

22

**STANDING COMMITTEE
ON EXTERNAL AFFAIRS
(2008-2009)**

FOURTEENTH LOK SABHA

MINISTRY OF EXTERNAL AFFAIRS

[Action Taken on the recommendations contained in the Twentieth Report (14th Lok Sabha) on Demands for Grants of the Ministry of External Affairs for the year 2008-09]

TWENTY SECOND REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

November, 2008/Kartika, 1930 (Saka)



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***Presented to Lok Sabha on 18.12.2008
Laid in Rajya Sabha on 18.12.2008***



**LOK SABHA SECRETARIAT
NEW DELHI
*November, 2008/Kartika, 1930(Saka)***

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STANDING COMMITTEE ON EXTERNAL AFFAIRS (2008-2009)

LOK SABHA

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* Prof. S.P. Singh Baghel ceased to be Member of the Committee consequent upon **disqualification for being Member of the Lok Sabha in terms of para 2(1)(b) of the Tenth Schedule to the Consitution w.e.f. 12.9.2008**

** **Shri Mukhtar Abbas Naqvi** ceased to be Member of the Committee consequent upon expiry of his term w.e.f. 25.11.2008

INTRODUCTION

I, the Chairman, Standing Committee on External Affairs (2008-2009) having been authorized by the Committee to present the Report on their behalf, present this 22nd Report (14th Lok Sabha) on Action Taken by Government on the Recommendations contained in the 20th Report (14th Lok Sabha) of the Committee on Demands for Grants of the Ministry of External Affairs for the year 2008-09.

2. The 20th Report was laid in Rajya Sabha on 15 April, 2008 and presented to Lok Sabha on 16 April, 2008. The Action Taken Replies of the Government on all the recommendations/observations contained in the Report were received on 28 July, 2008.

3. The Committee considered and adopted this Action Taken Report at their sitting held on 06 November, 2008. 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 20th Report of the Standing Committee on External Affairs (14th Lok Sabha) is given in Appendix-II.

NEW DELHI
14 November, 2008
23 Kartika, 1930 (Saka)

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

CHAPTER – I

REPORT

This Report of the Standing Committee on External Affairs deals with the Action Taken by Government on the observations/recommendations contained in their Twentieth Report on Demands for Grants (2008-2009) of the Ministry of External Affairs which was presented to Lok Sabha on 16 April, 2008.

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, 6-8, 11-12 and 15

Total-09

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

Recommendation Nos. 5, and 13-14

Total-03

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

Recommendation No. 10

Total- 01

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

Recommendation No. 4 and 9

Total-02

3. **The Committee desire that final replies to the recommendation/observations for which only interim replies have been given by the government should be furnished within three months of the presentation of this Report.**

4. The Committee will now deal with the action taken by the Government on some of their observations/recommendations.

A. Manpower Strength of the Ministry of External Affairs

(Recommendation No. 4)

5. The Committee had commented upon in their Twentieth Report (2008-09) the need to raise the manpower strength of the Ministry of External Affairs to cope with the expanding role of the Ministry. The Committee were of the view that cadre strength of Ministry of External Affairs was grossly inadequate and needs to be substantially increased. The Ministry of External Affairs had since made a proposal to create 514 posts out of which 314 posts were at middle and junior level. The Committee had been informed that Cabinet Secretariat had advised Ministry of External Affairs to sort out creation of these posts in consultation with the Ministry of Finance. The Committee urged that there should be no further delay in deciding the proposed expansion of the cadre strength, keeping in view MEA's enlarged roles and responsibilities brought about by India's increasing international engagements

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

“The proposal for expansion of the MEA personnel strength is being actively processed in consultation with Cabinet Secretariat.”

7. The Committee are not satisfied with the Government's reply that the proposal for expansion of the MEA personnel strength is still being processed in consultation with Cabinet Secretariat. The Committee desire that concerted efforts be made for the proposed expansion of the cadre strength keeping in view the Ministry of External Affairs' enlarged role and responsibilities brought about by India's increasing international engagements. They desire to be informed of the action taken in the matter at the earliest.

B. Kaladan Multi Modal Transit Transport Project

(Recommendation No. 6)

8. The Committee had noted that the Framework Agreement and protocols for the Kaladan Multi-Modal Transit Project were expected to be signed on 2 April 2008. The project envisaged connectivity between Indian ports on eastern seaboard and North Eastern Region of India via Myanmar. The project was to assure better connectivity with North Eastern States reducing distance, saving fuel and time. The project was expected to cost Rs.536 crore and time line for completion was 5 years. The Committee desired that there should be periodical monitoring of the project to ensure that the project was completed in time and without cost escalating.

