

GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ
LOK SABHA
UNSTARRED QUESTION NO. 2988
ANSWERED ON 18.03.2025

BASIC NEEDS IN PRIS

2988. SHRI T R BAALU:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether the Government is aware that the Panchayati Raj Institutions (PRIs) are unable to meet the basic needs of the village people in education, healthcare, drinking water etc., due to lack of adequate financial resources and powers in the country;
- (b) if so, the details thereof along with the details of remedial policy and statutory corrective measures that are contemplated; and
- (c) the details of increase in funds allotted by Government to Panchayat institutions in the country during the last ten years, year-wise?

ANSWER

THE MINISTER OF STATE FOR PANCHAYATI RAJ

(PROF. S.P. SINGH BAGHEL)

(a) & (b) Central Government through the Central Sector Schemes, Centrally Sponsored Schemes and Central Finance Commission Grants supplements the efforts of States and Gram Panchayats towards the creation of basic infrastructure & to meet the basic needs of people in Panchayats. Article 280 of the Constitution of India provides the basis for the Central Finance Commissions to assess the status of finances of the Union, States and their respective local bodies and recommend sharing of taxes as well as grants for various purposes to the States and Local Bodies.

Under the 15th Finance Commission, 60% of total grants (tied) were allocated for Drinking Water & Sanitation & the rest 40% of grants(Untied) can be utilized by Rural Local Bodies (RLBs) for location-specific felt needs under 29 subjects enshrined in the Eleventh Schedule of the Constitution, except for salary or other establishment expenditures.

However, Panchayat, being “Local Government”, is a state subject and part of the State list of the Seventh Schedule (Article 246) of the Constitution of India. Accordingly,

states are mandated to set-up 2/3 tier Panchayati Raj Institutions as per Article 243 in part IX of the Constitution of India. It is the responsibility of State Governments to devolve the Function, Fund & Functionary & providing the infrastructural facilities to Panchayati Raj Institutions.

(c) Central Finance Commission grants are continuously increasing from 13th Finance Commission to 15th Finance Commission grants for Rural Local Bodies in the States. The allocations under 13th Finance Commission (FY 2010-15) were Rs. 64408 Crore and the allocation under 15th Finance Commission (FY 2021-26) is Rs. 236805 Crore which is around 4 times of 13th Finance Commission's allocation.

Details of funds allocated under Central Finance Commissions to the Rural Local Bodies in the country during the last ten years are as under:-

Sl. No.	Year	Funds allocated (Rs. in crore)	Central Finance Commission
1	2014-15	18042.86	13 th Finance Commission
2	2015-16	21624.46	14 th Finance Commission
3	2016-17	33870.52	
4	2017-18	39040.97	
5	2018-19	45069.16	
6	2019-20	60687.13	
7	2020-21	60750.00	15 th Finance Commission (interim period)
8	2021-22	44901.00	15 th Finance Commission
9	2022-23	46513.00	
10	2023-24	47018.00	
