

18

**STANDING COMMITTEE
ON EXTERNAL AFFAIRS
(2007-2008)**

FOURTEENTH LOK SABHA

MINISTRY OF EXTERNAL AFFAIRS

[Action Taken on the recommendations contained in the Fifteenth Report (14th Lok Sabha) on Demands for Grants of the Ministry of External Affairs for the year 2007-08]

EIGHTEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

November, 2007/Kartika, 1929 (Saka)



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***Presented to Lok Sabha on 20.11.2007
Laid in Rajya Sabha on 20.11.2007***



**LOK SABHA SECRETARIAT
NEW DELHI
*November, 2007/Kartika, 1929 (Saka)***

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STANDING COMMITTEE ON EXTERNAL AFFAIRS (2007-2008)

LOK SABHA

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* Nominated w.e.f. 30th August, 2007

INTRODUCTION

I, the Chairman, Standing Committee on External Affairs (2007-2008) having been authorised by the Committee to present the Report on their behalf, present this 18th Report (14th Lok Sabha) on Action Taken by Government on the Recommendations contained in the 15th Report (14th Lok Sabha) of the Committee on Demands for Grants of the Ministry of External Affairs for the year 2007-08.

2. The 15th Report was presented to Parliament on 26 April, 2007. The Action Taken Replies of the Government on all the recommendations/observations contained in the Report were received on 24 July, 2007.

3. The Committee considered and adopted the Draft Action Taken Report at their sitting held on 7 November, 2007. The Minutes of the sitting of the Committee have been reproduced at Appendix-I to the Report.

4. An analysis of the action taken by Government on the recommendations contained in the 15th Report of the Standing Committee on External Affairs (14th Lok Sabha) is given in Appendix-II.

NEW DELHI
12 November, 2007
21 Kartika, 1929 (Saka)

DR. LAXMINARAYAN PANDEY,
Chairman,
Standing Committee on External Affairs

CHAPTER – I

DRAFT REPORT

This Report of the Standing Committee on External Affairs deals with the Action Taken by Government on the observations/recommendations contained in their Fifteenth Report on Demands for Grants (2007-2008) of the Ministry of External Affairs which was presented to Lok Sabha on 26 April, 2007.

2. The Action taken notes have been received from the Ministry of External Affairs on all the observations/recommendations contained in the report. These have been categorized as follows: -

(i) Recommendations/Observations, which have been accepted by the Government.

Recommendation Nos.1, 3 to 13 and 15 to 18

Total-16

(ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government replies.

Recommendation No. 14

Total-01

(iii) Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and require reiteration.

Recommendation Nos. NIL

Total- NIL

(iv) Recommendations/Observations in respect of which final replies of Government are still awaited.

Recommendation No. 2

Total-01

3. The Committee are glad to note that the Ministry of External Affairs have accepted/implemented most of the recommendations made by the Committee in their fifteenth Report.

4. The Committee will now deal with the action taken by the Government on observation/recommendation at Sl. No. 11.

Kaladan Multi-Modal Transport Facility

(Recommendation No. 11)

5. The Committee had been informed that finalization of Kaladan Multi-modal Transit Project was getting delayed as there were certain issues still to be settled in the agreement to be signed with Myanmar. The Committee desired that these issues should be sorted out early and the project finalized for execution without further delay so that the benefits expected to accrue on completion of the project become available to the public in time.

6. The Ministry of External Affairs in their action taken reply have stated as under:

“The Kaladan Multi-Modal Transit Transport Facility envisages connectivity between Indian Ports on the eastern seaboard and Sittwe Port in Myanmar and then through riverine transport and by road to Mizoram, thereby providing an alternate route for transport of goods to North-East India. The Detailed Project Report on the facility was prepared by RITES in 2003 and has the concurrence of the Myanmar Government.

Up till now, six rounds of Senior Officials Meeting on the Project have taken place where the representatives of Ministry of External Affairs, Ministry of Commerce, Ministry of Road Transport & Highways, Ministry of Shipping and RITES Ltd. participated. During these meetings, following agreement/protocol have been negotiated and initialed: Draft Framework Agreement on the Project; Draft Protocol on Facilitation of Transit Transport; Draft Protocol on Financial Arrangements; and Draft Protocol on Joint Maintenance and Administration.

Under the Protocol on Financial Arrangements, the Government of Myanmar agreed initially to contribute US\$ 10 million and free land for the project while GOI agreed to fund the balance amount of approx. US \$ 100 million, as well as be liable for any cost overruns. Myanmar however requested later on for a soft loan for their contribution of US\$ 10 million. This has now been approved by the Ministry of Finance subject to Cabinet approval. During the meeting of Expenditure Finance Committee (EFC) which was held on 2 February 2007, Ministry of Finance approved the proposal subject to fulfillment of certain observations made by Planning Commission. In March 2007 sixth SOM was held between India and Myanmar and some of the outstanding issues remained unresolved. Revised drafts of Framework/Protocols have been submitted to the Myanmar side. Their response is awaited.”

7. The Committee desire that the outstanding issues remained unresolved in regard to the Kaladan Multi-Modal Transit Project be sorted out expeditiously to ensure early execution and timely completion of the project.

CHAPTER II

RECOMMENDATIONS/ OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

BUDGETARY ALLOCATION

Recommendation No. 1

It is regrettable that the budget allocations to the Ministry of External Affairs for the year 2007- 08 has been pegged at a level steeply below the projections made by the Ministry. As against the projection of Rs. 6429 crore, the budgetary allocation to the Ministry is just Rs. 4433 crore which is 31% less than the projection. Given the expanding nature of its commitments, the Ministry anticipates a possible need for augmentation of the allocation during the course of the year. It has been stated that the reduction in allocation will affect the cultural work, starting up new projects in neighbourhood and construction of new embassies and residences. Considering the Ministry's record of healthy utilization of allotted funds and to enable the Ministry to effectively perform India's expanding role in global affairs, the Committee recommend that the Ministry of External Affairs should be allotted sufficient additional funds at the time of revised allocation.

Reply of the Government

Ministry of Finance would be approached for augmentation of the budget allocation at the RE stage as well as by way of supplementary demands for grants in all such cases where the expenditure incurred is committed and cannot be avoided and efforts will be made to fulfill all our commitments. The quantum of augmentation required would be known during the course of the financial year 2007-08.

[File No. AA/125/Parl/57/2007 Dated: July 20, 2007]

Recommendation No. 3

Incidentally, discrepancies have crept into some figures shown in the Outcome Budget and Demand-for-Grants document presenting a misleading picture. The errors relate to sectoral allocations shown in the outcome budget under the head, 'Technical and Economic Cooperation' and the head 'Others' and relate to the establishment strength shown in the Demands-for-Grants document. The Ministry have since submitted corrected figures to the Committee. The Committee would, however, like to caution the Ministry that extreme care should be exercised in future to ensure that documents / information presented to Parliament are free of flaws.

