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ACTION TAKEN REPLIES

ON

'DEMANDS FOR GRANTS (2026-27)'

FOR

STANDING COMMITTEE ON RURAL DEVELOPMENT AND PANCHAYATI RAJ (2025-2026)

MINISTRY OF PANCHAYATI RAJ

MONTH: MAY **YEAR: 2026**

REFERENCE: LOK SABHA SECRETARIAT O.M. NO.-LAFEAS-SCRD025/30/2026-SCRD&PR DATED 10th March, 2026

STATEMENT SHOWING ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE TWENTY-SEVENTH REPORT (18TH LOK SABHA) ON DEMANDS FOR GRANTS (2026-27)

Recommendation Serial No.1 Paragraph No.1

1. Budget Estimation and BE–RE Variations

The Committee notes from the examination of Budget Utilisation Trends (2022–23 to 2025–26) that during FY 2025–26, against the Revised Estimate (RE) of ₹772.30 crore under RGSA, an expenditure of ₹743.83 crore had been incurred as on 23 February 2026. While utilisation against RE appears satisfactory, the Committee observe that recurring adjustments from Budget Estimates (BE) to RE stage over successive financial years indicate a pattern of over-projection at BE stage or delayed implementation during the initial quarters of the financial year. The Committee further note that although unspent balances in Single Nodal Agency (SNA) accounts have reduced significantly from ₹216 crore as on 31 March 2025 to ₹10.59 crore as on 20 February 2026, such financial streamlining must be accompanied by realistic demand forecasting and timely execution of approved activities. The Committee are of the considered view that repeated downward revisions at RE stage reflect gaps in expenditure planning, pacing and early-year fund absorption. The Committee, therefore, strongly recommend that the Ministry adopt a realistic, evidence-based and data-driven budgeting methodology grounded in past utilisation trends, quarterly expenditure benchmarks and early approval of Annual Action Plans (AAPs). The Committee further recommend that strict mid-year expenditure reviews and corrective measures be taken to ensure that allocations made at BE stage are not subjected to avoidable compression at RE stage.

REPLY OF THE GOVERNMENT

Reply: The Ministry of Panchayati Raj has taken cognizance of the Committee's observations and recommendations regarding budget utilisation trends and expenditure planning under the Revamped Rashtriya Gram Swaraj Abhiyan (RGSA). The Ministry has noted the recommendation for adopting a realistic and evidence-based budgeting approach based on past utilisation patterns, quarterly expenditure trends, and timely approval of Annual Action Plans (AAPs).

In FY 2024–25, due to the General Elections in the first quarter, funds released to States/UTs could not be utilised on time, resulting in a slower pace of expenditure and accumulation of balances in Single Nodal Agency (SNA) accounts. The unspent balances were subsequently carried forward to FY 2025–26. Further, the migration of State Nodal Accounts to the SNA

SPARSH platform during the second quarter of FY 2025–26 also led to delays in expenditure and affected the pace of fund utilisation by States/UTs. However, the Ministry has closely monitored fund utilisation and unspent balances under the SNA framework, resulting in a substantial reduction in unspent balances during FY 2025–26.

Efforts are being made to further strengthen expenditure planning, periodic reviews, and monitoring mechanisms to ensure the timely implementation of approved activities and optimal utilisation of funds. The Ministry also proposes to undertake mid-year expenditure reviews and corrective measures, wherever necessary, to minimise avoidable revisions at the Revised Estimate stage.

O.M.No. H-11013 (25)/3/2026-Parl. **Dated: 08th June, 2026**

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COMMENTS OF THE COMMITTEE

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Recommendation Serial No.2 Paragraph No.2

2. Continuation of SVAMITVA in Modified Form

The Committee note that drone flying under SVAMITVA has been completed in approximately 3.29 lakh villages, representing nearly 96 percent of the targeted coverage. Further, 3.08 crore property cards have reportedly been generated across 1.87 lakh villages. The Committee also take note that saturation has been achieved in certain States/UTs including Haryana, Uttarakhand, Goa, Andaman & Nicobar Islands, Puducherry, Lakshadweep and Tripura. While acknowledging this substantial physical progress, the Committee observe that critical post-survey processes — including ground verification, correction of maps, resolution of objections, integration of property data with State revenue databases and operationalisation of credit linkages — are still ongoing. The Committee further note that despite the scale of national geospatial assets created, no budgetary allocation has been proposed for SVAMITVA in FY 2026–27 on the ground that the Scheme is scheduled to conclude in March 2026. TheCommittee are of the considered view that financial closure of a Scheme cannot be equated with institutional completion. Abrupt discontinuation of budgetary support at a stage when database integration and grievance redressal processes are underway may risk weakening administrative continuity, undermining long- term benefits and limiting the full realisation of the Scheme's objectives, particularly in terms of rural asset monetisation and dispute reduction. The Committee strongly recommend continuation of SVAMITVA in modified form beyond March 2026 with a calibrated and focused allocation aimed at completion of residual villages and post-survey corrections; Time-bound integration of property data with State revenue databases; Establishment of a structured grievance redressal and updating mechanism; Monitoring and facilitation of credit linkage based on issued property cards; Convergence of SVAMITVA geospatial datasets with Gram Manchitra and GPDP-based spatial planning frameworks; and Development of a sustainable protocol for periodic updating of property records to preserve the long-term utility of the geospatial infrastructure created.

