

GOVERNMENT OF INDIA  
MINISTRY OF PANCHAYATI RAJ  
**LOK SABHA**  
**UNSTARRED QUESTION NO- †4993.**  
ANSWERED ON- 01.04.2025

**CHALLENGES FOR PRIS**

†4993. SHRI BRIJENDRA SINGH OLA:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether the Panchayati Raj Institutions (PRIs) are faced with many problems including financial problem during the last few years;
- (b) if so, the details of steps taken by the Government for strengthening Panchayati Raj Institutions during the last three years including the current year; and
- (c) the details of the efforts being made by the Government for making decision-making process at the Panchayat level more transparent?

**ANSWER**

THE MINISTER OF STATE FOR PANCHAYATI RAJ

(PROF. S. P. SINGH BAGHEL)

**(a) to (c)** “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 which may vary from State to State, 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 and implementation of schemes for economic development and social justice. Accordingly, all matters relating to Panchayats, including strengthening of Panchayati Raj Institutions (PRIs), hinderance in its functioning and to make the process of decision-making by these institutions more transparent, comes within jurisdiction of the State Government.

As far as financial implications are concerned, Fifteenth Finance Commission grants are provided to the Rural Local Bodies in 28 States with a weight of 90 percent on population (census-2011) and 10 percent on the areas of the States. Generally, the gap between the allocation and release of 15th Central Finance Commission grants is due to the non-fulfillment of mandatory conditions, prescribed in the operational guidelines issued by the Ministry of Finance, by the States.

Revamped Centrally Sponsored Scheme of RGSA has been implemented w.e.f. financial year 2022-23 in States/ Union Territories 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 the scheme, Ministry supplements the efforts of States/UTs on limited scale for creation basic infrastructure for effective functioning of Gram Panchayats such as Construction of Gram Panchayat Bhawans, Computers and Colocation of Common Service Centres (CSC) with Gram Panchayat Bhawans with focus on North East States, as proposed by States/UTs in their Annual Action Plans and later approved by Central Empowered Committee. Ministry has also been providing support to the States/UTs, under the scheme of revamped RGSA for setting up of Project Management Units (PMUs) at States, District and Block level as approved in the Annual Action Plan for effective implementation of the scheme and setting up of institutional mechanism as State, District and Block level Panchayat Resource Centres to support Capacity Building & Training of Panchayats.

The scheme of Rashtriya Gram Swaraj Abhiyan is a demand driven scheme and funds had/have been allocated to States for various components as per the provision of the scheme. Releasing the funds under the scheme depends on various factors like regular conduct of Panchayat elections, submission of Annual Action Plan, request for release of fund, available unspent balance with States/Union Territories, Utilization Certificate, etc.

The Ministry of Panchayati Raj is implementing Mission Mode Project on e-Panchayats (MMP-ePanchayat), a Central component of the Rashtriya Gram Swaraj Abhiyan (RGSA) scheme under which various e-governance projects are funded towards digitalization of Panchayats to bring in efficiency, accountability and transparency in the functioning of the PRI and for its overall transformation. To strengthen functioning of PRIs across the country, this Ministry has launched eGramSwaraj (<https://egramswaraj.gov.in>), a user friendly web-based portal, which aims to bring in better transparency in the decentralized planning, progress reporting, financial management, work-based accounting and details of assets created. This Portal facilitates all the Panchayats to formulate and upload their plans for utilization of grants under the Central Finance Commission each year. These plans, duly approved by the Panchayats, are monitored at each stage of implementation through the system generated vouchers, geo-tagging and responsibilities assigned to Panchayat Pradhan and Panchayat Secretary. The eGramSwaraj portal has also been integrated with Public Financial Management System for online transfer of the Central Finance Commission funds by the States to PRIs and enabling Panchayats to make real-time payments to vendors/service providers. Panchayats prepare and upload their Annual Panchayat Development Plans on eGramSwaraj portal. For the Plan Year/FY 2024-25, 2.54 lakh Gram Panchayats have prepared and uploaded their Annual Development Plans (GPDs) on eGramSwaraj portal. In addition, the Ministry has integrated eGramSwaraj with the Government e-Marketplace (GeM) to bring transparency to Panchayat procurement. This integration allows Panchayats to procure goods and services through GeM via the eGramSwaraj platform, promoting the “Vocal for Local” initiative.

Further, an online application ‘AuditOnline’ has been developed for online audits of Panchayat accounts and their financial management. AuditOnline portal, launched in April 2020, facilitates transparent auditing of Central Finance Commission funds utilization and strengthens financial management of Panchayats. Similarly, Panchayat NIRNAY is an online application aims at bringing transparency and better management in conduct of Gram Sabhas by Panchayats.

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