Reply of the Government

All efforts are being made by the Ministry to ensure that there are no discrepancies in the documents / information presented to the Parliament. The observation made by the Committee has been noted for compliance in future.

[File No. AA/125/Parl/57/2007 Dated: July 20, 2007]

ESTABLISHMENT STRENGTH

Recommendation No. 4

The Committee have been informed that while the overall work of the Ministry in the last 10 years has increased manifold, the number of personnel has actually shrunk. It has been stated in this connection that India's foreign trade has grown 7 times; passports issued doubled to 44 lakhs; Visas granted tripled to over 57 lakhs; the high level state visits by Heads of States and Governments and Official Visits of Foreign Ministers increased by 165 per cent and budget of the Ministry tripled. However, the Personnel strength of the Ministry has gone down from 4,866 to 4,746 of which the size of the Officers belonging to the IFS is less than 700. Obviously, there is an urgent need to raise the manpower strength for the Ministry to cope with the expanding role of the Ministry. In this connection, it is heartening to learn from the Foreign Secretary that a decision-in-principle has been taken at the highest level to increase the size of the Ministry's cadre. The Committee suggest that an assessment of additional manpower requirements over the period of next five years, with due regard to the proposed outsourcing of certain peripheral jobs, be made expeditiously and action to ensure that the projected level of personnel is in place at the earliest.

Reply of the Government

A draft note for Cabinet on the proposed expansion of the Ministry of External Affairs has been submitted to Department of Expenditure, Ministry of Finance for their comments and the note will be subsequently placed before the Cabinet for approval. Once the proposal is approved, Ministry of External Affairs will expeditiously undertake the recruitment of personnel. In addition, various studies are being undertaken by the Ministry to outsource peripheral jobs including issuance of visa, protocol work, etc.

[File No. AA/125/Parl/57/2007 Dated: July 20, 2007]

BILATERAL AGREEMENT WITH USA

Recommendation No. 5

The Committee observe that India and the United States are presently engaged in negotiations on a bilateral agreement that will identify the specific parameters of civil nuclear energy cooperation and two round of talks in June

2006 and in March 2007 have been held in this regard. India and the United States are also reportedly engaging Member-States of the Nuclear Suppliers Group to bring about adjustment of NSG guidelines with respect to India to enable full civil nuclear cooperation. Discussions have also been held by India with IAEA for an India-specific safeguards agreement. The Committee desire that, in line with the assurance given by the Prime Minister in both Houses and without compromising our sovereign and strategic interests, it should be ensured that all these negotiations are led to mutually agreeable agreements and fuel supplies to our civil nuclear plants resumed expeditiously with a view to achieving energy security.

Reply of the Government

The recommendation of the esteemed Committee has been noted for compliance. It is submitted that currently India and the United States are engaged in negotiations to conclude a bilateral agreement, better known as the "123 Agreement." Several official rounds of negotiations have been held. Details of the most recent rounds since the esteemed Committee was briefed in April 2007 are as follow:

- Cape Town, South Africa – April 16-20, 2007
- Washington D.C. – April 30, 2007
- London – May 21-22, 2007
- New Delhi – May 31- June 2, 2007
- Washington – July 17- 20, 2007

The Agreement is expected to operationalise the understandings contained in the July 18, 2005 Joint Statement and March 2006 Separation Plan. India is simultaneously engaging in discussions with the IAEA for an India-specific safeguards agreements. With regard to adjustment of NSG guidelines to enable civil nuclear cooperation, the NSG has been approached as a group and several key members have been engaged bilaterally as well.

[File No. AA/125/Parl/57/2007 Dated: July 20, 2007]

SOUTH ASIAN FREE TRADE AREA (SAFTA)

Recommendation No. 6

That despite less than full compliance, South Asian Free Trade Area (SAFTA) has yielded positive results underlines the need for enlarging the scope of SAFTA to services and investments and eventually to economic integration. The Committee are glad to note that this has been partly achieved in the 14th SAARC Summit held in the beginning of April 2007. It has now been agreed to expand the scope of SAFTA to cover trade in services. It should be ensured that agreement on investment promotion and protection is finalized early and steps taken to reduce Non-Tariff Barriers.

Reply of the Government

To further enhance the scope of SAFTA to cover services and investments, a study on Potentials for Trade in Services under SAFTA Agreement is being conducted by the SAARC Network of Researchers on Global, Financial and Economic Issues with Research & Information System for the developing countries (RIS), New Delhi as the coordinator.

The Seventh Meeting of the Sub-Group on Promotion & Protection of Investments will be held on August 23, 2007 at the SAARC Secretariat, Kathmandu to discuss the outstanding paragraph in the draft Report on Promotion and Protection of Investments.

The Second Meeting of the SAFTA Sub-Group on Non-Tariff Measures (NTMs) will be held on August 29-30, 2007 at Lahore, Pakistan to discuss steps to reduce NTBs faced by SAARC countries in intra-regional trade.

[File No. AA/125/Parl/57/2007 Dated: July 20, 2007]

PROJECTS UNDER EXECUTION

Recommendation No. 7

The Committee find that out of eleven projects, each costing over Rs. 50 crores being executed in neighbouring countries under Technical and Economic Cooperation, there has been cost escalation in three Afghanistan projects, three Bhutanese projects and one Nepalese project. The projects slipped up in adhering to time schedule and run into variety of difficulties. It is not clear as to what exactly is the role and responsibility of MEA in execution of these projects. In any case, the authority responsible for implementation of these projects should immediately take a critical review of these projects with a view to overcoming the problems and rectifying the deficiencies.

Reply of the Government

Afghanistan

1. Construction of 218 km. road from Zaranj to Delaram being executed by Border Roads Organization (BRO)
 - (i) Cost escalation and Time overrun: The estimated cost of the project has increased from Rs. 377 crores to Rs. 746.50 crores and the project completion time line from December 2007 to December 2008 due to following reasons:

- The sharp increase in the cost of the major inputs for the project. The revised costs are based on DGBR SSR 2004 prices (the earlier Cabinet approval was obtained on DGBR SSR 1998 prices).
- Volatile market condition, price fluctuations and erratic supplies in Afghanistan.
- Security has been a major issue in this project. There have been at least 10 attacks on or near the project site in last six months. Initially cost estimates were prepared with a considered view that local Security Guards will be available in cheap and requirement will be minimal. However, the attacks and threats at and around the project site have increased as the project progressed. After killing of a BRO employee by Taliban extremists, the ITBP security deployed for the project was increased from 38 to 254, which has now been increased to 388 due to increased threat level.
- There was no provision of Departmental charges in the Cabinet approval. However, BRO has incorporated departmental charges @ 7% in the revised estimates.

