



Cabinet



## Cabinet approves Restoration and continuation of Member of Parliament Local Area Development Scheme (MPLADS)

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The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi, today has approved the restoration and continuation of Member of Parliament Local Area Development Scheme (MPLADS) during the remaining part of Financial Year 2021-22 and up to Financial Year 2025-26 co-terminus with the period of 15<sup>th</sup> Finance Commission.

### Details of the Scheme:

- The MPLADS is a Central Sector Scheme fully funded by Government of India. The objective of the scheme is 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.
- The annual MPLADS fund entitlement per Member of Parliament (MP) constituency is Rs.5 crore, released in two instalments of Rs.2.5 crore each, subject to the fulfilment of conditions as per the MPLADS Guidelines.
- For managing the health and adverse impacts of covid 19 in the society, the Cabinet in its meeting held on 6th April 2020, had decided not to operate MPLADS during the FY 2020-21 and 2021-22 and place the fund at the disposal of Ministry of Finance for managing the impacts of covid 19 pandemic.
- As the country is now on the road to economic recovery and the Scheme continues to be beneficial for the creation of durable community assets, in fulfilling the aspirations of locally felt needs of the Community, in skill development and creation of jobs across the country, thereby helpful in achieving the objective of Atamirbhar Bharat. Accordingly, the Union Cabinet has now decided to restore Members of Parliament Local Area Development Scheme (MPLADS) during the remaining part of Financial Year 2021-22 and to continue MPLADS up to 2025-26, co-terminus with the period of 15<sup>th</sup> Finance Commission.

The Ministry will release MPLADS fund at the rate of Rs. 2 crore per Member of Parliament for the remaining period of FY 2021-22 in one instalment and at the rate of Rs. 5.00 crore per annum per Member of Parliament during FY 2022-23 to FY 2025-26 in two instalments of Rs.2.5 crore



each. Since the inception of the Scheme, a total of 19,86,206 works/projects have been completed with the financial implication of Rs. 54171.09 crore.

### Financial implications:

The total financial implication for restoration and continuation of the MPLADS for the remaining part of the Financial Year 2021-22 and up to 2025-26 will be Rs. 17417.00 crore as tabulated below:

Financial Year	2021-22	2022-23	2023-24	2024-25	2025-26	Total Outlay
Financial Implication (Rs. In crore)	1583.5	3965.00	3958.50	3955.00	3955.0	<b>17417.00</b>

### Implementation Strategy and Targets:

- The MPLAD scheme is governed by a set of guidelines, which are revised from time to time.
- 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.

### Impact:

- The restoration and continuation of MPLADS will restart the community developmental projects / works in the field which are halted / stopped due to lack of funds under MPLADS.
- It will restart fulfilling the aspirations and developmental requirements of the local community and creation of durable assets, which is the primary objective of the MPLADS.
- It will also help in reviving the local economy.

### Background:

- The MPLADS is a Central Sector Scheme fully funded by Government of India. The objective of the scheme is 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.



- The annual MPLADS fund entitlement per Member of Parliament (MP) constituency is Rs.5 crore, released in two instalments of Rs.2.5 crore each, subject to the fulfilment of conditions as per the MPLADS Guidelines.
- The Ministry conducted a Third Party Evaluation of the MPLADS works during 2021 in 216 districts across the country. The Evaluation Report recommended for the continuation of MPLADS.

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