REPLY OF THE GOVERNMENT

Reply: As on 1 June 2026, drone survey has been completed in 3.30 lakh villages out of the targeted 3.38 lakh villages, 3.18 crore property cards have been prepared for 1.93 lakh villages. Furthermore, Drone survey is completed in Uttar Pradesh, Madhya Pradesh, Andhra Pradesh, Delhi, Ladakh, Mizoram, Odisha, J&K, Arunachal Pradesh, Kerala and Assam and Scheme is saturated in Haryana, Uttarakhand, Dadra Nagar Haveli Daman & Diu, Goa, A&N Island, and Puducherry, Lakshadweep and Tripura (State-wise progress is at **Annexure-I**). To cater the remaining work of drone survey and property cards preparation, the D/o Expenditure vide letter dated 19 March 2026 has approved the extension of SVAMITVA Scheme for a period of six months till September 2026. **(Annexure-II**). Fund provision is being requested for the scheme for the extended period.

O.M.No. H-11013 (25)/3/2026-Parl. **Dated: 08th June, 2026**

COMMENTS OF THE COMMITTEE

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Recommendation SerialNo.3 Paragraph No.3

3. Independent Research Study Commission on Bihar and West Bengal Models Vis-a- vis SVAMITVA

**The Committee note that certain States, including Bihar and West Bengal, have not adopted the SVAMITVA Scheme on the ground that pre-existing Record of Rights systems are already in place. During the oral evidence, the Committee expressed concern that mere existence of legacy land records does not automatically ensure geospatial precision, digital validation, property card-based clarity or integration with modern spatial datasets. Further, the Committee were suggested that a structured comparative assessment be undertaken to ascertain whether the land record systems in these States are equivalent, superior or deficient in comparison to the SVAMITVA framework. The Committee are of the considered view that given the scale of national investment and the long-term implications for rural property governance policy disengagement by major States should not rest solely on administrative correspondence. A structured evidence- based evaluation is essential both for policy credibility and cooperative federalism. The Committee strongly recommend that the Ministry constitute an independent Research Study Commission or Expert Technical Committee to undertake a comparative assessment of : (i) The Record of Rights and land record systems prevailing in Bihar and West Bengal vis-à-vis SVAMITVA standards; (ii) Geospatial accuracy, digitisation levels and legal robustness of issued property documentation; (iii) Impact on land dispute reduction for the benefit of common man, mutation processes and credit facilitation; (iv) Integration with revenue databases and spatial planning tools; and (v) Administrative and technological gaps, if any. The Committee further recommend that such study be completed within a defined timeframe and in the event that the comparative analysis demonstrates substantive advantages under the SVAMITVA framework and the Ministry should initiate structured technical dialogue with the concerned States for harmonisation and if innovative best practices are identified in the land record systems of non-adopting States. Further the Committee recommend the Ministry should examine their possible incorporation into national guidelines. in the spirit of cooperative and competitive federalism. For the purpose, the Committee recommend the structural comparative assessment of the land in Bihar, West Bengal and North Eastern States where there is
common land ownership.**

REPLY OF THE GOVERNMENT

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Reply: The Terms of Reference (ToR) to undertake the structural comparative assessment of the land records in U.P., Bihar, West Bengal and North Eastern States where there is community land ownership, has been finalized and the work is being awarded.