(ii) MEA's role and responsibility in execution of this project: MEA is involved at all stages of selection (in consultation with the Afghan Government), approval, implementation and financial aspects of the project. Diplomatic inputs are essential for the successful implementation of the project. Though the project, on ground, is being implemented by BRO, an Empowered Committee (EC) in Afghanistan comprising officials from the Embassy and BRO Office in Afghanistan, and a Project Review Committee (PRC) in New Delhi comprising MEA and BRO Headquarter officials have been formed for effective coordination and review of progress of work. As the work is being implemented in a foreign country, MEA's involvement is essential to facilitate movement of personnel and material from India, procurement of material from local market and other countries and any other issues like custom clearances etc that need to be taken up with Afghanistan and other concerned countries.

(iii) Critical Review of the project by BRO: We have written to BRO informing them about the recommendation of the Standing Committee on External Affairs that BRO should immediately take a critical review of the project with a view to overcoming the problems and rectifying the deficiencies. Meanwhile Hon'ble Raksha Rajya Mantri took a meeting of Border Roads Development Board, in which this project was discussed. BRO has informed that the project now is progressing as per the revised schedule and is expected to be completed at the revised cost within the revised timeline.

2. Reconstruction and completion of Salma Dam Power Project in Herat province being executed by M/s WAPCOS

- (i) Cost escalation: The estimated cost of this project has increased from Rs. 351.58 crores to Rs. 498.69 crores due to following reasons (there is no time overrun in the project):
- The sharp increase in the cost of the major inputs for the project and civil and electro-mechanical work.
 - Volatile market condition, price fluctuations and erratic supplies in Afghanistan.
 - Security problems.
- (ii) MEA's role and responsibility in execution of this project: MEA is involved at all stages of selection (in consultation with the Afghan Government), approval, implementation and financial aspects of the project. Though the project, on ground, is being implemented by WAPCOS and its sub-contractors, an EC in Afghanistan comprising officials from the Embassy and WAPCOS Office in Afghanistan, and a PRC in New Delhi comprising MEA and WAPCOS Headquarter have been formed for effective coordination and review of progress of work. Diplomatic inputs are essential for the successful implementation of the project. As the work is being implemented in a foreign country, MEA's involvement is essential to facilitate movement of personnel and material from India, procurement of material from local market and other countries and any other issues like custom clearances etc that need to be taken up with Afghanistan and other concerned countries.
- (iii) Critical Review of the project by WAPCOS: A PRC meeting was held at MEA in May 2007, in which MEA impressed upon WAPCOS officials need to resolve outstanding issues and problems so that the project could be completed within the revised cost and timeline. WAPCOS informed that the project proposal was submitted at the cost based on July 2004 prices, which was approved and awarded to them in January 2005. The cost revision was done at December 2005 prices due to increase in costs relating to civil and electro-mechanical works. The cost escalation was not due to any additions in scope of work or due to any delay. Other problem which could lead to delay is refusal of Iran to permit transport of materials required for this project through its territory, which is the other easiest and direct option in absence of land transit facility from Pakistan. At the moment, MEA is trying to secure the required material for this project from other neighbouring countries of Afghanistan such as Uzbekistan, Ukraine and Turkmenistan. PRC and EC meetings will be held frequently so that any problems and outstanding issues can be resolved quickly in order to avoid any further cost and time overrun and diplomatic interventions with neighbouring states of Afghanistan undertaken whenever required.

3. Construction of Afghanistan's Parliament building (Parliament Building Project) being executed by CPWD

The estimated cost of the project has increased from Rs. 296.45 crores to Rs. 337.58 crores due to request by the Afghan government for additional requirements in the building after CNE approval of the project. The project has not yet commenced. CPWD is presently carrying out enabling works for the project. MEA is processing the proposal for necessary approvals. Once the project is approved, it will be ensured that there is no time and cost overrun (except in circumstances beyond our control due to volatile market and sensitive security situation in Afghanistan) through tight monitoring via regular and frequent PRC and EC meetings.

Bhutan

The Standing Committee on External Affairs identified three projects above Rs. 50 Crore, in Bhutan as having cost escalations. The projects along with the nature of problems identified, reasons for cost increases and the review action taken are listed below.

	Projects	Revised Cost In Rs Cr	Original Cost In Rs Cr	Original Date of Completion/ Anticipated Date of Completion/ Reasons for Cost/Time Overruns and Action taken thereon
1	Tintibi - Tongsa - Bumthang Trans. Line	61.70	34.38	The contract for 37 kms. 132 kV. Tintibi-Yurmoo and 37 kms. 66 kV. Yurmoo-Bumthang transmission line was awarded to M/s Utkal Galvanisers, Orissa in joint venture with M/s Bhutan Engineering Company on 8 May 2006 at contract amount of Rs. 380 m. The contract is for 24 months and expected to be completed by May 2008. The contract for construction of 33 kV substations at Yurmoo, Trongsa and Bumthang along with staff quarters and 33 kV tower line from Yurmoo to Trongsa had been awarded to POWERGRID on 28.7.2006 at Rs. 260 million, which includes the consultancy cost. The cost was increased based on competitive bidding process. Matter was discussed in a meeting between representatives of Department of Energy, RGOB, Bhutan Power

				Corporation Limited, MEA, Central Electricity Authority, India and PGCIL held on 17/4/2006. Ministry of Power vide UO No. 3/28/2006-Trans dated 6.9.2006 stated that it has no views to offer on the cost estimates which have already been confirmed by the CEA.
2	JDWNMH Expansion	71.60	65.69	Construction works to be completed by June 2007. The cost has increased on the basis on approved work plan at the 3rd Project Monitoring Committee held in April, 2006. Revised estimates were vetted by AIMS, New Delhi
3	Pasakha - Manitar Road	55.60	54.01	The road is expected to be completed by April, 2007 and the three bridges would be completed by April, 2008. The revised cost is on the basis of approved Detailed Project Report.
4	Construction of Supreme Court	31.58	12.6	The initial approval was for construction of High Court at a cost of Rs 12.6 crores. The January, 2006 Plan Talks revised the cost at Rs 100 million for Ninth FYP for Supreme Court instead of a High Court and noted spillover of Rs 220 million in the Tenth FYP due to expansion in scope of works. Royal Government of Bhutan, RGoB submitted a detailed scope of works and plans with an estimated cost of Rs 479 million. The project was examined from a technical viewpoint the designs, cost estimates and time schedule for completion of the Supreme Court and it was recommended that the estimated cost of Rs 433.56 million be approved. Of the approved cost, Rs 315.80 million is allocated for Ninth FYP and rest would spillover to the 10th FYP.

2. In case of Projects undertaken in Bhutan, a proper mechanism for monitoring and review of these projects is already in place. The projects undertaken by Government of India in Bhutan are monitored under the bilateral agreement on 'Implementation mechanism for project-tied assistance to RGoB' signed on 20th October 2004 between the two Government. As per this agreement the main mechanism for monitoring the projects is the India-Bhutan Development Cooperation Talks which are held annually to review the GoI assisted projects.

