

GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ
RAJYA SABHA
UNSTARRED QUESTION NO 4201
ANSWERED ON 01.04.2026

ROLE OF PANCHAYATI RAJ INSTITUTIONS IN RURAL DEVELOPMENT

4201 SHRI JAGGESH:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether Government recognizes that India's development trajectory places Panchayati Raj Institutions at the core of people-centric and technology-enabled rural transformation;
- (b) whether any assessment has been made of the expanding role of Panchayati Raj Institutions in strengthening local governance and ensuring inclusive growth at the grassroots level;
- (c) whether Government has taken steps to promote digital governance, transparency and capacity building of Panchayati Raj Institutions through national programmes;
- (d) whether Government proposes further policy, financial or institutional measures to strengthen Panchayati Raj Institutions; and
- (e) if so, the details thereof?

ANSWER

THE MINISTER OF PANCHAYATI RAJ

(SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH)

(a) and (b) Yes, Sir. The 73rd Constitutional Amendment Act, 1992, promulgated on 24th April, 1993, added 'Part IX', relating to Panchayats, to the Constitution of India. Consequently, 'Panchayats' have assumed Constitutional status.

"Panchayat", being "Local Government", is a State subject and part of State List of Seventh Schedule of the Constitution of India. Panchayats are set up and operate through the respective State Panchayati Raj Acts. States have made their own Panchayati Raj Act, subject to the provisions of the Constitution. Article 243G of the Constitution empowers the Legislature of a State to make provisions, by law, for the devolution of power and responsibilities upon Panchayat at appropriate level, subject to such conditions as may be

specified, with respect to the preparation of plans for economic development and social justice and implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to matters listed in the Eleventh Schedule to the Constitution. The State legislatures are to consider the 29 subjects listed in the Eleventh Schedule for devolution of power and responsibilities upon Panchayats. Accordingly, all matters relating to Panchayats, including assessment to expand role of Panchayati Raj Institutions in strengthening local governance and ensuring inclusive growth at the grassroots level, fall within the purview of State Government.

The Ministry has released a report titled “Status of Devolution to Panchayats in States - An Indicative Evidence-Based Ranking, 2024” in February 2025 to assess the effectiveness of devolution and the role of local governments in strengthening grassroots democracy. This report presents the Devolution Index, which provides the overall scores and ranks for all States/Union Territories covered under Part-IX of the Constitution, based on six identified dimensions: Framework, Functions, Finances, Functionaries, Capacity Enhancement, and Accountability. This report reveals that the extent of devolution has increased from 39.9% to 43.9% between the period 2013-14 to 2021-22.

The Ministry of Panchayati Raj also reviews performance of Panchayats, from time to time, through studies, review meetings, field visits, video conferencing, Information Technology applications etc.

(c) It is the prime responsibility of State Government concerned to promote digital governance, transparency and capacity building of Panchayati Raj Institutions and also to propose policy, financial, or institutional measures to strengthen Panchayati Raj Institutions.

This Ministry has implemented a Centrally Sponsored Scheme called Revamped Rashtriya Gram Swaraj Abhiyan (RGSA) w.e.f. financial year 2022-23 with main objective for capacitating PRIs through imparting training to all the Elected Representatives, functionaries and other stakeholders to develop their governance capabilities for leadership roles to enable the Panchayats to function effectively. Under RGSA, the Ministry provides support for various categories of training, including basic orientation and refresher training, thematic training, specialized training, and training for Panchayat Development Planning, etc. The scheme also supports exposure visits, development of training modules and materials, etc. In addition to training interventions, the scheme supports institutional strengthening and the creation of basic infrastructure for capacity building at the Panchayat level. This includes support for establishing institutional mechanisms for training and capacity building, and for creating Panchayat infrastructure such as Gram Panchayat Bhawans, computer facilities, and the co-location of Common Service Centres (CSCs) in panchayat office premises, on a limited scale.

Further, to enhance the skills and knowledge, a major step has also been taken for capacity building and training of elected representatives and functionaries of Panchayats through institutes of excellence like IIMs/IITs, etc., under the Leadership/Management Development Program (MDP). Under this MDP training, 3,381 have been trained so far as of 28.02.2026.

The Ministry of Panchayati Raj, in collaboration with IIM Ahmedabad, has also developed a training module on Own Source Revenue (OSR) to strengthen the financial self-reliance of Gram Panchayats. The module helps elected representatives and Panchayat functionaries understand how OSR is generated through tax and non-tax sources.

The Ministry is implementing the e-Panchayat Mission Mode Project (MMP) under RGSA, which has significantly enhanced transparency, efficiency, and governance at the grassroots level. The eGramSwaraj application, developed as part of the e-Panchayat MMP, has facilitated digital planning, accounting, monitoring, and online payments at the Panchayat level. The integration of eGramSwaraj with the Public Financial Management System (PFMS) enables real-time payments to vendors and service providers, ensuring seamless fund flow and reducing delays. During Financial Year 2025–26, 2,55,254 Gram Panchayats across the country, uploaded their Gram Panchayat Development Plans (GPDs). During the same period, Panchayati Raj Institutions made payments amounting to ₹53,342 crore through the eGramSwaraj–PFMS interface.

Further, applications developed by the Ministry like Meri Panchayat have endeavoured to bring transparency in Panchayat Governance by making information on planning, activities and progress of works in Panchayat accessible to public. Similarly, Panchayat NIRNAY is an online application that aims at bringing transparency and better management in conduct of Gram Sabhas by Panchayats.

Furthermore, an application of ‘AuditOnline’ has been developed for online audits of Panchayat accounts and their financial management. AuditOnline for transparent auditing of Central Finance Commission funds utilization to strengthen financial management of Panchayats launched in April 2020. For audit period 2023-24, audit report for 2,58,074 Gram Panchayats have been generated.

The Ministry has also introduced SabhaSaar, an AI-enabled voice-to-text and meeting summarisation platform, to support accurate and timely documentation of Gram Sabha and Panchayat meetings. The platform facilitates multilingual transcription, agenda-wise summarisation of proceedings, validation of minutes by Panchayat functionaries prior to finalisation, and structured recording of resolutions and action points. SabhaSaar is intended to enhance transparency, efficiency and follow-up in grassroots governance. As on 18-03-2026, over 1.17 lakh Gram Panchayats have utilized the SabhaSaar portal for generation of Minutes of Meetings, and more than 2.39 lakh Minutes have been uploaded on the portal.

Furthermore, the Ministry has strengthened the e-GramSwaraj platform through integration with other national digital platforms. Integration with the Government e-Marketplace (GeM) facilitates transparent, efficient and rule-based procurement by Gram Panchayats. Integration with Bharat Sanchar Nigam Limited (BSNL) enables Gram Panchayats to apply for internet connectivity at the Panchayat level. Integration with BHASHINI enables multilingual access to e-GramSwaraj, thereby improving accessibility in regional languages. In addition, integration of weather forecast information supports informed local planning and timely decision-making, particularly in the areas of agriculture

and disaster preparedness.

(d) and (e) The Ministry of Panchayati Raj reviews performance and undertakes policy, financial or institutional measures to strengthen Panchayati Raj Institutions, from time to time. The details are mentioned in reply to para (c) above.