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COMMENTS OF THE COMMITTEE

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Recommendation Serial No.4 Paragraph No.4

4. Continuation of Revamped Rashtriya Gram Swaraj Abhiyan (RGSA)

The Committee note that the Revamped Rashtriya Gram Swaraj Abhiyan (RGSA), a Centrally Sponsored Scheme with an approved outlay of ₹5,911 crore (including Central share of ₹2,211 crore) for the period up to March 2026, is scheduled to conclude at the end of the current financial cycle. The Ministry has proposed its continuation with an enhanced outlay of ₹7,860.83 crore, and a Budget Estimate of ₹1,017.10 crore has been provided for FY 2026–27. The Committee acknowledge that RGSA has supported capacity building of over 24.15 lakh elected representatives across 2.56 lakh Gram Panchayats, with nearly 49.6 percent representation of women. However, during the course of evidence, the Committee raised substantive concerns regarding the qualitative outcomes of training programmes, effectiveness of modules in PESA areas, certification processes, digital governance outcomes under e-GramSwaraj, audit compliance, geotagging of assets, and measurable improvements in Gram Sabha functioning, third-party evaluation, impact assessment of training on financial management, and adequacy of Panchayat infrastructure including Panchayat Bhavans and digital equipment. The Committee further note that while evaluation studies have reportedly been conducted by institutions such as IRMA and NITI Aayog, outcome-based linkage between financial outlay and measurable governance transformation has not been clearly articulated in the documentation placed before the Committee. The Committee strongly recommend continuation of Revamped RGSA beyond March 2026, subject to the adoption of a robust outcome-based framework. The Scheme should link capacity building to measurable governance indicators, including audit compliance, timely GPDP preparation and upload, augmentation of Own Source Revenue, asset geotagging, digital transaction compliance and effective functioning of Gram Sabhas. The Committee further recommend mandatory third-party impact assessment of training interventions, introduction of structured certification and post-training evaluation mechanisms, integration of digital governance metrics into performance assessment, and time-bound saturation of Panchayat infrastructure including Bhavans and digital equipment. The Committee emphasise that continued financial support under RGSA must be demonstrably linked to measurable strengthening of grassroots democratic governance rather than mere expenditure achievement.

REPLY OF THE GOVERNMENT

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Reply: Panchayats, being "Local Governments," are a State subject under the Constitution. The Ministry of Panchayati Raj implements the revamped Rashtriya Gram Swaraj Abhiyan (RGSA) for strengthening Panchayati Raj Institutions (PRIs) through capacity building and limited infrastructural support by building Panchayat infrastructure, computers, and peripherals.

Under RGSA, support is provided for training of elected representatives, functionaries, and other stakeholders through orientation, refresher, thematic, specialised, and GPDP-related training programmes. These initiatives have strengthened participatory planning and implementation of Gram Panchayat Development Plans (GPDPs).

The Ministry has partnered with premier institutes such as IIMs and IITs under the Leadership/Management Development Programme (MDP) to strengthen leadership, management, and governance capabilities of Panchayat representatives and functionaries, under which 3,381 participants have been trained. Further, specialised modules on Own Source Revenue (OSR) and Women Elected Representatives (WERs) have been developed to strengthen financial self-reliance of Gram Panchayats and promote women-led governance, respectively. Under these modules, 2,55,290 participants have been trained on OSR and 1,48,908 Women Elected Representatives have been trained on OSR.

The Ministry is also promoting the concept of Model Women-Friendly Gram Panchayats to create gender-equal, inclusive, and safe Gram Panchayats; strengthen women-led governance as a driver of sustainable development; and ensure that women's voices, needs, and rights are mainstreamed in planning, budgeting, and service delivery at the Gram Panchayat level. A total of 744 Model Women Friendly GPs have been identified—one in each district across 32 States/UTs.

The Ministry has taken cognizance of the Committee's recommendations regarding continuation of RGSA beyond March 2026 and has proposed continuation of the scheme with greater focus on measurable governance outcomes and institutional strengthening of PRIs. The proposed framework emphasises indicators such as timely GPDP preparation, audit compliance, augmentation of Own Source Revenue, digital governance through eGramSwaraj, asset geotagging, and effective functioning of Gram Sabhas, along with third-party assessment and post-training evaluation mechanisms, subject to approval of the Scheme and availability of funds.

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COMMENTS OF THE COMMITTEE

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Recommendation Serial No.5 **Paragraph No.5**

5. Creation of Institutional Mechanism for Maintenance of Sanitation

The Committee note that a substantial portion of Finance Commission tied grants devolved to Rural Local Bodies is earmarked for basic services including sanitation and drinking water. During the course of deliberations, the Committee expressed concern that while assets are being created under various schemes, institutional arrangements for their long-term maintenance remain weak, resulting in deterioration of sanitation infrastructure at the village level. The Committee are of the considered view that absence of a dedicated and accountable maintenance mechanism undermines the sustainability of investments made through tied grants and dilutes service-delivery outcomes. The Committee strongly recommend that the Ministry, in consultation with States, issue guidelines for creation of a dedicated Village Sanitation Maintenance Committee at the Gram Panchayat level, empowered to utilise the sanitation component of tied grants for operation and maintenance of sanitation assets. The mechanism should clearly assign responsibility for upkeep of sanitation infrastructure, mandate periodic maintenance audits with digital reporting through e-GramSwaraj, ensure Gram Sabha oversight and social audit, and prescribe measurable service-level benchmarks. The Committee, further emphasise that sustainability of sanitation assets must be accorded equal priority as their creation, and tied funds should systematically support assured long-term maintenance and functionality.

