Cabinet approves Pradhan Mantri Viksit Gram Swaraj Yojana as a Centrally Sponsored Scheme for 2026-27 to 2030-31

Posted On: 28 OCT 2026 3:57PM by PIB Delhi

The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi, has approved a Centrally Sponsored Scheme (CSS), namely, the Pradhan Mantri Viksit Gram Swaraj Yojana (PM VGSY), a next-generation governance transformation initiative aligned with the national vision of Viksit Bharat. The scheme is approved for implementation from 2026-27 to 2030-31 (co-terminus with the Sixteenth Finance Commission period).

Financial implications:

The scheme outlay is Rs.7,395.55 crore, comprising a Central Share of Rs.4,869.48 crore and a State Share of Rs.2,526.07 crore.

Number of beneficiaries:

Around 32 lakh elected representatives, along with Panchayat functionaries and other stakeholders, across over 2.55 lakh Panchayats and Traditional Local Bodies will be direct beneficiaries of the scheme. Each awareness-generation episode will reach at least 1 crore citizens.

Major impact including employment generation potential:

1. Support the preparation of 2.55 lakh holistic Gram Panchayat Development Plans annually on the eGramSwaraj Portal, bringing together village priorities, interventions of concerned Central and State departments, and available resources through participatory and evidence-based planning.
2. Reach at least 1 crore citizens in each coordinated awareness-generation exercise, using existing digital and outreach platforms, Gram Sabhas and other Panchayat forums to improve understanding of relevant Government schemes and national initiatives and encourage informed discussion of their local implications.
3. Strengthen governance capabilities of around 32 lakh elected representatives, along with Panchayat functionaries and other stakeholders, annually, through capacity building and digital handholding to improve holistic planning, communication with citizens, resource management and progress towards locally relevant Sustainable Development Goals.

4. Support preparation of at least 2.55 lakh online audit plans annually and timely completion of the corresponding audits through AuditOnline. Alongside improved accounting, public disclosure, and Own Source Revenue mobilization, this will strengthen accountability for available funds and support more financially self-reliant Panchayats.

No permanent posts will be created under the scheme. However, the scheme may engage need-based contractual human resources at the State, District, and Block levels as part of the institutional mechanism to provide technical support and achieve its objectives.

States/districts covered:

The scheme will extend to all States/UTs, including institutions of rural local government (traditional local bodies) in non-Part IX areas where Panchayats do not exist.

Details:

- **Opportunity to take advantage of national transformational reforms at the grassroots level:** National reforms and Government initiatives undertaken over the past twelve years have created opportunities for strengthening village economies, improving public services and advancing rural development. Realizing these opportunities requires informed grassroots engagement and local planning that accounts for their implications. With the Sixteenth Finance Commission recommending around Rs.4.35 lakh crore in grants for Rural Local Bodies during 2026–27 to 2030–31, Panchayats need the capacity to bring together national priorities, Government schemes, available resources, and local aspirations. PM VGSY will support this approach through holistic planning, cross-departmental coordination, capacity building, and informed deliberations through Gram Sabhas. This will help translate national-level initiatives and enhanced financial resources into locally relevant development outcomes, furthering Viksit Bharat.
- **Gram Panchayats as hubs of local governance:** Pradhan Mantri Viksit Gram Swaraj Yojana (PM VGSY) will place the Gram Panchayat at the center of holistic local planning and coordination of development initiatives. Panchayats will be supported to bring together village priorities, relevant Government interventions, and available resources, enabling them to serve as the fulcrum of grassroots development. The scheme will connect the Viksit Bharat vision with rural communities' needs and aspirations.
- **Holistic planning at Gram Panchayat level:** The scheme will bring together the planning processes of all concerned Central Ministries /Departments and State Governments on a common digital platform to collaborate to prepare a holistic Gram Panchayat Development Plan (GPDP). This will help Panchayats and departments identify gaps, align interventions, and better use available resources, including Central Finance Commission grants. Existing departmental arrangements for delivering individual schemes will continue.
- **A user-friendly view of development in each Gram Panchayat:** Building on eGramSwaraj and existing e-Panchayat systems, the scheme will bring information on Government schemes, beneficiaries, benefits, community assets and available resources onto a common digital platform. This will help Panchayats

identify gaps, address local needs and improve planning, coordination and monitoring.

- **Connecting National Priorities with Local Needs:** PM VGSY will use existing training, digital, and outreach platforms, including *PANCHAM* (an AI-enabled, multilingual, two-way communication platform in 17 Indian languages), to explain government schemes and national initiatives in simple, accessible language. Gram Sabhas and Panchayat platforms will encourage community discussions, helping connect national priorities with local needs and village development goals.
- **Capacity building to put the approach into practice:** Capacity building will support the effective use of digital platforms, interpretation of scheme and resource information, holistic planning and communication with citizens. It will help Panchayats translate available information and informed deliberations into locally relevant development plans and follow-up action.
- **Transparent and efficient utilization of available resources:** The scheme will strengthen Panchayats' capacity to effectively utilize Finance Commission grants and other funds, mobilize Own Source Revenue (OSR), and ensure online accounting, auditing and public disclosure. This will promote transparent resource use, address local development gaps and foster accountable, self-reliant Panchayats.

Implementation strategy:

The scheme will be implemented through the respective State Governments and Union Territory Administrations. States/UTs will submit Annual Action Plans specifying activities, priorities and requirements in accordance with the scheme's objectives and guidelines. The designated Central Empowered Committee will appraise and approve these plans in accordance with applicable procedures and norms. The Central Government and States/UTs will undertake activities within their respective areas of responsibility, supported by coordination, technical assistance, monitoring and review. Existing institutional, capacity-building, digital, and communication systems will support implementation at the grassroots level.

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