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**STANDING COMMITTEE  
ON EXTERNAL AFFAIRS  
(2004-2005)**

**FOURTEENTH LOK SABHA**

**MINISTRY OF EXTERNAL AFFAIRS**

*[ACTION TAKEN ON THE RECOMMENDATIONS CONTAINED IN THE FIRST  
REPORT (14<sup>TH</sup> Lok Sabha) ON "DEMANDS FOR GRANTS OF THE MINISTRY  
OF EXTERNAL AFFAIRS FOR THE YEAR 2004-2005"]*

**FIFTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*March, 2005/Chaitra, 1927 (Saka)*

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**STANDING COMMITTEE ON  
EXTERNAL AFFAIRS  
(2004-2005)**

**(FOURTEENTH LOK SABHA)**

**MINISTRY OF EXTERNAL AFFAIRS**

**[Action Taken on the Recommendations contained in the 1<sup>st</sup> Report (14<sup>th</sup>  
Lok Sabha) on Demands for Grants of the Ministry of External Affairs  
for the year 2004-2005]**

*Presented to Lok Sabha on 21.04.2005  
Laid in Rajya Sabha on 21.04.2005*



**LOK SABHA SECRETARIAT  
NEW DELHI**

*March, 2005/Chaitra, 1927 (Saka)*

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**COMPOSITION OF THE STANDING COMMITTEE ON  
EXTERNAL AFFAIRS (2004-2005)**

**Chairman -** Dr. Laxminarayan Pandey

**MEMBERS**

**LOK SABHA**

2. Shri Omar Abdullah
3. Shri Yogi Aditya Nath
4. Prof. S.P. Singh Baghel
5. Shri Narayan Chandra Borkatakya
6. Shri P.C.Gaddigoudar
7. Shri Vinod Khanna
8. Shri S.K. Kharventhan
9. Shri Narendra Kushwaha
10. Shri Nikhil Kumar
11. Shri Dinsha Patel
12. Shri Somabhai Patel
13. Shri Sebastian Paul
14. Smt. Ranjit Ranjan
15. Shri P .A. Sangma
16. Dr. (Col) Dhani Ram Shandil
17. Shri Saleem Iqbal Shervani
18. Shri Damodar Barku Shingada
19. Shri Madhu Goud Yashki
20. Shri Suresh Prabhu
21. Shri George Fernandes\*

**MEMBERS**

**RAJYA SABHA**

22. Shri P. K. Maheshwari
23. Smt. Prema Cariappa
24. Dr. Karan Singh
25. Shri Jana Krishnamurthy K.
26. Shri Arun Shourie
27. Smt. S.G. Indira
28. Smt. Jaya Bachchan
29. Shri S.M. Laljan Basha
30. Shri Fali S. Nariman
31. Dr. Mahendra Prasad

**SECRETARIAT**

Shri P.D.T.Achary	-	Secretary
Shri S.K. Sharma	-	Additional Secretary
Shri U.S.Saxena	-	Director
Shri Shiv Kumar	-	Under Secretary
Shri Lalkithang	-	Committee Officer

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\* Shri Atal Bihari Vajpayee ceased to a Member of the Committee consequent upon his resignation w.e.f. 13.8.2004 Shri George Fernandes has been nominated to the Committee w.e.f. 1.10.2004

## INTRODUCTION

I, the Chairman, Standing Committee on External Affairs having been authorised by the Committee to submit the report on their behalf, present this 5<sup>th</sup> Report (14<sup>th</sup> Lok Sabha) on action taken by Government on the Recommendations contained in the 1<sup>st</sup> Report (14<sup>th</sup> Lok Sabha) of the Committee on Demands for Grants of the Ministry of External Affairs for the year 2004-2005.

2. The 1st Report was presented to both the Houses of Parliament on 20<sup>th</sup> August, 2004. The Action Taken Replies of the Government on all the recommendations/observations contained in the Report were received on 22<sup>nd</sup> November, 2004.

3. The Draft Report on the basis of Action Taken Replies was considered and adopted by the Standing Committee on External Affairs (2004-2005) at their sitting held on 31<sup>st</sup> March, 2005. Minutes of the sitting of the Committee have been reproduced as Appendix-I to the Report.

4. An analysis of the action taken by Government on the recommendations contained in the 1<sup>st</sup> Report of the Standing Committee on External Affairs (14<sup>th</sup> Lok Sabha) is given in Appendix-II.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in consolidated form in Appendix-III.