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REPLY OF THE GOVERNMENT

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Reply: Department of Drinking Water and Sanitation (DDWS), being the Nodal Department for Tied grants, was requested to furnish inputs in respect of this observation. The inputs received from DDWS is enclosed at **Annexure-III**

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COMMENTS OF THE COMMITTEE

Recommendation SerialNo.6 **Paragraph No.6**

6. Rationalisation/Merger of Tied and Untied Funds

The Committee further note that the total Budget Estimate of the Ministry for FY 2026–27 is ₹1190.16 crore, with substantial allocations directed towards strengthening Panchayats, and that the Ministry has indicated its intent to maximise disbursement of 16th Finance Commission grants during 2026–27. During course of evidence, the Committee raised concerns regarding fiscal devolution patterns and the effective discretion available to Panchayats in utilisation of funds. The Committee observe that although successive Finance Commissions have significantly enhanced transfers to Rural Local Bodies, a substantial proportion of these grants are "tied" to specific sectors such as sanitation and drinking water. While such earmarking ensures sectoral focus. The Committee are of the considered view that excessive tying of funds constrains

Panchayats' ability to address locally determined priorities identified through Gram Panchayat Development Plans (GPDPs).The Committee further note that improvements in financial discipline—such as reduction of unspent SNA balances from ₹216 crore (as on 31.03.2025) to ₹10.59 crore (as on 20.02.2026) — demonstrate improved fund flow management The Committee strongly recommend that the Ministry, in consultation with the Ministry of Finance and State Governments, undertake a structured review of Finance Commission grants with a view to rationalising and partially merging tied and untied components so as to enhance meaningful untied fiscal space for Panchayats. The Committee emphasise that such rationalisation must ensure a balanced proportion between tied and untied funds, preserve sectoral accountability through measurable service-delivery indicators, mandate digital transparency through e-Gram Swaraj, PFMS and Audit Online, and require Gram Sabha approval for utilisation of untied funds. The Committee further recommend annual publication of State-wise data indicating the quantum and percentage share of tied and untied funds devolved to Rural Local Bodies under the 16th Finance Commission. The Committee further recommend that the fiscal decentralisation must translate into genuine decision-making autonomy in accordance with Article 243G, strengthening Panchayats as institutions of self-government rather than merely implementing agencies of earmarked schemes

REPLY OF THE GOVERNMENT

Reply: In respect of rationalising and partially merging tied and untied components, it is submitted that the structure of Finance Commission grants, including sector-specific tied and untied components, is determined based on the recommendations of the Finance Commission and accepted by the Government. The earmarking of funds towards critical sectors such as drinking water and sanitation (National Priority Sector) is intended to ensure basic standard of service delivery across all States. As the design and composition of tied and untied grants fall within the purview of the Finance Commission, the Ministry has limited powers in effecting changes.

The 16th Finance Commission (FC-16) highlighted the strong impact of flagship Centrally Sponsored Schemes—Swachh Bharat Mission (SBM), AMRUT, and Jal Jeevan Mission (JJM)—in improving drinking water and sanitation nationwide. These programs have created substantial infrastructure, fostered citizen awareness, and driven behavioural change, with durable results achieved up to 2025 through sustained government funding, including tied grants from the 15th Finance Commission (FC 15).

The Commission noted that this progress demonstrates India's commitment to Sustainable Development Goal 6 (Clean Water and Sanitation) and climate resilience. It also observed that FC 15 tied funds were utilized more effectively in Sanitation and Solid Waste Management than in Drinking Water Supply, showing stronger gains in sanitation and highlighting untapped potential in water management.

In view of the above, the Commission has recommended that 50 per cent of the Basic Grant be tied, while the remaining 50 per cent of the Basic Grant and the entire Performance Grant remain untied. The tied component is to be earmarked for Sanitation and Solid Waste Management and/or Water Management, with adequate flexibility provided to Local Bodies for addressing local priorities, including Operation and Maintenance (O&M) expenditures under these sectors.

So far as the recommendation regarding annual publication of State-wise data, it is submitted that the Ministry of Panchayati Raj (MoPR) has already published State-wise data on its website regarding allocations and releases, including the quantum and share of funds devolved to Rural Local Bodies under the FC15. The recommendation of the Committee in this regard is, however, noted for further compliance.