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

“..... it has been agreed that the respective nodal agencies (Ministry of External Affairs from Indian side and the Ministry of Foreign Affairs from Myanmar side) shall appoint a Multi-Sectoral group with a view to advising and supervising the overall progress of work on the project. The group shall hold periodic meetings to review progress.”

10. The Committee note that the Framework Agreement between Govt. of India and Govt. of Myanmar on Kaladan Multi Modal Transit Transport Project was signed on 2 April, 2008 and both of them agreed to appoint a Multi-Sectoral group with a view to advising and supervising the overall progress of work on the project and group shall hold periodic meetings to review progress from time to time. Considering the importance of the project, the Committee desire to be informed of the action taken in the matter from time to time.

**C. Setting up of the 'India-International Development Cooperation Agency (IIDCA)'
(Recommendation No. 9)**

11. In order to have an organized set up of project delivery, an agency by name 'India-International Development Cooperation Agency (IIDCA)' was proposed to be set up during 2007-08. Regrettably, the proposal had suffered delay and was expected to start functioning in 5-6 months' time. The delay was attributed to the long drawn process of inter-ministerial consultations. The Committee felt that delay in such consultations could have been avoided, had there been inter-ministerial meeting to discuss and decide such issues. The Committee expected Ministry of External Affairs to take necessary steps to ensure that there was no further delay in implementation of the proposal.

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

“.....

ii) Inter-ministerial consultations have been held to resolve various issues to expedite the setting up of the IIDCA (IAPD). Following these inter-ministerial consultations, a Cabinet Note outlining the structure, mandate and functions of the proposed agency was submitted for Cabinet's approval on 7 March 2008. However, Cabinet Secretariat has suggested revisions and these modifications are being carried out and a revised Cabinet Note is to be submitted to the Cabinet shortly.”

13. The Committee find that inter-ministerial consultations were held to resolve various issues to expedite the setting up of the 'India-International Development Cooperation Agency (IIDCA)'. A Cabinet Note outlining the structure, mandate and functions of the proposed agency was submitted for Cabinet's approval on 7 March, 2008. Cabinet Secretariat has suggested revisions and these modifications are being carried out by MEA and a revised Cabinet Note is yet to be submitted to the Cabinet. The Committee feel that the proposal has already suffered inordinate delay for want of Cabinet's approval. They desire to be informed of the action taken in the matter at the earliest.

D. Utilization of Scholarship Scheme

(Recommendation No. 10)

14. There were as many as 1210 slots of scholarship under ITEC, SAARC and SCAAP that remained unutilised during 2007-08. The under utilisation was attributed to change-over on account of streamlining of the overall delivery system, introduction of dedicated on-line system, etc. The Committee in this connection find that scholarship schemes were administered by different agencies within the Government, each holding separate examination for grant of scholarship. The Committee felt that there was a need for holistic look at the whole issue with a view to bringing about proper co-ordination among the agencies in all aspects of administering scholarship schemes to ensure better standard and delivery.

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

1).....

2. With regard to under-utilization of ITEC/SCAAP slots during 2007-08, this arose because of the streamlining/improvement of the overall delivery introduced during the year both in terms of course content, logistics and facilities and stricter enforcement of guidelines and eligibility criteria. The guidelines were also more clearly defined to avoid mismatches and to ensure quality of participation. A new dedicated on-line system was introduced mid-year. The change-over resulted in delays and more rejections. There is an overall pattern that the quality of the participants has improved considerably. Despite the higher rejection rate, overall utilization in 2007-08 is still higher as compared to the previous year.

3) SAARC Scholarships also remain underutilized mainly due to following reasons:-

- (i) delay in receipt of applications due to multiple channels of communication involving SAARC Secretariat, foreign Ministries in respective countries, Indian Missions concerned etc.;
- (ii) receipt of incomplete applications;
- (iii) applications do not conform to eligibility criteria; and
- (iv) lack of awareness about the scheme

4. To address these problems with a view to ensure optimum utilisation, Government are streamlining the process which would include enhanced notice of offer to SAARC Secretariat, increased monitoring of the scheme and ensuring its greater publicity by posting information on the SAARC website.”

16. The Committee are concerned to note that SAARC Scholarships remained underutilized due to delay in receipt of applications, multiple channel of communication involving SAARC Secretariat, foreign Ministries in respective countries, Indian Missions concerned, receipt of incomplete applications besides the applications which do not conform to eligibility criteria and lack of awareness about the Scheme. The Committee are informed that under-utilization of ITEC/SCAAP slots in 2007-08 arose because of streamlining introduced in overall delivery mechanism. The Committee hope that steps taken by the Ministry to streamline the process will certainly improve the system and better utilization of scholarships will be ensured. Reiterating their earlier recommendation for maintaining proper co-ordination among the various agencies, the Committee want that the Scholarship Scheme should be fully utilized. They desire to be informed of the progress in this regard periodically.