NEW DELHI;

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March, 2005/Chaitra, 1927 (Saka)

**Dr. Laxminarayan Pandey,**  
**Chairman,**  
Standing Committee on External Affairs

# REPORT

## INTRODUCTORY

This Report of the Committee deals with the action taken by the Government on the observations/recommendations contained in the First report of the Standing Committee on External Affairs on "Demands for Grants of the Ministry of External Affairs for the year 2004-2005" which was presented to Lok Sabha on 20<sup>th</sup> August, 2004. It contained 50 Recommendations/Observations.

2. Action taken notes has been received on all the observations/recommendations contained in the Report. These have been broadly categorized as follows: -

### **Chapter - I**

**Recommendations/Observations which have been accepted by the Government.**

Recommendations Sl. Nos. 1, 2, 3, 4, 7, 8, 10, 11, 14, 16, 21, 22, 26, 27, 28, 29, 31, 32, 33, 34, 35, 38, 39, 41, 43, 44, 45, 46, 47, 49 and 50.

**Total – 31**

### **Chapter - II**

**Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies.**

Recommendations Sl. Nos. 12, 20, 23, and 40

**Total – 04**

### **Chapter - III**

**Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration and also those recommendations/observations which even though accepted by the Government, yet attract comments of the Committee.**

Recommendations Sl. Nos. 5, 6, 9, 13, 15, 17, 18, 19, 24, 25, 30, 36, 37, 42 and 48

**Total – 15**

3. Chapter-III of the Report deals with the recommendations/observations of the Committee in respect of which replies of the government have not been accepted by the committee and which require reiteration. This chapter also includes some Recommendations/Observations of the Committee, which even though accepted by the Government for implementation, yet these attract further comments from the Committee. Because while considering replies of the Government in respect of these recommendations, the Committee either desire some further action, continuation of action, timely completion of an action on certain points already suggested by them or desire to be apprised of the action taken/being taken by the Government.

## CHAPTER – I

### RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### **Recommendation No. 1(Para No. 20)**

1.1 The Committee are happy to note that the unspent provision in the financial year 2002-2003 and 2003-2004 was Rs. 138.96 and Rs. 66.44 crore respectively – which reflects a decreasing trend and hope that this trend will continue in coming years as well. The Committee feel that the apparent cause of unspent provision was due to the non-materialization of projects/schemes envisaged at the time of making the Budgetary provisions. The Committee hope that assessment of expenditure under various Heads at the RE 2004-2005 stage are realistic and that there is no unspent balance and there will not be the need for surrendering any funds. The Committee, therefore, recommend the Ministry to ensure timely materialization of all the schemes/projects envisaged at the time of making Budgetary provision.

1.2 The Committee also feel that the practice of constitution of Committee every now and then over routine administrative matters is totally unwarranted especially when the Foreign Secretary himself being at the helm of affairs of the Ministry can look directly into such matters on his own and ask any Department the reasons for not spending the allocated funds for the envisaged projects/schemes in a timely and proper manner. Once the budget has been allocated and if the money is not spent by the respective Divisions in the Ministry in the desired way, the persons concerned may be held responsible therefore and taken to task for the same. As such the Committee do not appreciate the creation of an Expenditure Monitoring Committee to review the expenditure pattern in the Ministry. In the opinion of the Committee this certainly is not a welcome trend. The Committee recommend the Ministry to have a fresh look into the matter.

#### **Reply of the Government**

1.3 Every effort will be made to ensure timely completion of projects/schemes to avoid the occurrence of unspent balances at the end of the Financial Year or surrender of funds.

1.4 With regard to the setting up of an Expenditure Monitoring Committee in the Ministry of External Affairs, it may be mentioned that an 'Institutionalized Monitoring



Mechanism' for review of the utilization of budgetary provisions in the Ministry of External Affairs (which subsequently has been called Expenditure Monitoring Committee) was set up vide Office Memorandum dated 27 August, 2003. The objective of setting up the said Committee was to regularly review the expenditure pattern of the various spending Divisions and the progress of projects undertaken by them – and ensure utilization of the budgetary provisions by the various Divisions. It was thought that the Expenditure Monitoring Committee could bring the salient features of its periodical review exercise to the notice of the Foreign Secretary, duly highlighting the areas where appropriate corrective action could be taken under the instructions of the Foreign Secretary.

1.5 The matter has been reconsidered, and it is felt that this internal monitoring mechanism is useful and, therefore, should continue for effective monitoring of expenditure and proper utilization of the overall budget allocated to the Ministry of External Affairs.