The Ministry also reiterates its commitment to strengthening Panchayats as institutions of self-government in line with Article 243G of the Constitution. Efforts are being made to enhance functional, financial, and administrative devolution, so that PRIs evolve beyond implementing agencies into vibrant units of local governance.

Article 243G of the Constitution empowers State Legislatures to endow Panchayats with the necessary powers, responsibilities, and authority to function as self-governing institutions, enabling them to prepare plans for economic development and social justice, and implement schemes related to the 29 subjects in the Eleventh Schedule, which includes the key areas of rural infrastructure and services.

However, the MoPR supplements the efforts of State Governments through various Capacity Building & Training programmes & providing financial assistance through various schemes and Finance Commission grants to enhance the effective functioning of Panchayati Raj Institutions (PRIs).

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COMMENTS OF THE COMMITTEE

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Recommendation Serial No.7 **Paragraph No.7**

<u>Freedom from Violence & Gender Sensitization Initiatives under RGSA</u>

The Committee note that for the first time, specific allocations of ₹17.00 crore for "Freedom from Violence: Capacity Building of Elected Women Representatives under Nirbhaya Fund" and ₹13.00 crore for "Sensitization of Men 40 towards Women-related Issues including Safety and Security of Women" have been approved under RGSA for FY 2026–27. The Committee further note that women constitute approximately 49.6% of elected representatives in Panchayati Raj Institutions given the substantial presence of women in grassroots governance, targeted interventions to enhance their legal awareness, institutional confidence and protection against gender-based violence assume critical importance. The Committee are of the considered view that these newly introduced components represent an important step towards gender-responsive governance. However, the impact of such allocations will depend upon structured implementation, measurable outcomes and convergence with existing legal and institutional frameworks. The Committee strongly recommend that the ₹30.00 crore allocation under the two newly introduced components be implemented through a clear, outcome-oriented framework with defined performance indicators. The Ministry should standardize training modules on legal safeguards for Women Elected Representatives, incorporate gender-sensitization programmes for male representatives and functionaries, and prescribe measurable indicators relating to grievance redressal, safety mechanisms and effective participation of women in decision-making. An annual status report indicating targets, expenditure and outcomes achieved under these interventions should be placed before Parliament. The Committee emphasise that the allocation must result in tangible strengthening of safety, confidence and leadership capacity of women in Panchayati Raj Institutions, thereby reinforcing substantive grassroots democracy.

<u>REPLY OF THE GOVERNMENT</u>

Reply: The Ministry of Panchayati Raj has noted the Committee's observations and recommendations regarding implementation of the gender-focused components under the Revamped Rashtriya Gram Swaraj Abhiyan (RGSA). The Ministry will endeavour to adopt an outcome-oriented framework for effective implementation of interventions relating to capacity building of WERs and sensitisation of men towards women-related issues.

Under RGSA, training support is provided to elected representatives, functionaries, and other stakeholders through orientation, refresher, thematic, specialised, and GPDP-related programmes to strengthen participatory planning and grassroots governance. The Ministry has also collaborated with premier institutions such as IIMs and IITs under the Leadership/Management Development Programme (MDP), under which 3,381 participants have been trained.

Specialised modules on Own Source Revenue (OSR) and Women Elected Representatives (WERs) have been developed to strengthen financial self-reliance of Gram Panchayats and promote women-led governance, benefiting 2.55 lakh and 1.48 lakh participants respectively. Further, 744 Model Women-Friendly Gram Panchayats have been identified across States/UTs to promote gender-equal, inclusive, and safe Panchayats and to mainstream women's concerns in planning and service delivery.

The Ministry has also initiated two projects under the Nirbhaya Fund to strengthen women's safety and gender-responsive governance at the grassroots level through the Panchayati Raj network. Efforts are being made to develop standardised training modules on legal safeguards, gender sensitisation, leadership, and institutional support mechanisms, along with measurable indicators relating to women's participation, grievance redressal, and safety mechanisms. Emphasis is also being laid on strengthening monitoring, reporting, and impact assessment mechanisms to improve the safety, confidence, and leadership capacity of women in Panchayati Raj Institutions. As the Fund is administered by the Ministry of Women and Child Development (WCD), it is the WCD Ministry which submits reports indicating targets, expenditure and outcomes achieved under these interventions before Parliament.

