

Pradhan Mantri Viksit Gram Swaraj Yojana

Prelims: Current events of national and international importance | Government Policies & Interventions

Why in News?

The Union Cabinet, under the chairmanship of Prime Minister Narendra Modi, approved the Pradhan Mantri Viksit Gram Swaraj Yojana (PM VGSY) on 28 October 2026.



Pradhan Mantri Viksit Gram Swaraj Yojana (PM VGSY)



Feature	Details
Total outlay	₹7,395.55 crore
Central share	₹4,869.48 crore
State share	₹2,526.07 crore
Direct beneficiaries	Around 32 lakh elected representatives, Panchayat functionaries and other stakeholders
Institutional coverage	Over 2.55 lakh Panchayats and Traditional Local Bodies
Geographical coverage	All States and Union Territories
Annual planning target	At least 2.55 lakh Gram Panchayat Development Plans (GPDPs)
Annual audit planning target	At least 2.55 lakh online audit plans
Citizen outreach	At least 1 crore citizens per awareness-generation exercise
Employment provision	No permanent posts; need-based contractual personnel may be engaged

Strengthening Panchayats for Viksit Bharat

People-centric Planning for Rural Development

Empowered Panchayats, Prosperous Villages

- **Scheme type** - Centrally Sponsored Scheme (CSS).
- **Implementation period** - 2026-2027 to 2030-2031.
- **Objective** - To transform Gram Panchayats into empowered, self-reliant, and accountable institutions of grassroots governance.
- **National vision** - Achieving Viksit Bharat.
- **Finance Commission alignment** - The scheme period is co-terminus with the Sixteenth Finance Commission period.
- **Six pillars**
- **Gram Panchayats as hubs of local governance**
 - Position Gram Panchayats as the focal point for rural development initiatives.
 - Integrate village priorities, government interventions, and available resources to

ensure cohesive development.

- **Holistic local planning**

- Coordinate planning efforts among Central Ministries, departments, and State Governments.
- Develop integrated Gram Panchayat Development Plans (GPDPs).
- Maintain existing mechanisms for the delivery of individual schemes.

- **Digital governance**

- Leverage eGramSwaraj and existing e-Panchayat systems.
- Consolidate information on schemes, beneficiaries, benefits, community assets and available resources.
- Improve planning, monitoring and knowledge-sharing between Panchayats.

- **Connecting national priorities with local needs**

- Utilize Gram Sabhas, Panchayat forums, and digital outreach mechanisms.
- Promote Jan Bhagidari, or people's participation, in governance processes.
- Implement PANCHAM for artificial intelligence-enabled, multilingual communication across 17 Indian languages.

- **Capacity building**

- Provide training for elected representatives and Panchayat functionaries.
- Enhance digital skills, planning capabilities, resource management, and citizen communication.
- Include both general and specialized training modules.

- **Financial accountability and self-reliance**

- Strengthen online accounting, auditing, and public disclosure practices.
- Promote the mobilisation of Own Source Revenue (OSR).
- Enhance the utilisation of Finance Commission grants and other financial resources.

- **Digital platforms**

Platform	Purpose
eGramSwaraj	Digital platform for Panchayat planning, budgeting, accounting, monitoring and asset management; supports online payments.
PANCHAM	Panchayat Assistance and Messaging Chatbot; WhatsApp-based, AI-enabled, two-way communication tool supporting 17 Indian languages.
AuditOnline	Facilitates online audits of Panchayati Raj Institutions' accounts; configurable according to State audit laws and rules.
PFMS	Public Financial Management System; integrated with eGramSwaraj for online payments and financial management.
GeM	Government e-Marketplace; supports procurement integration.
BHASHINI	Supports multilingual, AI-enabled digital services.

- **Mechanism for Implementation**

- State Governments and Union Territory Administrations are responsible for preparing and submitting Annual Action Plans.
- The designated Central Empowered Committee appraises and approves the submitted Annual Action Plans.
- Central and State or Union Territory authorities implement activities according to their respective areas of responsibility.

- Existing institutional frameworks and digital systems facilitate implementation support.
- Technical assistance, as well as monitoring and review mechanisms, support effective delivery at the grassroots level.
- **Link with the Sixteenth Finance Commission**
 - The scheme period coincides with 2026-27 to 2030-31, the period covered by the Sixteenth Finance Commission.
 - The Commission has recommended approximately ₹4.35 lakh crore in grants for Rural Local Bodies during this period, according to the supplied source.
 - PM VGSY aims to strengthen Panchayats' capacity to plan and utilise these resources effectively.
- **Significance**
 - **Strengthened Local Governance** - Decentralised planning, cooperative governance, transparency, and fiscal autonomy enhance Panchayat effectiveness and accountability.
 - **Inclusive & Sustainable Development** - Citizen participation through Gram Sabhas and digital outreach, along with SDG-focused capacity building, promotes sustainable local development.

Reference

[PIB | Pradhan Mantri Viksit Gram Swaraj Yojana](#)