3. The list of projects and the indicative fund allocations for the plan period are agreed during the Plan Talks. The list of Projects is finalized on the basis of project documents, cost estimates and work plans. RGOB thereafter prepares and forwards the five-year Work Plans with an annualized statement of the estimated costs and fund requirements for each project to the GoI. The GOI releases 50% of the annual requirement of the cost of the project as an initial release on receipt of the request from RGOB accompanied by the five-year Work Plan. Subsequent releases are based on the submission of an annual work plan, progress report and utilization certificate.

4. By the same Agreement, the RGOB and the GOI agreed to reactivate the Project Monitoring Committee (PMC) to monitor and facilitate smooth implementation of project-tied assistance. The PMC, which meets twice a year and comprises 4 members each from GoI and RGoB, is the formal mechanism to facilitate smooth implementation of the projects funded by GOI under project-tied assistance, through joint monitoring including those works awarded to consultants/executing agencies of the two governments. It is responsible for ensuring that the project objectives and outputs are achieved and funds are utilized efficiently and effectively.

5. The main tasks of the PMC include:

- Monitor overall progress and implementation of the GOI project-tied assistance through reviews and visits to project sites as and when necessary.
- Review physical and financial progress of the project.
- Review any issues including causes of delay, if any, in the implementation of the projects and propose alternative solutions.
- Review any major changes required in the scope of the project and make recommendations to the two governments, as necessary.
- Review and recommend, as necessary, any re-allocation of funds between the project activities not exceeding the overall approved allocation of the project.

Nepal

The Standing Committee on External Affairs has identified one project in case of Nepal consisting over Rs. 50 crore. The detailed justification with regard to observations made in para 7 is as follows:

Government of India is setting up a 200-bed Emergency and Trauma Care Centre in Kathmandu as part of Bir Hospital Expansion. Initially the cost of the project in March,2003 was estimated at Rs. 54.11 crore. The same was updated to Rs. 61.39 crore in December,2004 by adopting Plinth Area Rate method and was approved by the Committee on Non-plan Expenditure. Based on same method, item-wise break-up of approved estimates, accepted tendered cost along with justification is as follows:

Item	Approved cost (in cr)	Accepted Tendered cost (in cr)	Remarks/Justification
Civil works, Electrical and AC Work	41.39	50.64	GON took some time in providing site free from all encumbrances. After award of Contract to M/s Unity Infraprojects through open bidding by M/s HSCC, Consultant in September,06, construction work started in end October,2006. Besides the increase in costs from December,2004, the project site which is located in a congested area and the prevailing political and security situation in Nepal are also to some extent responsible for increase in costs. The completion period is eighteen months. Bandhs and shutdowns in Kathmandu, and in Terai region of Nepal have adversely affected the supplies in past and might delay the completion. However, the Executing Agency is trying its best to complete the work within the stipulated time. The accepted tendered cost is fixed, and is not subjected to any escalation.

Medical Equipment, Computers, and Furniture	17.88	-	Tenders will be invited by Consultant M/s HSCC so as to coincide the commencement with completion of civil, electrical and AC works. Stipulated period for completion of supplies as per DPR is six months.
Consultancy Fee	1.92	1.92	Consultant shall be paid fee of Rs. 1.92 cr or @4.5% of project cost excluding cost of equipment plus 1.5% of cost of equipment” calculated on the estimated cost or the tendered cost whichever is less, plus Service Tax as per applicable rates. Likely to be Rs.1 .92 cr.
Service Tax	0.2	0.2	As per applicable Rates
Total	61.39	-	After tendering process is finalized for medical supplies, equipment and furniture , exact cost will be known. If required, CNE will be approached.

The expenditure is being met by non-plan “Aid to Nepal” Budget of MEA. Nepal Section, Northern Division, in coordination with all concerned is responsible for the implementation of the Project. Consultant M/s HSCC is also providing the Project Management Service. Due diligence is being exercised at each and every stage. The Inter-Governmental MOU for the project provides for a Joint Project Monitoring Committee (PMC) for monitoring the implementation of the project and to provide its recommendations. It includes representatives from Northern Division and IFD, MEA, Embassy of India, Kathmandu, Consultant and the Executing Agency as well as from Government of Nepal. Three meetings of PMC have been held so far. The last meeting was held in January 2007.

[File No. AA/125/Parl/57/2007 Dated: July 20, 2007]

Recommendation No. 8

On examination of whatever details made available, the Committee received an impression that the Ministry does not have any in-house capability or organized set up for project delivery. It is only now that the Ministry has proposed to set up an agency called India International Development Cooperation Agency whose mandate is set to include efficient project

implementation. The Committee hope that the agency will be established soon and deficiencies in project implementation removed and would like to be kept informed of the progress in this regard.

Reply of the Government

EAM had addressed a letter to Finance Minister in response to which the latter included a reference to the proposal in his budget speech 2007-08 announcing that the Govt. would set up an umbrella organization, India International Development Cooperation Agency to implement all India's overseas development cooperation commitments.

A Task Force was set up by the Foreign Secretary, which included Heads of the concerned Divisions, including Finance under the chairmanship of Additional Secretary (ER) to submit final recommendations for a Concept Paper on the proposed Agency, now known as India Development Cooperation Agency (IDCA) for EAM's approval. The Task Force submitted its recommendations to Foreign Secretary on April 19, 2007. EAM approved the Concept Paper on April 28, 2007.

Subsequently a draft Note for the Cabinet has also been approved by EAM on May 11, 2007. The draft Note for the Cabinet has been forwarded to the concerned Ministries, viz Ministerial of Finance (Dept. of Economic Affairs, and Dept. of Expenditure), Commerce and Industry, and Planning Commission as part of a wider process of inter-Ministerial consultations, before the proposal is submitted for the Cabinet approval. Foreign Secretary already convened an interministerial consultation meeting for an exchange of views on the proposal, on 29th May 07. As agreed in that meeting, Foreign Secretary has since forwarded the draft Cabinet Note to Cabinet Secretary for its consideration by the Committee of Secretaries. Meanwhile, Planning Commission has responded approving the proposal without any reservation or qualification.

[File No. AA/125/Parl/57/2007 Dated: July 20, 2007]

Recommendation No. 9

Regrettably, not all relevant project details such as the original and anticipated dates of completion, factor-wise analysis of cost escalation, impact of cost over-run on viability of project (in whichever case applicable) were made available to the Committee. The Committee suggest that such details in future should be disclosed in the Outcome Budget of the Ministry for information and use of Members of Parliament.

