

**GOVERNMENT OF INDIA
STATISTICS AND PROGRAMME IMPLEMENTATION
LOK SABHA**

STARRED QUESTION NO:551
ANSWERED ON:25.04.2001
MPLADS
SATYAVRAT CHATURVEDI

Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:

- (a) whether the Government propose to increase the amount under Members of Parliament Local Area Development Scheme;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor; and
- (d) the time by which this amount is likely to be increased?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE FOR THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE)

(a) to (d) A Statement is laid on the Table of the Lok Sabha.

Statement referred to in reply to parts (a) to (d) of Starred Question No. 551, to be answered on 25th April 2001 in the Lok Sabha.

(a) to (d) Government does not propose to increase the amount due to each Member under the MPLAD Scheme. Main reasons for this are the following:

(i) As the funds, under the Scheme, are non-lapsable, there is a carry-forward liability of Rs. 786.5 crores as on date. Additional funds to meet this liability have to be provided in the current year and the next year.

(ii) Against a total release of Rs. 7097.8 crores, under the Scheme upto the 31st March 2001, actual expenditure reported by the Districts is Rs. 4649.50 crores which is about 65.5% of the amount released. On the one hand, Government is borrowing funds at high cost, on the other, funds are lying idle in the Districts.

(iii) The shortfall in utilisation has been adversely commented upon by the Comptroller and Auditor General (C&A.G) in their Reports laid in the Parliament on 11th June, 1998 and on 17th April 2001.

(iv) In addition, the C&A.G has severely criticised the utilisation of funds on grounds such as the following:

(a) The Ministry released the MPLADS funds without any correlation with their end use. The Ministry releases funds based on the cost of the works sanctioned as per the approved criteria and does not insist upon the utilisation certificate. The C&A.G criticised this practice.

(b) The implementing agencies did not refund the unspent balance. In 1/3rd of the Constituencies taken in the audit sample, the implementing agencies were found to have retained the excess amount in cases where the works were either cancelled or completed at lower than estimated cost.

(c) Irregular diversion of funds to inadmissible purposes. The Audit found that the District Heads accorded sanctions totalling to Rs. 18.33 crores to inadmissible works.

(d) Sanction of works for commercial and private organisations

The District Heads sanctioned an expenditure of Rs. 9.16 crores on 518 works belonging to commercial organisations, trusts, clubs, societies, private institutions which were not permitted under the Scheme.

(e) Irregular sanction of repair and maintenance works

The Audit found MPLADS funds spent on repair and maintenance works which are not permitted under the Guidelines.

(f) Purchase of stores out of the MPLADS funds

Stock valuing Rs. 5.46 crores were purchased out of the MPLADS funds in violation of the Guidelines.

(g) Irregular expenditure on places of religious worship

The Guidelines prohibited works pertaining to places of religious worship. The Audit has pointed out many cases where works belonging to places of religious worship were taken up under the Scheme.

(h) Irregular expenditure on memorials

The MPLADS does not permit works of construction of memorials. The Audit found irregular expenditure of Rs. 54.55 lakhs for construction of memorial buildings in 5 States involving 7 constituencies.

(i) Irregular sanction of loans, grants and donations

There was irregular sanction of loans, grants and donations totalling to Rs. 81.45 lakhs in contravention of the provisions of the MPLAD Scheme.

(j) Suspected fraud/misappropriation of funds

The audit has reported that there were 13 cases of suspected fraud/misappropriation of funds in 7 sample states involving Rs. 118.36 lakhs.

(k) Incomplete/abandoned works

In 31 sample constituencies of 14 States/UTs, 99 works were either abandoned or left incomplete midway due to dispute over title to land, insufficient provisions of funds, objections raised by local people/government department.

Overall, the C&AG has concluded that the Audit findings reveal failures: in operationalising the MPLADS; in meeting its stated objectives; in conforming to the prescription of the scheme by the MPs at the recommendation stage and by the District Officers at the execution stage; and, failure to effectively administer and monitor the Scheme. The C&AG has recommended that the Scheme has 'hardly served its main objectives' and in view of this, the Central Government needs to have a thorough review of the present arrangements for the implementation of the Scheme.