E. Simplification of the procedures in issuance of Passports

(Recommendation No. 11)

17. There had been a great deal of confusion and resultant delay in Passport Offices due to lack of clarity regarding rules/ instruction, norms, etc. which necessitated applicants to undertake several visits to passport authorities and led to harassment of public as illustrated in Chapter VI of that Report. The issue inter-alia related to absence of precise definition of terms used in passport related matters, ambiguity in instructions leading to different interpretation by

different Passport Offices, lack of public accessibility to rules, instructions and clarifications issued by Chief Passport officer. All this called for a fresh look at the entire gamut of rules/ instructions/ clarifications and the public display system regarding passport matters with a view to making the functioning of passport offices more effective and people friendly and see that prevailing state of confusion was not shifted to the proposed Passport Seva Project under Public Private Partnership. The Committee hoped that action would be taken accordingly.

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

“1.

2. While major simplification of the procedures has been carried out over the years viz. implementation of the Passport Information Service on Net (PISON) in 2003 and substantive liberalization procedures in December 2006, in the absence of a comprehensive computerised system combined with lack of training of employees and lack of a comprehensive management information system, unfortunately, a number of procedural errors are committed in the Passport Offices.

3. As part of implementation of the Passport Seva Project, a training manual is being developed to clarify the rules and procedures in simple language. The passport issuance procedures will be comprehensively computerized in the Passport Seva Project, including a comprehensive management information system. The website of the CPV Division will also be modified as part of the Passport Seva Project to contain all relevant information for the public. Passport applicants will also be able to seek necessary clarifications from the national call centre that is envisaged under the Project.”

19. The Committee note that in the absence of a comprehensive computerised system combined with lack of training and a comprehensive management information system, a number of procedural errors are being committed in Passport Offices. The Ministry has further informed that with implementation of “Passport Seva Project” the Passport issuance

procedure will be streamlined. The Committee expect that the problems of passport seekers would be addressed properly and effectively, after implementation of “Passport Seva Project”. The Committee desire to be regularly informed of the progress made in respect of issuance of Passports.

F. Indian Prisoners and Fishermen in Pakistan Jail

(Recommendation No. 15)

20. An estimated 199 Indian prisoners and 436 Indian Fishermen are reportedly in Pakistan jails and the nationality status of 39 prisoners and 97 fishermen had been confirmed by India. MEA had informed that Consular Access to the remaining 160 prisoners and 339 fishermen had been repeatedly sought by the Indian High Commission in Islamabad. It had been stated that the Judicial Committee (comprising 4 retired judges each from India and Pakistan) which had been formed to speed up the repatriation of all prisoners who had completed their tenure had recommended that by 31st March 2008 all those fishermen whose nationality status had been confirmed would be released and Consular access provided to the others. The Committee regretted to learn that that had not happened. The Committee hoped that the matter would be taken up vigorously with Pakistan to ensure safe and quick release of the 97 fishermen and Consular Access to the remaining 339 fishermen and the 160 prisoners.

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

“

2. The India Pakistan Judicial Committee consisting of retired judges from India and Pakistan visited various jails in Pakistan from 9-14 June, 2008 to identify prisoners in jail and also to recommend various measures for their early repatriation. Visit of the Committee to jails in India is expected to take place in the end of July 2008.

- 3 Government continues to take this matter up vigorously with the Government of Pakistan including at the highest political level. It has been brought to their attention that notwithstanding high-level commitments given by Pakistan, actual implementation is not effective.”

22. The Committee find that there are 412 fishermen and estimated 202 Indian Prisoners languishing in Pakistani Jails. The India-Pakistan Judicial Committee consisting of retired judges of India and Pakistan visited various jails in Pakistan from 9-14 June, 2008 to identify prisoners and recommended various measures for their early repatriation. Visit of the Committee was expected to take place in India in the end of July, 2008. The Committee would like to be apprised of the outcome of the visit of the Committee. The Committee reiterate their earlier recommendation to ensure safe and quick release of remaining fishermen and prisoners in Pakistan at the earliest.

CHAPTER – II

RECOMMENDATIONS/ OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation No. 1

The Committee observe that as against the projection of Rs. 768 crore under plan head, the Ministry of External Affairs has been provided only Rs. 579 crore during the year 2008-09. The shortfall is to the extent of Rs. 189 crore. MEA has stated that in case additional funds are required, the Planning Commission would be approached at the RE stage for higher allocation. Considering the healthy utilization of funds by Ministry of External Affairs, the committee suggest adequate additional allocation be made to MEA.