Reply of the Government

Outcome Budgeting is a relatively new and evolving initiative. It has been the endeavor of the Ministry to engage all Divisions as well as Missions / Posts in this exercise to correlate quantifiable outcomes against outlays, wherever practical and to provide detailed information on its activities in a clear and transparent manner. The valuable suggestion made by the Committee for an in-depth analysis of cost escalation and the impact of cost over-run on viability of projects in the Outcome Budget of the Ministry will be implemented during the exercise for the next Outcome Budget. These will also be included in the terms of reference for studies to be conducted by independent consultants for major projects.

[File No. AA/125/Parl/57/2007 Dated: July 20, 2007]

Recommendation No. 10

The Committee observe that 1020 MW Tala Hydro-electric project in Bhutan, funded fully by India (60% grant and 40% loan of the total cost of Rs. 4124 crore) and commissioned on March 31,2007, would supply the entire 1020 MW power generation to India at a very low cost. The Ministry intends to construct another 3,000 MW in the next 8-10 years. Considering the cost effectiveness and other advantages of such projects, the Committee suggest that efforts should be directed at tapping the entire hydro-power potential available in the region including Nepal in a time bound manner rather than looking at it in piece meal. The Committee would await an assessment of viable hydro-power potential in the region including Nepal and a perspective plan to exploit the same with the cooperation of Bhutanese and Nepalese Government.

Reply of the Government

Bhutan

Mutually beneficial development of water resources, particularly Hydro-electric power in Bhutan have been an important element in our bilateral relations. Bhutan's hydropower potential is estimated at 30,000 megawatts (MW). Out of this, 1470 MW (including 1024 MW added by Tala HEP in 2006) or a little over 5 percent of the total potential have been harnessed so far.

The harnessing of hydro-power potential in Bhutan is being carried out in a phased and planned manner. To ensure continuity of the cooperation between India and Bhutan in the field of hydro-electric power, an Agreement on Co-operation in the field of Hydro-electric sector was signed with Bhutan in July 2006. Under this agreement inter alia India agreed to import 5000 MW of electricity from Bhutan by 2020. The Agreement lays down the framework for

future bilateral cooperation between India and Bhutan in the field of hydroelectric power by building upon the strengths of the two countries and their existing mutually beneficial cooperation in the field of hydropower development.

In addition to the perspective planning in India, a Power System Master Plan for Bhutan (2003-2023) has also been prepared by Government of Bhutan to utilize the available hydropower potential in a phased manner. Planning the development of additional hydropower projects is mainly based on the potential for exporting power to India. The table below shows the projected periods of construction for the identified power projects in Bhutan.

Project	Installed capacity (MW)	Construction period
Tala HEP	1020	1999-2005
Punatsangchhu-I	1095	2007-2011
Mangechhu	670	2009-2013
Punatsangchhu-II	992	2011-2015

All data are projection estimates based on preliminary studies.

The Indian market currently absorbs around three-quarters of the electric power generated in Bhutan, and exports from Bhutan will increase significantly with the commissioning of the Tala hydropower project. Additional projects, the construction of which is planned to start during the Bhutanese 9th Five Year Plan and continue over to the 10th and 11th Plan, will increase the surplus available for exports.

The three major hydropower projects that are at various stages of development and would see completion in the next 8-10 years include the following;

Punatsangchhu-I Hydroelectric (1095 MW)

The draft Detailed Project Report has been submitted by M/s WAPCOS in June 2006 and is in advanced stage of examination. Ministry of Power has conveyed techno-economic feasibility of the project. Planning Commission has given approval for pre-construction activities. The Draft intergovernmental agreement is at an advanced stage of negotiation. Budgetary provisions have already been made for some pre-construction activities. The Ministry has already started the process to obtain Cabinet approval for the project at the earliest.

Punatsangchhu-II Hydroelectric Project (992 MW)

The agreement for implementation of the DPR study for Punatsangchhu-II was signed at New Delhi on the 28th September 2006 and is funded by

the GoI under the 9th Plan project-tied assistance to the RGoB. The DPR is expected to be ready by November 2008.

Mangdechhu Hydroelectric Project (670 MW)

The agreement for implementation of the DPR study for Mangdechhu was signed on the 29th September 2006 and is funded by the GoI under the 9th Plan project-tied assistance to the RGoB. The DPR is expected to be ready ahead of the deadline of December, 2008.

Nepal

The potential in Nepal to generate hydroelectric power is estimated at 83,000 MWs of which as much as 45,000 MWs is known to be technically feasible and economically viable.

India and Nepal have agreed, under the 1996 Mahakali Treaty, to jointly develop the Pancheswar Multipurpose Project (5600 MW) on the Mahakali river, where it forms the border between the two countries. The two governments are engaged in finalizing the DPR of the Pancheshwar Project. On the Sun-Kosi Sapta Kosi Project (around 3300 MW), a Joint Project Office has been established in Nepal with GOI funds to carry out field investigations for preparation of the DPR. Preliminary discussions have been also held on the feasibility of 235 MW Naumure hydroelectric project.

Besides, Government of Nepal is currently evaluating proposals from independent power producers in which several Indian companies both in public and private sector have participated, for specific hydropower projects namely Upper Karnali (300 MW), Arun-III (402 MW) and Burhi Gandaki hydro-power project (600 MW) in Nepal.

IL&FS Infrastructure Development Corporation (IL&FS) and Nepal Electricity Authority (NEA) signed an MOU on January 5, 2007 for setting up of four cross-border high voltage 220 KV transmission links – (i) Butwal (Nepal)-Gorakhpur (UP), (ii) Dhalkebar (Nepal)-Muzaffarpur (Bihar), (iii) Duhabi (India)-Purnea (Bihar), and (iv) Anarmani (Nepal) -Siliguri (West Bengal). IL&FS & NEA have formed a JV for building transmission links on the Nepalese territory while IL&FS has already registered a company in India to build transmission links on the Indian territory. The lines are required to facilitate import of power to Nepal in short-to-medium term, and for export of power from Nepal to India in the long-term. Nepal's net import of power from India is around 80 MW.

Framework of Cooperation

The entire gamut of India-Nepal cooperation in Water Resources is overseen by the Joint Committee on Water Resources (JCWR) led by the two

Water Resources Secretaries. Institutional framework for discussing various aspects of water resources development project, including flood management and inundation issues interalia include sub-committees namely Flood Forecasting Committee, Standing-Committee on Inundation Problems (SCIP), Sub-Committee on Embankment Construction (SCEP), Coordination Committee on Kosi and Gandak, Joint Team of Experts for Sapta Kosi / Sun Kosi High Dam Projects. In addition, a Joint Task Force on Flood Control and Forecasting has been set up to review co-operation in a comprehensive manner and give its recommendations to the two Governments.

Perspective plan to develop the hydro-power potential in Nepal and Bhutan

With Bhutan, Government have signed an Agreement on Cooperation in the field of hydro-power sector in July 2006, details of which have been enumerated in foregoing paragraphs.