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COMMENTS OF THE COMMITTEE

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Recommendation Serial No.8 Paragraph No.8

Enhancing Revenue Generation for Panchayats

The Committee note that Panchayats currently rely heavily on grants from the government, limiting their ability to respond to local needs and priorities. Stressing upon the need for enhancing revenue generation and their financial independence, the Committee recommend that Panchayati Raj Institutions (PRIs) should be empowered to generate their own revenues through property taxes, user fees, and other local levies. Capacity-building programs should be 41 introduced to help panchayats develop sustainable revenue models, reducing their dependency on state and central grants. Incentives should be provided for self-sufficient panchayats that effectively mobilize local resources. The committee also recommend using digital platforms like eGramSwaraj to improve transparency and efficiency in financial management, and making better use of government schemes to create assets and increase income of PRIs.

REPLY OF THE GOVERNMENT

Reply The Ministry of Panchayati Raj (MoPR) has been continuously working towards strengthening the financial framework of panchayats through improved mobilization of Own Source Revenue (OSR) of Panchayati Raj Institutions (PRIs). In this regard, the Ministry has undertaken various initiatives to enhance the overall financial resilience of the Gram Panchayat. The key initiatives are as follows:

(i) The Ministry, in collaboration with IIM Ahmedabad, has developed a training module on OSR to strengthen the financial self-reliance of Gram Panchayats. The module enables elected representatives and Panchayat functionaries to understand OSR generation through tax and non-tax sources. It covers local resource mobilization, behavioural insights to improve tax compliance, revenue forecasting, project financing, and innovative project financing options etc. It also links OSR planning with the preparation of effective Gram Panchayat Development Plans (GPDPs).

(ii) The Ministry of Panchayati Raj (MoPR) has also undertaken a significant step to digitise the OSR collection of the Panchayats by developing the “SAMARTH Panchayat portal”, a dedicated digital platform that facilitates the generation of tax & non-tax demands, maintenance of tax registers, and online tracking of revenue. This digital empowerment is designed to bring transparency, efficiency, and scalability to local financial administration.

(iii) The Sixteenth Finance Commission (FC16) has also emphasised strengthening the OSR of Panchayats to promote fiscal self-reliance and reduce dependence on grants from the Union and State Governments. The Commission has recommended linking a portion of grants to Rural

Local Bodies (RLBs) with their performance in raising OSR, including achievement of prescribed benchmarks or annual growth in revenue collection. In this regard, 20% of the total grants recommended for Rural Local Bodies, amounting to approximately ₹87,048 crore, has been proposed as performance-based grants linked to improvement in Own Source Revenue and other governance reforms.

(iv). The Commission has encouraged Panchayats to improve revenue mobilisation through property tax, user charges, licence fees, market fees and better utilisation of community assets. It has also recommended digitisation of records, GIS-based property mapping, transparent accounting systems and capacity building of Panchayat functionaries to strengthen revenue administration. The recommendations aim to create financially empowered and accountable Panchayats capable of delivering better local governance and public services.

(v). The MoPR has formulated and launched the 'Atmanirbhar Panchayat Programme' -- a challenge based technical support programme aimed at enhancement of Own Source Revenue of Panchayats. The objective of this initiative is to extend technical assistance to Panchayats, with a view to enabling them to attain economic self sufficiency through sustainable, professionally designed, and locally relevant revenue generating projects.

(vi). The MoPR has also launched the Atma Nirbhar Panchayat Special Award (ANPSA) on National Panchayati Raj Day (NPRD), 2025, and it is for the first time that the Ministry has institutionalised dedicated Special Category Awards to incentivise and acknowledge exemplary efforts of Gram Panchayats in Atmanirbharta (Self-Reliance) through augmentation of OSR.

To improve transparency and efficiency in financial management of PRIs, the 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 application has been further integrated with Public Fund Management System (PFMS), Government e-Marketplace (GeM), AuditOnline applications for hassle-free payment, transparent procurement, and auditing of Panchayats accounts.

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COMMENTS OF THE COMMITTEE

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Recommendation Serial No.9 Paragraph No.9