Reply of the Government

As of now, it appears that the Ministry will be able to fulfill its commitments with the funds allocated in BE 2008-09 under the Plan Head. Additional funds, if any, would be sought at the RE stage.

[File No. AA/125/Parl/43/2008 Dated: 25/07/2008]

Recommendation No. 2

The Committee in their 15th Report had pointed out discrepancies in the budget documents and cautioned the Ministry to take extreme care and ensure that documents / information presented to Parliament are flawless. Unfortunately, the Ministry of External Affairs does not seem to have taken care of this aspect. It is observed that this year too there are discrepancies in the figures shown under Technical and Economic Cooperation in the Outcome Budget and the Demands for Grants documents for 2008-2009. The Committee view this lapse seriously. The Committee hope that the matter will be looked into at senior level and responsibility fixed.

Reply of the Government

The observation made by the Committee has been noted for strict compliance. It will be ensured that no such discrepancies / lapses take place in the future.

[File No. AA/125/Parl/43/2008 Dated: 25/07/2008]

Recommendation No. 3

The Committee had desired (15th Report) that all relevant project details such as original and anticipated dates of completion, factor-wise analysis of cost escalation, impact of cost over-run on viability of projects should be disclosed in the Outcome Budget. The Ministry of External Affairs assured in the Action Taken Reply that this suggestion will be implemented during the exercise for next Outcome Budget. The Committee are disappointed to see that the desired information has not been shown in the Outcome Budget of 2008-09. The Committee have been informed that Ministry of External Affairs is making efforts to collect up-to-date information to be incorporated into a separate corrigendum in the Outcome Budget for 2008-09. The Committee would await the corrigendum for Outcome Budget of 2008-09.

Reply of the Government

In compliance of the directions of the Standing Committee, an Addendum to the Outcome Budget 2008-09 of the Ministry, providing the additional information relating to projects, such as cost and/or time over-run, factor-wise analysis of cost escalation, impact of cost over-run on viability of projects etc., has been issued (**Annexure A**).

[File No. AA/125/Parl/43/2008 Dated: 25/07/2008]

Recommendation No. 6

The Committee note that the Framework Agreement and protocols for the Kaladan Multi-Modal Transit Project were expected to be signed on 2 April 2008. The project envisages connectivity between Indian ports on eastern seaboard and North Eastern Region of India via Myanmar. The project will assure better connectivity with North Eastern States reducing distance, saving fuel and time. The project is expected to cost Rs.536 crore and time line for completion is 5 years. The Committee desire that there should be periodical monitoring of the project to ensure that the project is completed in time and without cost escalating.

Reply of the Government

Vide Article 2 of the Framework Agreement between Government of India and Government of Myanmar on the Kaladan Multi Modal Transit Transport project signed on 2 April 2008, it has been agreed that the respective nodal agencies (Ministry of External from Indian side and the Ministry of Foreign Affairs from Myanmar side) shall appoint a Multi-Sectoral group with a view to advising and supervising the overall progress of work on the project. The group shall hold periodic meetings to review progress.

[File No. AA/125/Parl/43/2008 Dated: 25/07/2008]

Recommendation No. 7

The Committee note there has been hardly any progress, regarding the Iran-Pakistan-India gas pipeline project. Four bilateral Joint Working Group meetings with Iran and Pakistan and six trilateral meetings with Iran & Pakistan have reportedly been held so far on the project. It has been stated that a pricing formula was agreed to be considered subject to the transit fee and transportation tariff issue being concluded with Pakistan. The Committee have been informed that talks on the gas pipeline will be resumed shortly. The Committee hope that the matter will be taken up on priority basis to arrive at an acceptable agreement on issues involved, keeping in view our concerns on energy front.

Reply of the Government

The Government is committed to the Iran-Pakistan-India IPI Gas Pipeline Project to enhance the energy security for the country. Bilateral meetings with Pakistan at official level on April 16-17, 2008 and at Ministerial level on April 25, 2008 were held in Islamabad between the Minister of Petroleum & Natural Gas and his Pakistani counterpart. The structure of pipeline project in Pakistan, and transit fee and transportation tariff for passage of gas through Pakistan territory were discussed in detail. The occasion of the visit of the President of Iran to New Delhi was also availed of to have discussions on the pipeline and specific proposals with regard to financial structure of the project, investment pattern, joint and mutual responsibility for project safety and assured gas supply, operational responsibilities etc. were made to the Government of Iran. These proposals were thereafter shared with the Government of Pakistan during the visit of the External Affairs Minister to Islamabad on 20-21 May 2008.

