

GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ
LOK SABHA
UNSTARRED QUESTION NO. 1614
ANSWERED ON 10.02.2026

**FUNDS ALLOCATION AND CAPACITY BUILDING OF PANCHAYATI RAJ
INSTITUTIONS IN KERALA**

1614. SHRI KODIKUNNIL SURESH:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) the details of funds allocated, released and utilised by Kerala under the 15th Finance Commission for local self-governments during the last three years, along with sector-wise;
- (b) whether any special capacity-building, training or digital governance programmes have been implemented for Panchayati Raj Institutions in Kerala, and if so, the details and outcomes thereof; and
- (c) the steps taken or proposed to be taken by the Government to strengthen the fiscal autonomy of Panchayati Raj Institutions, including measures to enhance own-source revenue, timely fund devolution and reduction of conditionalities in fund utilisation?

ANSWER

THE MINISTER OF PANCHAYATI RAJ

(SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH)

(a): The details of funds allocated, released to the State of Kerala under the 15th Finance Commission for Rural Local Bodies during the last three years are as under:

Financial Year	(Rs. in Crore)	
	Allocation	Release
2022-23	1246.00	1246.00
2023-24	1260.00	1260.00
2024-25	1334.00	1334.00

The 15th Finance Commission (XV FC) Grants have two components— Untied and Tied. The untied grant, 40% of the total grant, under the 15th Finance Commission can be used by Rural Local Bodies (RLBs) for location-specific felt needs under 29 subjects enshrined in the Eleventh Schedule of the Constitution, except for salary or other establishment expenditure.

The tied grants, 60% of total grants, can be used for the basic services of (a) sanitation and maintenance of 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.

As per data available on e-GramSwaraj Portal as on 03.02.2026, the sector-wise expenditure reported through the said Portal by the State of Kerala for the period from FY 2022-23 to 2024-25 is attached at Annexure.

(b): The Ministry of Panchayati Raj is implementing a Centrally Sponsored Scheme of Revamped Rashtriya Gram Swaraj Abhiyan (RGSA) w.e.f. financial year 2022-23 with the main objective to support capacity building of Panchayati Raj institutions (PRIs) through imparting training to Elected Representatives (ERs) and other stakeholders to develop their governance capabilities for leadership roles to enable the Gram Panchayats to function effectively, across all States/UTs including Kerala.

Under the scheme, support is provided for capacity building and training of Elected Representatives, Panchayat Functionaries and other stakeholders, along with creation and strengthening of Panchayat infrastructure such as Gram Panchayat Bhawans and computers, including co-location of Common Service Centres (CSCs) in Gram Panchayat Bhawans on a limited scale. However, the major component of RGSA is capacity building and training of elected representatives, functionaries and officials of PRIs on the areas like, local governance, financial planning, sustainable development goals (SDGs), e-governance tools, service delivery, Panchayat level planning with special focus on integration of other government programme based on local needs.

In addition, online training facilities have been provided under RGSA to enable States, including Kerala, to conduct training programmes through video conferencing, thereby reducing logistical constraints and ensuring wider participation. E-enablement of Panchayats is a core component of RGSA which helps PRIs to adopt digital systems for planning, monitoring and delivering services to the citizens.

Further, various specialized modules have been developed and initiatives undertaken by the Ministry of Panchayati Raj like Module for Women Elected Representatives, Module on Generation of Own Source Revenue (OSR) by Gram Panchayat and Model Youth Gram Sabha initiative which has been replicated by Kerala Local Self Governance Department into their capacity building training programme. In the Annual Action Plan for FY 2025-26, under Specialized Training Component, Rs 2.65 Crore has been approved to Kerala State to provide training to 7500 ERs, Panchayat Functionaries and other Stakeholders. The status of fund released under RGSA to Kerala and utilization in the last three years is given below: -

Financial Year	Fund released (Rs. in crore)	Fund utilized* (Rs. in crore)
2022-23	30.40	23.13
2023-24	10.00	37.04
2024-25	10.00	32.65

* Includes unspent balance of previous years and State share.