Effective Implementation and Monitoring of the PESA Act, 1996

The Committee notes that the Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA) was enacted to empower tribal communities by recognizing the central role of the Gram Sabha in governance of Fifth Schedule Areas. However, nearly three decades after its enactment, the Committee observes with concern that the implementation of PESA across States remains uneven and inadequate. Several States have either not fully aligned their Panchayati Raj laws with the provisions of the Act or have failed to operationalize the powers of Gram Sabhas in matters relating to natural resource management, minor forest produce, land acquisition, and local dispute resolution. While the Committee takes note of the initiatives undertaken by the Ministry, including the preparation of training manuals, conduct of training programmes for State Level Master Trainers, and the establishment of a Centre of Excellence on PESA at the Indira Gandhi National Tribal University, Amarkantak, the Committee are of the view that these efforts have yet to translate into meaningful empowerment at the grassroots level. The Committee further observes that awareness among tribal communities regarding the provisions and entitlements under PESA remains limited, and institutional mechanisms for monitoring its implementation continue to be weak. The Committee, therefore, recommend that the Ministry of Panchayati Raj, in close coordination with the Ministry of Tribal Affairs and the concerned State Governments, formulate a time-bound national action plan for the effective operationalisation of PESA in all Fifth Schedule Areas. Such a plan should include large-scale awareness campaigns, structured capacity-building 42 programmes for elected representatives of Gram Sabhas and Panchayats, and dedicated training modules for district and block level officials to ensure proper understanding of the statutory powers vested in Gram Sabhas. The Committee further recommend that mandatory district-level training programmes be institutionalised for Panchayat representatives, including Sarpanches, Panchayat Secretaries, and members of Gram Sabhas in Scheduled Areas, with a special focus on provisions relating to control over natural resources, management of minor forest produce, social sector schemes, and consultation in land acquisition and development projects. The Committee also emphasise the need to establish a robust monitoring and accountability framework for tracking the implementation of PESA provisions across States. In this regard, the Ministry may consider developing a national PESA implementation dashboard, supported by periodic reporting from States and independent social audits at the Gram Sabha level. The Committee are of the view that measurable indicators should be developed to assess the extent to which the powers of Gram Sabhas are being exercised in practice.

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REPLY OF THE GOVERNMENT

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"Panchayat, being "Local Government", is a State Subject and part of the State List in the Seventh Schedule of the Constitution of India. Panchayats are set up and operate through the respective State Panchayati Raj Acts. Accordingly, all matters relating to Panchayats, including the formation of time bound action plan for effective operationalization in the 5th schedule areas, spreading awareness among tribal communities regarding provisions and entitlements under PESA, implementation of PESA Act, training of ER, WER, panchayat functionaries for capacity building, independent social audits fall within the purview of the State Government concerned. Out of the ten PESA States, nine States have notified their respective PESA Rules. The provisions contained in PESA Rules vary across the States, along with the differences in the extent of Fifth Schedule areas, demographic composition, tribal communities, etc. In the view of such diversity, a uniform national action plan applicable to all PESA States may not be feasible. It would be more appropriate for each State to frame its own action plan in accordance with its specific needs and priorities. In addition to that, every year under the Revamped Rashtriya Gram SwarajAbhiyan (RGSA), each State prepares an Annual Action Plan outlining institutional needs, capacity building, etc.

The training provision for States is undertaken under the Revamped Rashtriya Gram SwarajAbhiyan (RGSA), Centrally Sponsored Scheme being implemented by the Ministry of Panchayati Raj (MoPR) to strengthen the capacity building of Panchayati Raj Institutions. PESA is included under specialized training of RGSA. For large-scale capacity building under PESA, the training themes have been divided into nine sub-themes, based on key PESA subjects and to enable structured and theme-based capacity-building. These include (i) Strengthening of PESA Gram Sabhas; (ii) Minor Forest Produce and the Forest Rights Act (FRA); (iii) Minor Minerals; (iv) Land Acquisition and Prevention of Alienation of Land and Management of Minor Water Bodies; (v) Control over money lending; (vii) Enforcement of Prohibition and Regulation of Sale and Consumption of Intoxicants; (vii)Customary Modes of Dispute Resolution; (vii) PESA-based Gram Panchayat Development Planning (GPDP); and (ix) PESA Act and State PESA Rules, Legal Provisions, Constitutional and Regulatory Framework and Alignment with State Panchayati Raj laws. During FY 2025–26, a total of 1,744 training batches were conducted across 10 PESA States, covering 103,384 participants at State, District, and Block levels including members of Gram Sabha, ER, WER, panchayat functionaries.

As far as establishing a monitoring and accountability framework for tracking the implementation of PESA provisions across States is concerned, this Ministry would like to bring to the notice of the Committee that, the Ministry developed a set of PESA indices, based on parameters such as amendments made by State Governments in Panchayati Raj laws and other subject matter laws in accordance with PESA, conformity of State PESA Rules with the PESA Act, deployment of PESA staff, and training and orientation under PESA, etc., and will be released annually. The ranking of PESA States starting from 2024-2025 has been released on the eve of Republic Day 2026, with Maharashtra, Madhya Pradesh, and Himachal Pradesh securing the top three positions.

The ministry also developed a dedicated PESA Portal to provide a single platform for accessing all PESA-related information, including legal provisions, State Rules, training materials, reports, and multimedia resources.