[File No. AA/125/Parl/43/2008 Dated: 25/07/2008]

Recommendation No. 8

Regarding cooperation with Nepal, the Committee desires that once the popular government is in place in Nepal, the question of starting hydroelectric projects, road projects, railways etc. be taken up on priority basis which will benefit both countries mutually.

Reply of the Government

The Constituent Assembly elections in Nepal were held on April 10, 2008. Nepal was declared a Republic by the very first meeting of the Constituent Assembly on May 28th, 2008. The new government is expected to be formed shortly. It may take some time for the new government to settle down and become fully functional. Bilateral cooperation with the Government of Nepal

on the areas recommended by the Standing Committee would be taken up on priority basis soon thereafter.

[File No. AA/125/Parl/43/2008 Dated: 25/07/2008]

Recommendation No. 11

There has been a great deal of confusion and resultant delay in Passport Offices due to lack of clarity regarding rules/ instruction, norms, etc. which necessitates applicants to undertake several visits to passport authorities and leads to harassment of public as illustrated in Chapter VI of this Report. The issue inter-alia relate to absence of precise definition of terms used in passport related matters, ambiguity in instructions leading to different interpretation by different Passport Offices, lack of public accessibility to rules, instructions and clarifications issued by Chief Passport officer. All this calls for a fresh look at the entire gamut of rules/ instructions/ clarifications and the public display system regarding passport matters with a view to making the functioning of passport offices more effective and people friendly and see that prevailing state of confusion is not shifted to the proposed Passport Seva Project under Public Private Partnership. The Committee hope that action will be taken accordingly.

Reply of the Government

1. Passport Rules and procedures are reviewed on a regular basis with a view to facilitating and speeding up passport services. The revised rules and procedures are conveyed to all the Passport Offices for compliance and are also communicated to the public through the website of the CPV Division.
2. While major simplification of the procedures has been carried out over the years viz. implementation of the Passport Information Service on Net (PISON) in 2003 and substantive liberalization procedures in December 2006, in the absence of a comprehensive computerised system combined with lack of training of employees and lack of a comprehensive management information system, unfortunately, a number of procedural errors are committed in the Passport Offices.
3. As part of implementation of the Passport Seva Project, a training manual is being developed to clarify the rules and procedures in simple language. The passport issuance procedures will be comprehensively computerized in the Passport Seva Project, including a comprehensive management information system. The website of the CPV Division will also be modified as part of the Passport Seva Project to contain all relevant information for the public. Passport applicants will also be able to seek necessary clarifications from the national call centre that is envisaged under the Project.

[File No. AA/125/Parl/43/2008 Dated: 25/07/2008]

Recommendation No. 12

The Committee have been informed that the system of post-issuance police verification on submission of stipulated documents has been designed by MEA with a view to bringing down the time lag in issue of passports. The Committee desire that it should be ensured that the system does not pose any security risk.

Reply of the Government

To ensure that only genuine applicants are issued passports under 'Tatkal' and post-police verification schemes, steps such as strict documentation norms including personal submission of application, telephonic verification by the Passport Offices of the 'Verification Certificates' and also careful scrutiny of doubtful documents, if any, submitted by the applicants, are gone through before such passports are issued. In addition, the police reports are monitored and immediate action is taken to impound/revoke passports as and when any adverse post-verification police report is received on such applications.

[File No. AA/125/Parl/43/2008 Dated: 25/07/2008]

Recommendation No. 15

An estimated 199 Indian prisoners and 436 Indian Fishermen are reportedly in Pakistan jails and the nationality status of 39 prisoners and 97 fishermen has been confirmed by India. MEA has informed that Consular Access to the remaining 160 prisoners and 339 fishermen has been repeatedly sought by the Indian High Commission in Islamabad. It has been stated that the Judicial Committee (comprising 4 retired judges each from India and Pakistan) which had been formed to speed up the repatriation of all prisoners who had completed their tenure had recommended that by 31st March 2008 all those fishermen whose nationality status had been confirmed would be released and Consular access provided to the others. The Committee regret to learn that this has not happened. The Committee hope that the matter will be taken up vigorously with Pakistan to ensure safe and quick release of the 97 fishermen and Consular Access to the remaining 339 fishermen and the 160 prisoners.

