GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ
RAJYA SABHA
UNSTARRED QUESTION NO. 2805
ANSWERED ON 12.08.2026

ATMANIRBHAR PANCHAYAT PROGRAM

2805 # SHRI RAJESH PARMANAND SHUKLA:
SHRI KESRIDEVSINH JHALA:
SHRI SUBHASH BARALA:
SHRI ASHOKRAO SHANKARRAO CHAVAN:
DR. BHIM SINGH:
DR. PARMAR JASHVANTSINH SALAMSINH:
SHRI MADAN RATHORE:

Will the MINISTER OF PANCHAYATI RAJ be pleased to state:

(a) the objectives and salient features of the Atmanirbhar Panchayat Programme aimed at strengthening the financial self-reliance of Panchayati Raj Institutions;

(b) the number of Panchayats that have submitted proposals for revenue-generating projects under the programme and the technical assistance being provided to convert these into bankable ventures;

(c) the role and support being extended by National Bank for Agriculture and Rural Development (NABARD) and Housing and Urban Development Corporation Limited (HUDCO) under this programme; and

(d) the manner in which this initiative is expected to enhance Panchayats' Own Source Revenue (OSR) in line with the recommendations of the Sixteenth Finance Commission?

ANSWER

THE MINISTER OF PANCHAYATI RAJ

(SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH)

(a) & (b) The Atmanirbhar Panchayat Programme is a four-year initiative aimed at making Panchayats financially self-sufficient by generating Own Source Revenue (OSR) through projects that utilize unexplored local assets. Proposals are selected through a State and National level open challenge system, with 50 projects taken up in the first year and 100 each in the following three years. The programme provides technical assistance ensuring participatory planning through mandatory Gram Sabha clearance. Only elected Gram and Block Panchayats with at least three years of tenure and minimum OSR thresholds (₹50 lakh for Gram Panchayats and ₹1 crore for Block Panchayats, with relaxed norms for Northeast and Hill States) are eligible. Panchayats are facilitated through technical assistance in refining the initial ideas into detailed, sustainable, bankable project concepts, in the preparation of project-related documents, in exploring funding options such as Public-Private Partnership (PPP), CSR funding, and convergence of schemes. They are also assisted in preparing Request for Proposal (RFP), including Model Contract documents / Agreements for issuance by the appropriate authority as per the procurement rules of the State concerned and in achieving financial closure. The entire process of submission and selection is managed through a dedicated digital portal, reinforcing transparency and efficiency.

As on 04.08.2026, a total of 30 project proposals from 28 Panchayats have been received at Centre level on the designated portal.

(c) As per the Programme Guidelines, States may associate financial institutions like NABARD, HUDCO, etc. in the State-level evaluation committees to provide technical and financial advice on Panchayat proposals.

(d) The Atmanirbhar Panchayat Programme is expected to enhance Panchayats' Own Source Revenue (OSR) in direct alignment with the Sixteenth Finance Commission's recommendations by moving them away from grant dependency and towards sustainable revenue generation. The Sixteenth Finance Commission has emphasized that performance grants to Rural Local Bodies should be linked to measurable increases in OSR, and this initiative provides Panchayats with the structured support to achieve that. Through a national challenge process, Panchayats are encouraged to develop bankable projects using local assets, with technical assistance provided instead of direct financial aid. Financing is facilitated through PPP, CSR, convergence of schemes, and institutional credit, ensuring projects are viable and revenue-generating. Mandatory Gram Sabha approval and digital monitoring guarantee transparency and accountability, while financial institutions and technical team lend financial and infrastructure expertise. In this way, Panchayats are empowered to consistently raise their own revenues, qualify for performance-linked grants, and progressively become financially self-reliant institutions as envisaged by the Sixteenth Finance Commission.

***