

STRENGTHENING OF PANCHAYATI RAJ INSTITUTIONS IN MADHYA PRADESH

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The Ministry of Panchayati Raj (MoPR) is implementing (i) Centrally Sponsored Scheme of Rashtriya Gram Swaraj Abhiyan (RGSA) with the primary objective of strengthening Panchayati Raj Institutions (PRIs) by way of capacity building and training of the Elected Representatives (ERs) and their functionaries, providing infrastructural support like Gram Panchayat Bhawan and Computerisation, (ii) Incentivization of Panchayats (IoP) to encourage competitive spirit among PRIs under which, Awards including financial incentives are given to best performing Panchayats in recognition of their good developmental works, (iii) Mission Mode Project on e-Panchayats (MMP-ePanchayat) under which various e-governance projects are funded towards digitalization of Panchayats to bring in efficiency, accountability and transparency in the functioning of the PRIs and for its overall transformation. These schemes are implemented for all rural local bodies in all the States/UTs in the Country including in the state of Madhya Pradesh and its Districts of Bhind and Datia. The Central Sector Scheme of Survey of Villages and Mapping with Improvised Technology in Village Areas (SVAMITVA) is also being implemented in the State of Madhya Pradesh along with most of other States/UTs to provide the 'Record of Rights' to village households owning houses in villages.

The Central Finance Commission's devolved funds are allocated, presently under the Fifteenth Finance Commission (FFC), for the Panchayati Raj Institutions (PRIs) through the States. The FFC Grants have two components—Tied and Untied.

The untied grant, which is 40% of the total grant, can be used by RLBs for their location-specific felt needs under the 29 subjects enshrined in the Eleventh Schedule of the Constitution, except for salary or other establishment expenditure. The tied grant, which is 60% of total grants, can be used for providing basic services of (a) sanitation and maintenance of Open Defecation Free (ODF) status, which includes management and treatment of household waste, human excreta and faecal sludge management and (b) supply of drinking water, rainwater harvesting and water recycling. If any local body has fully saturated the needs of one category, it can utilise the funds for the other category.

The funds under the RGSA scheme are not released to any Districts or any constituency, but to the State/UTs. Based on the award money provided to the Panchayats under the IoP scheme, the District-wise funds received in the State in last three years is as per **Annexure-I**. The details of funds allocated/released/utilized under RGSA scheme and FFC in respect of Madhya Pradesh during 2019-20 to 2025-26 are as under:

(Rs. in crore)

Finance Commission/Scheme	Fund Allocated	Fund Released	Fund Utilized

RGSA	*	354.17	741.57#
IoP	*	10.25	7.53
Finance Commission Grants^	23,618.48	21553.79	13,757.16

Note: Funds allocation for 2026-27 is yet to be done.

* No State/district specific prior allocation of fund is made.

Fund utilization includes the Central Share, the State Share, and the unspent balance of the previous year.

^ Includes interim award of the FFC for the year 2020-21. The utilisation is as reported by the RLBs on eGramSwaraj Portal since 2020-21.

Gram Panchayat Development Planning and project execution is a continuous process. Since 2020-21 and till date, a total number of 16,773 project works have been completed in various Gram Panchayats in Madhya Pradesh utilising the Central Finance Commission grants of which 151 projects are in the Districts of Bhind and 70 projects are in the district of Datia. The sector-wise projects executed by the Panchayats in Madhya Pradesh utilising FFC grants after formulating Panchayat Development Plans and as reported on eGramSwaraj portal are at **Annexure-II**.

The Ministry has been focusing on the capacity building of the PRIs in various areas of Governance. For this the Ministry has been implementing Revamped Rashtriya Gram Swaraj Abhiyan scheme. During 2022-23 and till date more than 1.57 crore cumulative number of elected representatives and functionaries of the PRIs have been imparted training. During the same period more than 9 lakh cumulative numbers of elected representatives of the PRIs and their functionaries have been imparted training in Madhya Pradesh on various aspects including on thematic plan formulation. Besides, the Leadership/ Management Development Programme (MDP) are being conducted in collaboration with the Institute of Excellence such as Indian Institute of Management (IIM), Indian Institute of Technology (IIT), Institute of Rural Management Anand (IRMA), etc. with the major objective of honing the essential leadership skills, including but not limited to communication, decision-making, financial management, and conflict resolution, thereby nurturing effective leadership qualities of the Panchayats. Due emphasis on capacity building of the PRIs are being given in recent years on mobilization of Own Sources of Revenue (OSR). The Ministry, in collaboration with IIM Ahmedabad, has developed a training module on the generation of Own Sources Revenue (OSR) to strengthen the financial position of Gram Panchayats. The module enables elected representatives and Panchayat functionaries to understand OSR generation through tax and non-tax sources. So far, 3,275 participants from Madhya Pradesh have been imparted training on OSR module.