#### **Recommendation No. 2 (Para No. 21)**

1.6 The Committee note with concern that under the six major Heads during March 2002 and the last quarter of 2001-2002, the expenditure was rushed through to the tune of 13 to 65% and 31 to 67% under the major Heads respectively. Although the Ministry have advanced many reasons for the rush of expenditure and also submitted that, in 2003-2004, through close monitoring, it has been possible to reduce the rush of expenditure during the last quarter and the last month of financial year, the Committee find themselves in total disagreement with these reasons. The Committee are of the considered view that rush of expenditure could be reduced by the distribution of work evenly – throughout the year – as it has now been suggested by the Expenditure Monitoring Committee, appointed to this effect. The Committee recommend that, at the planning and preparation stage of projects/schemes, a detailed time schedule should be drawn and all efforts should be made to complete the projects in the same manner, so as to reduce the rush of expenditure in the last quarter of the year and curb the perpetual trend of saving and surrender in the Ministry.

#### **Reply of the Government**

1.7 As recommended by the esteemed Committee, all spending Divisions have been directed to draw up quarterly expenditure plans in respect of projects and schemes and also the time schedule for completion of the same. The Expenditure Monitoring

Committee is already in the process of reviewing physical and financial progress of various projects/schemes being implemented by the Ministry and other agencies, with a view to ensure that the expenditure is evenly spread through the financial year.

**Recommendation No. 3 (Para No. 22)**

1.8 The Committee are constrained to note that the Ministry have created two new Heads namely i) India-China Joint Study Group and ii) External Affairs Housing Complex, in the Budget 2004-2005. While the Committee appreciate the thrust given by the Government to the India-China bilateral cooperation, the reasoning given by the Ministry that this a new activity and the new Head will meet expenditure on Secretariat of the Indian component of the Group is not acceptable to the Committee because the expenditure under this Head could have been clubbed with the existing minor Head viz. "India-China Eminent Persons Group", which caters to similar kind of expenditure. Rather than creating another minor Head the budgetary allocation under the latter may have been augmented to meet the expenditure thereunder. During the evidence, however, the Ministry were also candid enough to concede to the wisdom of the earlier recommendation of the Committee regarding non-creation of unnecessary and unwarranted Heads of expenditure and admitted to having tentatively decided that expenditure proposed in these new Heads of expenditure can be adjusted under some of the existing Heads. The Committee appreciate this action on the part of the Ministry, though taken as an after thought and recommend that the Ministry should bear this fact permanently in mind and make every effort to streamline the Heads of Expenditure.

**Reply of the Government**

1.9 The observation of the esteemed Committee regarding the opening of new heads has been noted for strict compliance and every effort will be made to streamline the Heads of Expenditure.

1.10 The expenditure for activities of the India-China Joint Study Group will now be provided for under the head "Expenditure for Holding Seminars & Studies". As regards provisions under the head "External Affairs Housing Complex", the same is proposed to be merged into a new head viz. "External Affairs Hostels and Residential Complexes" along-with provisions under the heads "External Affairs Hostel (Old)" and "External Affairs Hostel (New)". The existing heads "External Affairs Hostel (Old)", "External Affairs Hostel (New)" and "External Affairs Housing Complex, Dwarka" will be deleted.

**Recommendation No.4 (Para No.37)**

1.11 The Committee observed that the Actual Expenditure on account of “Rents, Rates, Taxes” under the Heads Secretariat and External Affairs: Passport and Emigration, has been less than REs from the year 1999-2000 onwards. The reasons cited by the Ministry for projecting high REs due to rising cost of property, electricity, maintenance and increasing outgo towards the rental of properties are not convincing as the Committee feel that the Ministry have failed in making accurate estimation of requirement of funds even at the RE stage. They are surprised to find that the unrealistic projection of budgetary requirements has become the order of the day in the Ministry and the reasons cited therefore too appear to be monotonous. The assurances given by the Ministry in the last two years have not yielded any results as huge variations still continue. The Committee express their strong displeasure over this continuing trend and recommend again that the Ministry should take concrete steps to avoid such variations in future while preparing the REs on the basis of actual trend of expenditure so as to avoid huge unspent balances towards the close of the financial year.

**Reply of the Government**

1.12 The Ministry has noted the observations of the Committee for compliance. While the Ministry is already making projections based on trend of expenditure, more care will be taken to make projections as accurately as possible with a view to avoiding huge variations and unspent balances.