In regard to Nepal, the framework of cooperation is given above. It however needs mention that progress in the development of a perspective plan with Nepal depends on the cooperation of the Government of Nepal. Due to the political situation prevailing in Nepal during the last few years, the focus of the authorities in Nepal has been on the internal situation. However, Government is aware of possibilities of mutually beneficial cooperation with Nepal in this field, and looks forward to working with the Government of Nepal in this regard. Government is also of the view that the private sector of both countries can play a useful role in developing commercially viable projects for mutual benefit.

[File No. AA/125/Parl/57/2007 Dated: July 20, 2007]

Recommendation No. 11

It is learnt from the Foreign Secretary that finalization of Kaladan Multi-modal Transit Project is getting delayed as there are certain issues still to be settled in the agreement to be signed with Myanmar. The Committee desire that these issues should be sorted out early and the project finalized for execution without further delay so that the benefits expected to accrue on completion of the project become available to the public in time.

Reply of the Government

The Kaladan Multi-Modal Transit Transport Facility envisages connectivity between Indian Ports on the eastern seaboard and Sittwe Port in Myanmar and then through riverine transport and by road to Mizoram, thereby providing an alternate route for transport of goods to North-East India. The Detailed Project Report on the facility was prepared by RITES in 2003 and has the concurrence of the Myanmar Government.

Up till now, six rounds of Senior Officials Meeting on the Project have taken place where the representatives of Ministry of External Affairs, Ministry of

Commerce, Ministry of Road Transport & Highways, Ministry of Shipping and RITES Ltd. participated. During these meetings, following agreement/protocol have been negotiated and initialed: Draft Framework Agreement on the Project; Draft Protocol on Facilitation of Transit Transport; Draft Protocol on Financial Arrangements; and Draft Protocol on Joint Maintenance and Administration.

Under the Protocol on Financial Arrangements, the Government of Myanmar agreed initially to contribute US\$ 10 million and free land for the project while GOI agreed to fund the balance amount of approx. US \$ 100 million, as well as be liable for any cost overruns. Myanmar however requested later on for a soft loan for their contribution of US\$ 10 million. This has now been approved by the Ministry of Finance subject to Cabinet approval. During the meeting of Expenditure Finance Committee (EFC) which was held on 2 February 2007, Ministry of Finance approved the proposal subject to fulfillment of certain observations made by Planning Commission. In March 2007 sixth SOM was held between India and Myanmar and some of the outstanding issues remained unresolved. Revised drafts of Framework/Protocols have been submitted to the Myanmar side. Their response is awaited.

[File No. AA/125/Parl/57/2007 Dated: July 20, 2007]

Comments of the Committee

(Please see Paragraph No. 7 of Chapter-I of the Report)

Recommendation No. 12

The Committee find that technical assistance budgeted for African countries is abysmally low which accounts for less than 3% of India's total aid and loan budget for 2007-2008. The figure may marginally go up when the commitment for Pan Africa Telemedicine and Tele education project is reflected in the budget at the time of revised allocation. The Committee are not impressed by the figures reeled out by the Foreign Secretary in this regard that over 1,000 African officials received training and over 15,000 students studied in India. The Committee are of the firm view that India's relations with Africa need to be upgraded at various levels especially as a partner in their economic development. The Committee hope that the Ministry will place sufficient emphasis on this.

Reply of the Government

The Ministry of External Affairs places emphasis on its relations with Africa and has undertaken a number of initiatives to upgrade India's relations with the continent, especially in the economic arena. Some of the significant programmes undertaken are as under:

Africa today is the largest recipient of India's technical cooperation programmes and we have so far extended more than US \$ 1 billion worth of such assistance including training, deputation of experts and implementation of

projects in African countries. Over 1000 officials from Sub-Saharan Africa receive training in India annually under ITEC.

Annually over 15,000 African students study in India and Indian Engineers, Doctors, Accountants, Teachers are widespread in several African countries. To give an example one-fourth of the Ethiopian Cabinet has been trained in India; 3 Nigerian Presidents studied in India.

India supports the New Partnership for Africa's Development (NEPAD). This has been crafted by reform oriented African leaders who have a vision for Africa. As part of our support to Africa, we have announced a line of credit of US \$ 200 million to assist the NEPAD objectives. We also provide grant assistance in response to humanitarian requirements or as smaller development projects under our 'Aid to Africa' programme.

Under the HIPC initiative, past debts of a large number of countries of the region have been written off. A line of credit of US \$ 500 million under TEAM-9 in 2004 to West and Central African countries has been supplemented by a US \$ 250 million credit to ECOWAS in May 2006. Besides, fresh concessional Government to Government lines of credit worth over US \$ 500 million have been allocated to countries of the Eastern & Southern African region. These combined credit facilities bring the figure for Sub-Saharan Africa close to US \$ 1.5 billion. An amount of US\$ 1.1 billion from these credits has been allocated and sanctioned, of which US\$ 320 million has been disbursed.

India has joined as a full member of the Harare-based African Capacity Building Foundation (ACBF) with a contribution of US \$ 1 million towards skill development and poverty alleviation programmes.

Africa's interest in developing a closer partnership with India is reflected in the tremendous response generated by the MEA supported CII-EXIM Bank Conclaves on India-Africa Project Partnerships, held in Delhi in 2005. This was followed by three regional conclaves held in Lusaka, Addis Ababa and Accra in April-May 2006. Their deliberations were consolidated at the Pan African Conclave held in New Delhi on 9-11 October 2006. For 2007, Conclaves are being held in Mozambique, Uganda and Cote d'Ivoire in June-July.

The Pan African e-Network project, undertaken at the initiative of the Hon'ble President, brings a fresh dimension to India's partnership with Africa. The project is visualized to connect all 53 nations of the African Union by a satellite and fibre optic network that would provide effective communication and connectivity among all the nations. The project will provide tele-education and tele-medicine facilities from India to regional centres and individually to each of the member countries. It will also enable voice and video conferencing facility among the Heads of State. The project, being implemented by TCIL at a cost of Rs. 546 crores, will be financed entirely by a grant from the Government of India.

India has been one of the largest contributors to peacekeeping in Africa. We currently have 3,500 troops in DRC, 3000 in Southern Sudan and about 1500 in Ethiopia and Eritrea.

India has been working towards better integrating, structuring and guiding its partnership through interaction with Africa and the African Union. The intention is to set up an India-Africa Forum, which would develop broad based cooperation, including the following elements: Support for democracy, HRD, capacity building and poverty alleviation, cooperation in development of agriculture, SMEs, infrastructure, development of health sector, civil society/NGO cooperation, etc. A Working Group has been established with the AU Commission to prepare for such a Forum / Summit meeting. The India-Africa Summit will be held in New Delhi in April 2008. We have also been engaged in dialogues with regional and sub-regional groupings such as COMESA, SADC, EAC and ECOWAS.