For strengthening and promotion of eGovernance in the Panchayats, under the Digital India initiative, the MoPR have developed various digital platforms and applications to bring in transparency, accountability, and efficiency in local rural governance. The eGramSwaraj application, a single sign on digital platform, launched in 2020-21, has been designed to facilitate planning, accounting, monitoring, and online payments at the Panchayat level. The application has been further integrated with Public Fund Management System, Government e-Marketplace, AuditOnline applications for hassle-free payment, transparent procurement, and auditing of Panchayats accounts. During the current FY 2025–26, out of a total of 2,64,211 Gram Panchayats and equivalent bodies across the country, 2,54,604 Gram Panchayats and equivalent (96.36%), have uploaded their Gram Panchayat Development Plans (GDPDs) on eGramSwaraj and 2,42,871 Gram Panchayats and equivalent (91.92%) have transferred ₹38,491 crore to

vendors through the eGramSwaraj–PFMS interface. In Madhya Pradesh, out of 23,011 Gram Panchayats, 22,978 Gram Panchayats (99.85%) have uploaded their GDPDs on eGramSwaraj and 21,950 Gram Panchayats (95.5%) have transferred ₹2156.10 crore to vendors through the eGramSwaraj–PFMS interface.

Panchayat is a State subject and therefore it is the responsibility of the State Governments to devolve power including fiscal to their Panchayats in accordance with the provisions contained in their respective State Panchayati Raj Acts. The Ministry of Panchayati Raj (MoPR) supplements and complements the efforts of State Governments, including financial support under its schemes towards strengthening and efficient functioning of the Panchayati Raj Institutions (PRIs) on a continuous basis. The Ministry has been advising the States to devolve more and more powers to their Panchayats to make them self-reliant in all matters, particularly generation of own sources of revenue (OSR) through transfer of financial power to them. In order to strengthen the financial autonomy and technical support to Panchayats to enable them to undertake local development projects effectively, all Finance Commission grants are deposited directly into the accounts of Panchayats by the States. The Ministry undertakes periodical studies like the Panchayat Devolution Index (PDI) which reviews the status of devolution to the Panchayats by the States/UTs in the areas of funds, functions and functionalities to foster competitiveness among the States to devolve more and more powers to the Panchayats.

Due emphasis on capacity building of the PRIs are being given in recent years on mobilization of Own Sources of Revenue (OSR), a mention of which is given in part (d) above.

The Ministry, through its memorandum to the Sixteenth Finance Commission (SFC), had recommend higher allocation to the RLBs in view of their roles and responsibilities and as a result of which the SFC has recommended a total grant of ₹4, 35,236 crore for the RLBs, which is an increase of nearly 84% compared to the allocations made under the Fifteenth Finance Commission. Further, the SFC has recommended OSR generation performance-linked grants to Panchayats of all tiers. In addition, the Commission has also recommended performance grants to States provided they transfer funds to the RLBs out of their own resources. These recommendations have been accepted by the Government.

Annexure-I

District-wise award money Provided to the Panchayats under the IoP scheme in the year 2022-23

Sl. No.	Name of the District	Amount in lakhs
1.	Bhopal	50
2.	Narsinghpur	50
3.	Sagar	43
4.	Chhatarpur	25
5.	Sidhi	13
6.	East Nimar	16

7.	Harda	8
8.	Ujjain	8
9.	Jabalpur	8
10.	Indore	12
11.	Neemuch	8
12.	Guna	16
13.	Gwalior	5
14.	Jhabua	10

Note: No award has been received by the Panchayats of Bhind and Datia districts during the last three years.

Annexure-II

The sector-wise projects executed by the Panchayats in Madhya Pradesh utilising FFC grants after formulating Panchayat Development Plans and as reported on eGramSwaraj portal

Sectors	Total projects executed
Agriculture Activities	4
Land Improvement Activities	158
Water Conversation Activities	171
Animal Husbandry Activities	15
Fisheries Activities Completed	5
Forest Activities Completed	26
Minor Forest Activities	0
Industry Activities	0
Khadi Activities	0

Housing Activities	22
Drinking Water Activities	3508
Fuel Activities	0
Road Activities	4494
Electrification Activities	238
Energy Activities	6
Poverty Activities	3
Education Activities	118
Technical Activities	10
Adult Activities	3
Library Activities	11
Cultural Activities	19
Market Activities	10
Family Welfare Activities	5
Women Welfare Activities	26
Social Welfare Activities	180
Weaker Section Welfare Activities	12
PDS Activities	43
Community Assets Activities	240
Tribal Activities	0
Admin Activities	712
Infra Activities	239

Health Activities	130
Sanitation Activities	6365
TOTAL	16773

This information was given by Union Minister Shri Rajiv Ranjan Singh alias Lalan Singh in a written reply in Lok Sabha on 24th March 2026.

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