Reply of the Government

Presently, there are 412 fishermen and an estimated 202 Indian prisoners in Pakistan. On 28 April 2008 consular access was provided to 367 fishermen in Karachi and the nationality status of these fishermen have since been confirmed. Although on 26 February 2008 the Judicial Committee had

recommended that by 31st March 2008 all those fishermen, whose nationality status has been confirmed, should be released, Pakistan released only 96 fishermen on 14 May 2008. As regards Indian nationals in Pakistani jails, of the estimated 202 such prisoners, Pakistan has acknowledged the existence of only 53 prisoners. Consular access has been completed in respect of 53 prisoners and confirmation of nationality status has been confirmed in respect of 23.

3. The India Pakistan Judicial Committee consisting of retired judges from India and Pakistan visited various jails in Pakistan from 9-14 June, 2008 to identify prisoners in jail and also to recommend various measures for their early repatriation. Visit of the Committee to jails in India is expected to take place in the end of July 2008.

4. Government continues to take this matter up vigorously with the Government of Pakistan including at the highest political level. It has been brought to their attention that notwithstanding high-level commitments given by Pakistan, actual implementation is not effective.

[File No. AA/125/Parl/43/2008 Dated: 25/07/2008]

CHAPTER – III

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

Recommendation No. 5

It is heartening to note that the Tala Hydro Electric Project in Bhutan has already commenced sale of surplus electricity to India and that the project has reportedly made savings to the tune of Rs. 90 crore. The Committee hope that the surplus electricity from the project will help India tide over its demand/supply gap in power to some extent.

Reply of the Government

1. The Tala Hydroelectric Power Project, built entirely with Government of India assistance in Bhutan was commissioned fully in April 2007. All surplus power generated is being exported to India and is flowing into the eastern and the northern grids. The project was dedicated to the peoples of India and Bhutan by Prime Minister Dr. Manmohan Singh and the Bhutan's Prime Minister Lyonchen Jigme Thinley on 17th May 2008.
2. The Tala project has shown a savings of Rs. 90 crores over its approved cost to completion due to early entry into the Operations and Maintenance (O&M) phase. It is expected that the project would show additional savings in the current fiscal.
3. The Project, which was the largest project undertaken by the Government of India outside its territory, has become a symbol of the mutually beneficial partnership between India and Bhutan in development of hydropower.

[File No. AA/125/Parl/43/2008 Dated: 25/07/2008]

Recommendation No. 13

The Committee observe that Section 5 of the Passport Act, 1967, has delegated powers to the Executive to prescribe fee on two counts: (i) to meet the expenses on special security paper, printing and lamination; (ii) to meet the expenses on other connected miscellaneous services. Under these provisions, the MEA has prescribed a fee of Rs.1000/- for ordinary passport apparently to meet the expenses on printing, etc. and fee ranging from Rs. 100 to Rs. 700 for rendering miscellaneous services. In addition to above, the

Ministry of External Affairs has prescribed additional fee for issue of passport under 'Tatkal' scheme, which admittedly does not constitute a miscellaneous service. The additional fee is reportedly to meet the expenses in providing 'tatkal' service. This is obviously outside the scope of Section 5 of the Passports Act. According to Foreign Secretary, to stop issuing 'tatkal' passports now would be a public relations disaster. He has promised that Law Ministry will be consulted as to whether or not an amendment is required in the Passports Act. Irrespective of whatever opinion that might be given by the Ministry of Law, the Committee hold that powers delegated by the Parliament under Section 5 of the Passports Act have clearly been exceeded and the Committee have been presented with a *fait accompli*. Nevertheless, the Committee would await the opinion of the Ministry of Law on the need for Amendment of the Act to legitimise the collection of 'tatkal' fees.

Reply of the Government

As desired, opinion of Ministry of Law was sought on the need for Amendment of the Passports Act, 1967, to cover the collection of 'tatkal' fees.

2. The Ministry of Law have reiterated their opinion of 1999 that the extra fee for 'Tatkal' Passport would relate to the services referred to in Section 5 of the Passports Act and would also be commensurate with the expenses incurred in providing these services. The opinion of the Ministry of Law is reproduced as under:

"As aforesaid the legality of levying higher fees for issue of 'Tatkal' passports has already been examined by us and we had observed the same to be legally permissible. It may be stated that the object of Tatkal scheme is to facilitate the issue of passport to the applicants who intend to visit foreign countries urgently for whatever reasons. They would hence constitute a separate category of persons distinct from the class of persons who would be issued passports in the normal course of time. There could not be an equal treatment even under the established norms of law to the persons who apply for Tatkal scheme and the persons who applied for issue of passport in the normal course. Perhaps in such cases the equal protection, a fundamental right guaranteed under the Article 14 of the Constitution, would not be applicable. The equal protection would mean the right of equal treatment in similar circumstances in the privileges conferred and in the liabilities imposed. The principle, however, does not take away from the State the power of classifying persons for legitimate purposes.