The Ministry is implementing the e-Panchayat Mission Mode Project (MMP) under RGSA, which has significantly enhanced transparency, efficiency, and governance at the grassroots level. The eGramSwaraj application, developed as part of the e-Panchayat MMP, has facilitated digital planning, accounting, monitoring, and online payments at the Panchayat level. The integration of eGramSwaraj with the Public Financial Management System (PFMS) enables real-time payments to vendors and service providers, ensuring seamless fund flow and reducing delays. In FY 2024-25, over 2.55 lakh Gram Panchayats across the country, including Kerala, uploaded their Gram Panchayat Development Plans

(GPDPs), and over ₹61,000 crore was transferred to vendors through the eGramSwaraj-PFMS interface.

(c): The Government has taken significant steps to enhance the revenue-generating capabilities of Panchayats, enabling them to become self-sufficient and less dependent on external funding. The 73rd Constitutional Amendment Act, 1992, mandates the devolution of powers and responsibilities to Panchayats. The Ministry of Panchayati Raj has been actively advocating for states to fully implement these provisions, emphasising the need for states to empower Panchayats with adequate functions, finances, and functionaries.

In collaboration with the Indian Institute of Management-Ahmedabad (IIM-A), Ministry has developed specialised modules on the generation of Own Source Revenue (OSR) by the Panchayats to provide training to State Level Master Trainers (SLMTs) of 31 States/UTs by IIMA.

In 2025, the Ministry of Panchayati Raj has launched the Atma Nirbhar Panchayat Special Award (ANPSA) to promote Atmanirbharta through the augmentation of Own Source Revenue (OSR) by Panchayats.

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 and collection thereof, maintenance of tax registers, and online tracking of revenue. This digital empowerment is designed to bring transparency, efficiency, and scalability to local financial administration.

The Ministry had entrusted the National Institute of Public Finance and Policy (NIPFP) with a study on “Preparation of a Viable Financial Model for Generation of Own Sources of Revenue (OSR),” and the Study Report was published in March 2025.

Panchayat, being “Local Self Government”, is a State subject. Thus the primary responsibility of strengthening grassroots level governance lies with States. Further, the 15th Finance Commission grants are recommended and released to the States on fulfillment of the mandatory eligibility conditions as laid down in the Operational Guidelines on the subject issued by the Department of Expenditure, Ministry of Finance. Advisories to the States are issued by this Ministry from time to time to ensure transparency and accountability in the disbursement and utilisation of Central Finance Commission grants by Panchayati Raj Institutions in the States.

Annexure

(Annexure referred to in reply to part (a) of the Lok Sabha Unstarred Question No. 1614 answered on 10.02.2026)

Details of sector-wise expenditure reported through eGramSwaraj Portal by the State of Kerala for the period from FY 2022-23 to 2024-25 (as on 03.02.2026)

(Rs. in crore)

Sl. No.	Focus Area/FY	2022-23	2023-2024	2024-2025
1	Administrative & Technical Support	6.52	4.83	6.64
2	Adult and non-formal education	0.38	0.13	0.01
3	Agriculture	6.06	2.55	2.27
4	Animal husbandry	2.78	0.25	0.39
5	Cultural activities	4.24	2.26	0.71
6	Drinking water	238.30	184.90	255.14
7	Education	28.78	21.83	24.98
8	Family welfare	1.62	0.15	0.07
9	Fisheries	0.39	0.17	0.04
10	Fuel and fodder	0.05	0.00	0.00
11	GP Office Infrastructure	28.91	12.25	6.43
12	Health	14.63	28.12	30.19
13	Khadi	0.01	0.00	0.00
14	Land improvement	4.41	5.79	12.08
15	Libraries	2.51	1.16	1.20
16	Maintenance of community system	10.59	32.58	76.33
17	Markets and fairs	2.28	1.46	0.04
18	Minor forest produce	0.14	0.00	0.00
19	Non-conventional energy sources	2.55	2.87	10.79
20	Poverty alleviation programme	13.81	3.55	3.02
21	Public distribution system	1.48	0.55	3.71
22	Roads	162.01	140.89	184.30
23	Rural electrification	63.90	37.98	26.53
24	Rural housing	25.13	18.21	31.93
25	Sanitation	277.77	232.07	318.62
26	Small-scale industries	1.51	0.22	0.00
27	Social welfare	13.92	5.51	5.56
28	Technical training and vocational education	0.56	1.31	2.95
29	Tribal Welfare	0.07	0.00	0.00
30	Water Conservation	5.12	4.57	3.16
31	Welfare of the weaker sections	2.00	0.84	0.70
32	Women and child development	17.91	17.82	32.68
	Grand Total	940.34	764.82	1040.47