPLAD Scheme

**For Prelims:** MPLAD Scheme, Central Sector Schemes.

**For Mains:** Significance of MPLAD Scheme and the Related Issues.

### Why in News?

Recently, the Ministry of Finance has revised the [Member of Parliament Local Area Development Scheme \(MPLADS\)](#) rules, where the interest that the fund accrues will be deposited in the Consolidated Fund of India.

- So far, the interest accrued on the fund used to be added to the MPLADS account and could be used for the development projects.

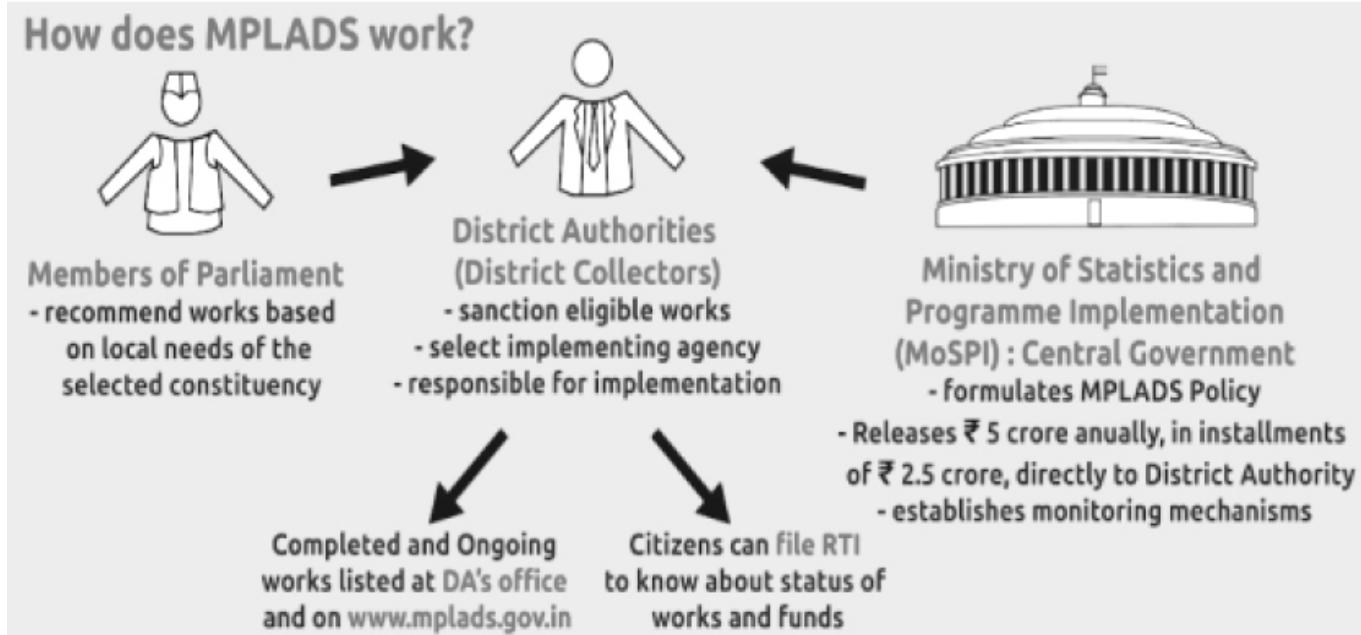
### What is Consolidated Fund of India?

- All revenues received by the Government by way of taxes like Income Tax, Central Excise, Customs and other receipts flowing to the Government in connection with the conduct of Government business i.e. Non-Tax Revenues are credited into the Consolidated Fund constituted under **Article 266 (1) of the Constitution of India**.
- Similarly, all loans raised by the Government by issue of Public notifications, treasury bills (internal debt) and loans obtained from foreign governments and international institutions (external debt) are credited into this fund.
- All expenditure of the government is incurred from this fund and no amount can be withdrawn from the Fund without authorization from the Parliament.

### What is MPLAD Scheme?

- **About:**
  - It is a Central Sector Scheme which was announced in December 1993.
- **Objective:**
  - To enable MPs to recommend works of developmental nature with emphasis on the creation of durable community assets in the areas of drinking water, primary education, public health, sanitation and roads, etc. primarily in their Constituencies.
    - Since June 2016, the MPLAD funds can also be used for implementation of the schemes such as [Swachh Bharat Abhiyan](#), [Accessible India Campaign](#) ([Sugamya Bharat Abhiyan](#)), conservation of water through rain water harvesting and [Sansad Aadarsh Gram Yojana](#), etc.
- **Implementation:**
  - The process under MPLADS starts with the Members of Parliament recommending works to

- the Nodal District Authority.
- The Nodal District concerned is responsible for implementing the eligible works recommended by the Members of Parliament and maintaining the details of individual works executed and amount spent under the Scheme.
- Functioning:**
- Each year, **MPs receive Rs. 5 crore in two instalments of Rs. 2.5 crore each.** Funds under MPLADS are non-lapsable.
  - Lok Sabha MPs have to recommend the district authorities projects in their Lok Sabha constituencies, while Rajya Sabha MPs have to spend it in the state that has elected them to the House.
  - Nominated Members of both the Rajya Sabha and Lok Sabha can recommend works anywhere in the country.



What are the Issues with MPLADS?

- Implementation Lapses:** The [Comptroller and Auditor-General of India \(CAG\)](#) has flagged instances of financial mismanagement and artificial inflation of amounts spent.
- No Statutory Backing:** The scheme is not governed by any statutory law and is subject to the whims and fancies of the government of the day.
- Monitoring and Regulation:** The scheme was launched for promoting participatory development but there is no indicator available to measure level of participation.
- Breach of Federalism:** MPLADS encroaches upon the domain of local self governing institutions and thereby violates [Part IX and IX-A of the Constitution](#).
- Conflict with Doctrine of Separation of Powers: MPs are getting involved in executive functions.

[Source: ET](#)