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Norms Relaxed under MPLAD Scheme

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Why in News

The government has provided for **“one-time exemption in furnishing of utilization certificate” for release of the first instalment**, and **exemption from furnishing of audit certificate for release of the second instalment** under the Members of Parliament Local Area Development (**MPLAD**) Scheme.

- This exemption is **applicable only for the financial year 2020-21**.
- The exemption is **for the Members of Parliament (MPs) who have decided to contribute for COVID-19**.
- The **latest announcement comes after allowing a one-time dispensation** under the Scheme to allow MPs to recommend funds for purchase of medical testing and screening equipment for government hospitals and dispensaries in the wake of COVID-19.
- Each year under MPLADS, 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.
 - Under the MPLADS rules, an MP **can donate a maximum of Rs 1 crore to a trust** or a public fund.

Members of Parliament Local Area Development Scheme

- It was announced in **December 1993** and initially came under the control of the Ministry of Rural Development. Later, in October 1994, it was transferred to the **Ministry of Statistics and Programme Implementation**.
- The 1st Guidelines were issued in February 1994, covering the concept, implementation and monitoring of the Scheme.

- **Objective:**
 - To enable MPs to recommend works of developmental nature with emphasis on the creation of durable community assets based on the locally felt needs to be taken up in their Constituencies.
 - Lok Sabha Members can recommend works within their constituencies and elected Members of Rajya Sabha can recommend works within the State they are elected from.
 - Nominated Members of both the Rajya Sabha and Lok Sabha can recommend works anywhere in the country.
 - To create durable assets of national priorities viz. drinking water, primary education, public health, sanitation and roads, etc.
- It is a **Central Sector Scheme**. The annual MPLADS fund entitlement per MP constituency is ₹5 crore.

Source: IE