

GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ
LOK SABHA
UNSTARRED QUESTION NO– 258
ANSWERED ON- 22.07.2025

PANCHAYAT GOVERNANCE STRUCTURE

258. SHRI DARSHAN SINGH CHOUDHARY:

Will the Minister of **PANCHAYATI RAJ** be pleased to state:

- (a) the steps being taken by the Government to encourage the State lagging behind in Panchayat governance structure;
- (b) the steps taken by the Government for devolving more powers, functions and resources to the Panchayats in the coming years; and
- (c) the mechanisms in place to ensure transparency and accountability in the utilisation of funds by Panchayati Raj Institutions?

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, the enhancement in devolution of powers, functions and resources to Panchayats depends on the extent of powers and resources devolved to them by the States concerned, which varies across States.

Further, Ministry of Panchayati Raj has also taken continuous steps to provide assistance to the States & Union Territories and reviews performance of Panchayati Raj Institutions (PRIs), from time to time, through studies, review meetings, field visits, video conferencing, Information Technology applications etc.

Recently, 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.

To improve governance framework of Panchayati Raj Institutions 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. 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. In addition, the Ministry has integrated eGramSwaraj with the Government e-Marketplace (GeM) to bring transparency to Panchayat procurement.

Further, to bring in efficiency, accountability and transparency in the functioning of the PRIs and for its overall transformation, the Ministry has implemented 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. 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.

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.