[File No. AA/125/Parl/57/2007 Dated: July 20, 2007]

INTRODUCTION OF E-PASSPORTS

Recommendation No. 13

The Ministry of External Affairs expects by the end of April 2007, the report of the National Institute of Smart Governance which is looking into the problems in passport offices and the related IT aspects. The committee hope that on the basis of the report, functioning of the passport system will be streamlined and made efficient. It should be ensured that stipulated time limit (end of 2008) for introduction of e-passports/biometric passports for all categories of passports is strictly adhered to.

Reply of the Government

National Institute of Smart Government has submitted its report on the work study on the passport issuance system recently. The report when implemented will enable the Ministry to deliver passport related services to the citizens in a timely, transparent, more accessible & reliable manner through streamlined processes and committed, trained & motivated workforce. The recommendations of the study are proposed to be implemented expeditiously in a time bound manner.

Work on the pilot project for conversion of existing diplomatic and official passports to e-passports is progressing. Based on the experience of the pilot project, the Government would take necessary steps to implement the project on introduction of e-passports/biometric passports for all categories of passports by the end of 2008.

[File No. AA/125/Parl/57/2007 Dated: July 20, 2007]

FUND ALLOCATION TO ICCR

Recommendation No. 15

India is growing as a major cultural power-house and there is great potential for cultural diplomacy. According to the Foreign Secretary, the budgetary allocation of Rs. 70 crore in 2007-08 for the Indian Council for Cultural Relations (ICCR) is vastly inadequate. It has been stated that there are plans to open new cultural centers at Kabul, Kathmandu, Dhaka, Beijing and Tokyo in the near future and that the possibility of setting up centers at Washington, Paris and Bangkok is being explored during the year. Implementation of all these in addition to the other cultural activities will necessitate substantial augmentation of allocation to ICCR. The Committee, therefore, recommend that fund allocation to the ICCR should be substantially enhanced so as to be commensurate with its plans and activities.

Reply of the Government

The Ministry of Finance would be approached at the RE stage for augmentation of budgetary allocation to ICCR.

[File No. AA/125/Parl/57/2007 Dated: July 20, 2007]

WORLD HINDI SECRETARIAT

Recommendation No. 16

The Committee are dismayed to note that not much has been done for construction of the World Hindi Secretariat, the foundation stone for which was laid as early as in November, 2001 in Mauritius. A bilateral agreement was reportedly signed in this regard between India and Mauritius in November, 2003. The establishment of the World Hindi Secretariat is aimed at promoting Hindi as an International Language and to institutionalize the organization of World Hindi Conferences. It is not clear whether the Secretariat has already been functioning and if so, what are its functions and whether any plan for construction of the Secretariat Building has been drawn up and if so, the details of cost and schedule of completion. The committee would await full details and the present status of the project.

Reply of the Government

Pursuant to the bilateral agreement signed between the Government of India and Government of Mauritius in November 2003 for setting up of World Hindi Secretariat in Mauritius both the sides have been actively engaged in establishment of the Secretariat. As per the agreement the Secretary General of the World Hindi Secretariat will be from Mauritius for three-year term and Deputy

Secretary General will be from India for three-year term. The Secretary General selected by Mauritius side took charge in January 2007 and with that the Secretariat has started functioning. Deputy Secretary General from India has also been selected and necessary approvals for his appointment are being obtained.

The functions of the World Hindi Secretariat include organizing International Conferences, seminars, group discussions in Hindi, Kavi Sammelans and similar activities, establishing Hindi chairs throughout the world, setting up documentation center for research in multimedia, information technology, setting up of International Hindi Library, organizing International Hindi Book fairs etc. However the secretariat will become fully functional after it has full complement of staff.

2. The construction of building for the World Hindi Secretariat is a joint Indo-Mauritius project. While the plot of land measuring 2 acres (8441 sqm.) was allotted by the Government of Mauritius in Phoenix (Mauritius), the planning and construction of building would be done by the Government of India. The executive board of the Secretariat, which met on 24th and 25th May 2007 in Mauritius discussed the steps for construction, the space requirements of the Secretariat, building regulation etc. The discussion was followed by a visit by the two delegations to the site. The Mauritian authorities have been requested for certain essential inputs for preparation of a design brief, after which short listed local architects would be invited to take part in a design competition, leading to selection of an architect. The selected architect would prepare the preliminary cost estimates and concept drawings etc. The project is likely to be completed in about 4 years from the date the agreement with the selected Architect is signed.

[File No. AA/125/Parl/57/2007 Dated: July 20, 2007]

WELFARE OF INDIAN FISHERMEN

Recommendation No. 17

The committee express their deep concern at the deteriorating law and order situation in Sri Lanka, the effects of which are increasingly spilling over India. The Committee feel that the Indian Government should safeguard the welfare of India Fishermen who are often taken captive by the Sri Lankan authorities.

Reply of the Government

Government of India has emphasised to the Government of Sri Lanka that the only solution to the ethnic problem is a negotiated, political settlement that is acceptable to all communities in Sri Lanka. We have also emphasised to the Government of Sri Lanka the need to revive the political dialogue in order to move the peace process forward. We have also conveyed that continued hostilities and any escalation of violence will result in an increase of refugees entering India and in civilian casualties.

Government has been promptly taking up with the Government of Sri Lanka, the matter of apprehension by the Sri Lankan authorities of Indian fishermen straying into Sri Lankan waters, and securing their early release and repatriation from Sri Lankan custody. The need for the Sri Lankan Navy to act with restraint and for our fishermen to be treated in a humane manner has been repeatedly emphasised to the Government of Sri Lanka. Currently, there are no bona fide Indian fishermen in Sri Lankan custody. Recently there have been several incidents of firing on our fishermen in the Palk Bay. India has taken up this matter strongly with Sri Lanka. In response, the Government of Sri Lanka has denied that their Navy ever enters Indian territorial waters and claimed that their Naval ships were not deployed in areas where the incidents occurred. It has also come to light that the LTTE has been involved in firing and abduction of our fishermen. The proposal of "coordinated patrolling" along with other issues is under consideration to prevent recurrence of any incidents of firing on Indian fishermen.

[File No. AA/125/Parl/57/2007 Dated: July 20, 2007]

ACTION AGAINST CRIMES/UNLAWFUL ACTS BY NRIS

Recommendation No. 18

The Committees desire that the NRIs coming to India and committing crimes/unlawful acts should not be allowed to escape from long hands of Law.

Reply of the Government

Whenever complaints against NRIs having committed crimes/unlawful acts are received by the Ministry of External Affairs, the same are forwarded to Ministry of Home Affairs for appropriate action.