In light of the cited legal position, it could be said that it appears to be within the competence of MEA to categorise the applicants who apply for Tatkal Passports as a different category and accordingly levy a higher fee in view of the fact that additional State machinery has to be put on job to meet the expectations of such category of persons and consequently the same would entail additional expenses, as indicated herein before.

In view of the foregoing, we reiterate our earlier opinion, dated 14.6.1999 that the extra fee for 'Tatkal' Passport would relate to the services referred to in Section 5 and would also be commensurate with the expenses incurred in providing these services."

[File No. AA/125/Parl/43/2008 Dated: 25/07/2008]

Recommendation No. 14

The Committee are of the view that the proposed SAARC University to be set up in India would provide a tremendous opportunity to establish an institution of excellence without replicating the universities that exist today. The University could be designed to particularly highlight the interconnectedness of the politics, the economics, the sociology, the literature and the culture of the SAARC countries. The Committee feel that these issues can be better addressed, if there is an Advisory Committee consisting of the SAARC Members and a few eminent and interested people. The Committee suggested that the idea of setting up an Advisory Committee in this regard could be recommended to SAARC for their consideration.

Reply of the Government

As establishment of South Asian University is an intergovernmental commitment, an Inter-Governmental Steering/Advisory Committee has already been set up after the signing of the Agreement on the establishment of the University at the 14th SAARC Summit (April 3-4, 2007). This committee, comprised of representatives of the academic/planning/financial/foreign affairs mechanisms of SAARC Member States, appointed the CEO of the Project office of the University and is deliberating and negotiating on the academic and administrative issues related to the University.

[File No. AA/125/Parl/43/2008 Dated: 25/07/2008]

CHAPTER – IV

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

Recommendation No. 10

There were as many as 1210 slots of scholarship under ITEC, SAARC and SCAAP that remained unutilised during 2007-08. The under utilisation is attributed to change-over on account of streamlining of the overall delivery system, introduction of dedicated on-line system, etc. The Committee in this connection find that scholarship schemes are administered by different agencies within the Government, each holding separate examination for grant of scholarship. The Committee feel that there is a need for holistic look at the whole issue with a view to bringing about proper co-ordination among the agencies in all aspects of administering scholarship schemes to ensure better standard and delivery.

Reply of the Government

1. ITEC/SCAAP slots are sanctioned by TC Division without conducting any fitness examination, after (i) the applicant has submitted his/her application on-line and routed it through the Indian Mission abroad, (ii) the application is scrutinized by TC Division and found suitable and (iii) it is found suitable from the eligibility point of view by the concerned Institute in India conducting the course. Majority of ITEC programmes are for shorter duration and are aimed at empowerment/capacity building of persons already working both in Government as well as in private sector.
2. With regard to under-utilization of ITEC/SCAAP slots during 2007-08, this arose because of the streamlining/improvement of the overall delivery introduced during the year both in terms of course content, logistics and facilities and stricter enforcement of guidelines and eligibility criteria. The guidelines were also more clearly defined to avoid mismatches and to ensure quality of participation. A new dedicated on-line system was introduced mid-year. The change-over resulted in delays and more rejections. There is an overall pattern that the quality of the participants has improved considerably. Despite the higher rejection rate, overall utilization in 2007-08 is still higher as compared to the previous year.
3. SAARC Scholarships also remain underutilized mainly due to following reasons:-
 - (i) delay in receipt of applications due to multiple channels of communication involving SAARC Secretariat, foreign Ministries in respective countries, Indian Missions concerned etc.;

- (ii) receipt of incomplete applications;
- (iii) applications do not conform to eligibility criteria; and
- (iv) lack of awareness about the scheme

4. To address these problems with a view to ensure optimum utilisation, Government are streamlining the process which would include enhanced notice of offer to SAARC Secretariat, increased monitoring of the scheme and ensuring its greater publicity by posting information on the SAARC website.

[File No. AA/125/Parl/43/2008 Dated: 25/07/2008]

CHAPTER – V

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

Recommendation No. 4

The Committee had commented upon in their 15th Report (2007-08) the need to raise the manpower strength of the Ministry of External Affairs to cope with the expanding role of the Ministry. The Committee are of the view that cadre strength of Ministry of External Affairs is grossly inadequate and needs to be substantially increased. The Ministry of External Affairs has since made a proposal to create 514 posts out of which 314 posts are at middle and junior level. The Committee have been informed that Cabinet Secretariat has advised Ministry of External Affairs to sort out creation of these posts in consultation with the Ministry of Finance. The Committee urge that there should be no further delay in deciding the proposed expansion of the cadre strength, keeping in view MEA's enlarged roles and responsibilities brought about by India's increasing international engagements.