O.M.No. H-11013 (25)/3/2026-Parl. **Dated: 08th June, 2026**

COMMENTS OF THE COMMITTEE

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Recommendation Serial No.10 Paragraph No.10

Capacity Building and Availability of Trained Manpower in Panchayats

The Committee notes that the Revamped Rashtriya Gram Swaraj Abhiyan (RGSA) has been designed to strengthen Panchayati Raj Institutions through systematic capacity building of Elected Representatives (ERs) and other stakeholders. The Committee appreciate the efforts of the Ministry of Panchayati Raj in leveraging modern training tools, including digital platforms, mobile applications, IP-based systems, and social media, as well as its collaboration with premier institutions such as the Indian Institutes of Management (IIMs) and Indian Institutes of Technology (IITs) for leadership development programmes. The Committee also note that a substantial number of Elected Representatives and stakeholders have been trained under the scheme since its implementation. However, the Committee observe that the capacity constraints at the Gram Panchayat level continue to affect the effective functioning of Panchayati Raj 43 Institutions, particularly in terms of administrative support and technical expertise required for planning, implementation and monitoring of development programmes. The Committee are of the view that while capacity building efforts have expanded in scale, greater emphasis is required on improving the quality, accessibility and continuity of training programmes. The Committee, therefore, recommend that the Ministry of Panchayati Raj further strengthen the national capacity-building architecture under the Revamped Rashtriya Gram Swaraj Abhiyan (RGSA) by expanding partnerships with additional Institutes of Excellence, national training institutions and reputed academic bodies for designing advanced leadership, governance and sectoral training programmes for Panchayati Raj representatives, while also developing standardised digital training modules and e-learning platforms to facilitate continuous and on-demand learning for elected representatives and Panchayat functionaries across the country. Such initiatives should include specialised thematic modules covering areas such as local development planning, financial management, convergence of centrally sponsored schemes, digital governance, climate-resilient rural development and social accountability mechanisms, so as to enhance the functional capacity of Panchayati Raj Institutions in delivering development outcomes. The Ministry may also establish a national-level monitoring and evaluation framework, incorporating structured feedback mechanisms, outcome based indicators and periodic impact assessments, to assess the effectiveness of training programmes conducted under RGSA and other capacity-building initiatives and to ensure that such interventions translate into improved governance and service delivery at the grassroots level.

REPLY OF THE GOVERNMENT

Reply: The Ministry of Panchayati Raj has taken note of the Committee's recommendations regarding strengthening the capacity-building architecture under the Revamped Rashtriya Gram Swaraj Abhiyan (RGSA). Under the scheme, training and capacity-building support is provided to elected representatives, functionaries, and other stakeholders through orientation, refresher, thematic, specialised, and GPDP-related programmes to strengthen participatory planning and grassroots governance.

The Ministry has collaborated with premier institutions such as IIMs and IITs under the Leadership/Management Development Programme (MDP), under which 3,381 participants have been trained. Specialised modules on Own Source Revenue (OSR) and Women Elected Representatives (WERs) have also been developed, benefiting 2.55 lakh and 1.48 lakh participants respectively. In addition, 744 Model Women-Friendly Gram Panchayats have been identified across States/UTs to promote inclusive, gender-responsive, and women-led local governance.

To strengthen governance and monitoring, the Ministry has developed the Panchayat Advancement Index (PAI) aligned with Localization of Sustainable Development Goals (LSDGs), and is implementing the e-Panchayat Mission Mode Project (MMP), including eGramSwaraj, AuditOnline, Training Management Portal (TMP), and citizen-centric platforms to enhance transparency, accountability, and digital governance in Panchayats.

Emphasis is also being laid on standardised digital learning modules, e-learning platforms, and strengthened monitoring and evaluation mechanisms through structured feedback, outcome-based indicators, and periodic impact assessments to improve the effectiveness of training interventions and governance outcomes at the grassroots level.

Ministry has already commissioned an evaluation study of RGSA which was conducted by the Institute of Rural Management Anand (IRMA). The study revealed that the revamped RGSA has evidently enhanced the ability of PRIs to govern effectively and deliver on the Localisation of Sustainable Development Goals (LSDGs). The scheme comprises of structured and well designed capacity building programs, which empowers a significant proportion of the Elected Representatives (ERs) by enhancing their knowledge, skills, and digital tools to improve governance at the grassroots level. The study has also highlighted that the revamped RGSA did not just make cosmetic interventions in trainings, but the post training assessments of the stakeholders highlighted significant improvements in their understanding of Panchayat operations, planning and implementation, digital governance, citizen engagement, and financial sustainability.

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COMMENTS OF THE COMMITTEE

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