However, if the complaint is against an NRI who has already left this country, this Ministry initiates investigation into the complaint through its Missions/Posts abroad. The matter is, in turn, taken up by the concerned Indian Mission/Post abroad with the host government which is requested to investigate and take appropriate action. It may also be mentioned that Ministry of Overseas Indians Affairs has been entrusted with the responsibility of dealing with matters concerning NRIs and Persons of Indian Origin abroad.

[File No. AA/125/Parl/57/2007 Dated: July 20, 2007]

CHAPTER III

RECOMMENDATIONS/ OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT REPLIES

Recommendation No. 14

The Committee would also like to be informed of the action taken to amend the gender restrictive regulation which requires consent of the husband for issue of passport to wife. The Committee would also like to be apprised of the issue of opening of District Passports Cells in 129 districts which do not have passport cells at present.

Reply of the Government

At present, there is no gender restrictive regulation under the Passport Rules 1980 requiring consent of the husband for issuance of passport to wife. Therefore, the question of amending the same does not arise.

The Ministry of External Affairs has been impressing upon the concerned State Governments to open DPCs in the remaining Districts of the country as early as possible and within a reasonable timeframe as desired by the esteemed Committee.

[File No. AA/125/Parl/57/2007 Dated: July 20, 2007]

Further Information sought from the Government

It was observed that reply of the Government to the above recommendation was contrary to the submission made by the Foreign Secretary during the oral evidence which is reproduced below:

“There is a problem about issuing passports to wives living away from husbands but are not divorced. Unfortunately, under the present regulation the husband has to consent to the issue of passport in such cases. We will certainly do what we can and we will try and change this. As was said, I do not think this makes sense in today’s day and age to do this.”

The Ministry of External Affairs were therefore asked to clarify the position vide O.M. dated 8th August, 2007.

Further reply of the Government

It is a fact that there is a problem in issuing passports to wives living away from husbands, but not divorced. The problem is that the present passport application form has provisions only for unmarried/married/divorced/widow/widower categories. In cases where the wives and husbands are separated, while filling up the

passport application form, as they are not divorced, they are required to fill in the name of the spouse. There may be cases where an applicant may be hesitant to give the name of the spouse. While this problem exists, as such, there is no gender restrictive regulation in the passport rules, which require consent of the husband for issuance of passport to the wife and vice versa. Unfortunately, it was inadvertently stated that the husband has to consent to the issue of passport to the wife in such cases.

[Letter No. 7683/JS(CPV)/2007 dated 21st August, 2007]

CHAPTER IV

**RECOMMENDATIONS/ OBSERVATIONS IN RESPECT OF WHICH
REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED
BY THE COMMITTEE AND REQUIRE REITERATION**

- NIL -

CHAPTER V

RECOMMENDATIONS/ OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

IMPLEMENTATION OF MANAGEMENT INFORMATION SYSTEM (MIS)

Recommendation No. 2

The outcome budget of the Ministry has attempted quantitative evaluation of outcome of activities, which are amenable for such quantification. The Foreign Secretary said in this connection during evidence that to develop indicators for outcome budget, an outside agency will be engaged to go into the issue and that a Management Information System within the Ministry will be put into place. The Committee appreciate the initiatives in this regard and trust that outcome of the proposed exercises will lead to an objective performance appraisal of the Ministry. The Committee would like to be apprised of the outcome of these exercises.

Reply of the Government

The grants-in-aid to neighbouring countries form a very significant portion of the total Plan and non-Plan allocation of the Ministry. Hence as a first step, in order to strengthen the reportage in Outcome Budget, it has been decided to engage the services of independent professional institutions as Consultants to develop indicators and to assess the impact and efficiency of implementation, initially, of major infrastructure projects with outlays exceeding Rs. 100 crores, in the neighboring countries. For other projects, the Ministry conducts regular review of project implementation and outcomes, often in consultation with the foreign government, where the project is located.

A Management Information System (MIS) is being developed by the Ministry to provide greater control over resources at our disposal so as to enhance coordination and efficiency in our activities. The MIS is expected to be implemented soon.

[File No. AA/125/Parl/57/2007 Dated: July 20, 2007]

NEW DELHI
12 November, 2007
21 Kartika, 1929(Saka)

DR. LAXMINARAYAN PANDEY,
Chairman,
Standing Committee on External Affairs

Appendix-I

MINUTES OF THE FIFTH SITTING OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS HELD ON 7TH NOVEMBER, 2007

The Committee sat from 1500 hrs. to 1600 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi

PRESENT

Dr. Laxminarayan Pandey – Chairman

MEMBERS

LOK SABHA

2. Prof. S.P. Singh Baghel
3. Shri A.V. Bellarmin
4. Shri Sukhdev Singh Dhindsa
5. Shri P.C. Gaddigoudar
6. Shri S.K. Kharventhan
7. Shri Mukeem Mohammad
8. Shri Somabhai G. Patel
9. Dr. Sebastian Paul
10. Shri Suresh Prabhakar Prabhu
11. Shri P.A. Sangma
12. Dr. (Col.) Dhani Ram Shandil
13. Shri M. Shivanna
14. Shri Vanlalzawma

RAJYA SABHA

15. Shri S.M. Laljan Basha
16. Smt. Prema Cariappa
17. Dr. Ram Prakash
18. Dr. Mahendra Prasad
19. Shri Arjun Kumar Sengupta
20. Dr. Karan Singh
21. Dr. (Smt.) Kapila Vatsyayan

SECRETARIAT

1. Shri T.K. Mukherjee - Director
2. Shri P.V.L.N. Murthy - Deputy Secretary
3. Shri Lalkithang - Under Secretary

2. XXX XXX XXX XXX XXX

3. Thereafter, the Committee took up the following draft Reports for consideration and adopted the same:-

i) XXX XXX XXX XXX XXX

ii) Draft Report on Action Taken by the Government on the recommendations contained in the 15th Report (14th Lok Sabha) of the Committee on Demands for Grants of the Ministry of External Affairs for the year 2007-2008.

iii) XXX XXX XXX XXX XXX

4. The Committee then authorized the Chairman to finalise the Action Taken Reports and present the same to both Houses of Parliament.

The Committee then adjourned.

XXX Minutes in respect of other matters kept separately.

Appendix -II

(Vide Para 4 of Introduction of Report)

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE FIFTEENTH REPORT OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS (14TH LOK SABHA)

I.	Total Number of Recommendations	18
(ii)	Recommendations/Observations which have been accepted by the Government.	
	Recommendation Nos. 1, 3 to 13 and 15 to 18	
		Total-16 Percentage: 88.8%
(ii)	Recommendations/Observations which the Committee do not desire to pursue in view of the Government replies.	
	Recommendation No. 14	
		Total-01 Percentage: 5.6%
(v)	Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and require reiteration.	
	Recommendation Nos. NIL	
		Total-NIL Percentage: 0%
(vi)	Recommendations/Observations in respect of which final replies of Government are still awaited.	
	Recommendation No. 2	
		Total-01 Percentage: 5.6%