Reply of the Government

The proposal for expansion of the MEA personnel strength is being actively processed in consultation with Cabinet Secretariat.

[File No. AA/125/Parl/43/2008 Dated: 25/07/2008]

Recommendation No. 9

In order to have an organized set up of project delivery, an agency by name 'India-International Development Cooperation Agency (IIDCA)' was proposed to be set up during 2007-08. Regrettably, the proposal has suffered delay and is now expected to start functioning in 5-6 months' time. The delay is attributed to the long drawn process of inter-ministerial consultations. The Committee feel that delay in such consultations could have been avoided, had there been inter-ministerial meeting to discuss and decide such issues. The Committee expects Ministry of External Affairs to take necessary steps to ensure that there is no further delay in implementation of the proposal.

Reply of the Government

1. The proposed IIDCA – it is now envisaged that it will be called the Indian Agency for Partnership in Development (IAPD) - will need to take on the entire range of India's overseas development assistance and related commitments. As per the existing Allocation of Business Rules, most of this work is being implemented by the Ministry of External Affairs and Lines of

Credit (LOCs) are approved by the Ministry of Finance. In order to provide a functionally efficient framework for the proposed Agency, the existing Allocation of Business Rules would have to be amended.

2. Inter-ministerial consultations have been held to resolve various issues to expedite the setting up of the IIDCA (IAPD). Following these inter-ministerial consultations, a Cabinet Note outlining the structure, mandate and functions of the proposed agency was submitted for Cabinet's approval on 7 March 2008. However, Cabinet Secretariat has suggested revisions and these modifications are being carried out and a revised Cabinet Note is to be submitted to the Cabinet shortly.”

[File No. AA/125/Parl/43/2008 Dated: 25/07/2008]

NEW DELHI
14 November, 2008
23 Kartika, 1939 (Saka)

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

Appendix-I

MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS HELD ON 6TH NOVEMBER, 2008

The Committee sat from 1500 hrs. to 1540 hrs. in Committee Room No. 63, Parliament House, New Delhi.

PRESENT

Dr. Laxminarayan Pandey – Chairman

MEMBERS

LOK SABHA

2. Shri Narayan Chandra Borkataky
3. Shri Sukhdev Singh Dhindsa
4. Shri S.K. Kharventhan
5. Shri Mukeem Mohammad
6. Shri Somabhai G. Patel
7. Dr. Sebastian Paul
8. Dr. (Col.) Dhani Ram Shandil
9. Shri Madhu Goud Yashki

RAJYA SABHA

10. Shri Bhubaneshwar Kalita
11. Dr. Mahendra Prasad
12. Shri Bharatkumar B. Raut
13. Dr. Karan Singh
14. Dr. (Smt.) Kapila Vatsyayan

SECRETARIAT

1. Shri U.S. Saxena - Joint Secretary
2. Shri R.K. Jain - Director
3. Shri P.V.L.N. Murthy - Deputy Secretary
4. Shri Hoti Lal - Deputy Secretary-II

2. At the outset, the Chairman welcomed Members to the sitting of the Committee.

3. The Committee then took up for consideration the Memorandum No. 2 and the draft Report on Action Taken by Govt. on the recommendations contained in the 20th Report (14th Lok Sabha) of the Committee on Demands for Grants (2008-2009) of the Ministry of External Affairs. The Chairman invited the Members to offer their suggestions, if any, for incorporation in the draft Report. The Members suggested some minor modifications.

4. XXX XXX XXX XXX

5. The committee then adopted the draft Report and authorized the Chairman to finalize the Action Taken Report and present the same to Parliament.

The Committee then adjourned.

XXX Minutes in respect of other Report kept separately.

Appendix -II

(Vide Para 4 of Introduction of Report)

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

- | | | |
|-------|---|--------------------------------|
| (i) | Total Number of Recommendations | 15 |
| (i) | Recommendations/Observations which have been accepted by the Government. | |
| | Recommendation Nos. 1-3 6-8, 11-12,15 | |
| | | Total-09
Percentage: 60% |
| (iii) | Recommendations/Observations which the Committee do not desire to pursue in view of the Government replies. | |
| | Recommendation No. 5 and 13-14 | |
| | | Total-03
Percentage:
20% |
| (iv) | Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and require reiteration. | |
| | Recommendation Nos. 10 | |
| | | Total-01
Percentage: 6.67% |
| (iii) | Recommendations/Observations in respect of which final replies of Government are still awaited. | |
| | Recommendation No. 4 and 9 | |
| | | Total-02
Percentage: 13.33% |