**Recommendation No.7 (Para No.40)**

1.13 From the Ministry’s submission the Committee have noted that a sum of Rs.13,37,12,600/- is being saved on account of rentals abroad due to shifting of offices/residences to Government owned properties during the last three years. This is less than 7% of the rental outgo under the Head “Embassies and Missions”. Keeping in view the not so heartening performance of the Ministry in reducing its rental outgo, the Committee are of the firm opinion that the Ministry should without wasting any further precious time in the matter work out clear cut targets and deadlines for replacement of rental properties in the current financial year as also for the next three financial years.

**Reply of the Government**

1.14 The Ministry has already identified stations abroad where the rental liabilities are the highest. The Heads of these Missions have been requested to urgently locate suitable properties so that, after due examination of the proposals, the Ministry’s decision

for purchase of suitable properties/plots of land for construction can be given during the current financial year. The Ministry has also been stressing from time to time to the Missions/Posts abroad to send viable proposals for consideration of the Ministry. Many a time, Missions have expressed inability to locate suitable built up property that conforms to their specific space requirements in terms of office usage, and fulfill other criteria of easy accessibility, central location, structural soundness, economic viability, etc. In other cases, the suggested properties require major expenditure on extensive remodeling and repairs to suit our needs. At present, the Ministry is in receipt of a few proposals for acquisition of property abroad which are being vigorously pursued. Efforts are also being made to locate suitable properties in other stations to fulfill the recommendations of the Standing Committee.

#### **Recommendation No.8 (Para No.41)**

1.15 The Committee have gone into the explanation furnished by the Ministry in the matter of inordinate delay in the construction of Chancery Complex in Brazil, it is incomprehensible as to why the architect who had applied for the tender with the fair knowledge of terms and conditions had been allowed to raise demands for different clauses in the Agreement. The most galling part is that the Ministry while catering to the whims and fancies of one individual has allowed such an important project to be delayed inordinately. In this context, the Committee would like to know as to whether the possibility of appointing a different architect was explored. Notwithstanding the Ministry's inability to adhere to the time schedule submitted earlier for the Brasilia project, the Committee would recommend this project to be completed on time – even if it requires extra efforts on the part of the Ministry of technical expertise to this effect.

#### **Reply of the Government**

1.16 The local Consultant selected for the project through a design competition had raised the questions of quantum of consultancy fee even after having agreed to the basic terms of reference provided to him along with the design brief. Subsequently, he also raised the question of the currency in which the fee should be payable and insisted on inclusion of an escalation clause for his fees linked to the locally available inflationary patterns. The Consultant raised these issues on piecemeal basis and thus the Ministry having spent so much time in sorting out these issues could not abruptly terminate the appointment and look for alternative options. This was especially not advisable as the

Consultant could prove that these demands were as per the local practice and laws of the country.

1.17 This Ministry has conveyed to the Consultant to make up for the lost time and expedite submission of revised designs conforming to the changes suggested by the Jury and also urgently submit the cost estimates so that financial approval can be secured. The Consultant has also been advised that on approval of the revised design concepts, he should secure local body approvals and also shortlist contractors and prepare tender documents with detailed drawings, pending financial approval, so that the Ministry is able to make up for the lost time.

#### **Recommendation No. 10 ( Para No. 52)**

1.18 The Committee have noted that the non-utilization of allocated funds for Advertising and Publicity under the Head “Embassies and Missions” during all the 5 years for which the information had been furnished by the Ministry is largely due to reasons beyond the control of the Ministry. In so far as the expenditure on Advertising and Publicity under the head “Secretariat” during the last financial year was concerned, the Committee observe that the BE for the purpose was Rs. 23.50 crore which was scaled down to Rs. 21.36 crore at the RE stage and the likely Actual Expenditure under the Head is expected to be in the vicinity of Rs. 13.30 crore. The Committee are not convinced by reasons advanced by the Ministry for the substantial under-utilization of funds under this Head. In fact, the Ministry’s response in the matter contradicts their own replies to other queries where an increasing trend in the expenditure on Advertising and Publicity under Secretariat Head has been justified because of increasing reliance of the Missions and Embassies on Advertising and Publicity material from the Headquarters. In the opinion of the Committee, Advertising and Publicity provide the most important interface for projection of the country’s image as also for improving bilateral relations. Any under-utilization of funds meant for the purpose, therefore, is directly indicative of the missed opportunities. The Committee, therefore, strongly recommend that the utilization schedules for this purpose are very carefully drawn and funds allocated for the purpose spent with due prudence.

#### **Reply of the Government**

1.19 As per the recommendations of the Committee the External Publicity Division of the Ministry is drawing up utilization schedules in greater coordination with the Finance Division of the Ministry for both “Secretariat” and “Embassies and Missions”. The two

Divisions are working closely to avoid stacking of publicity projects toward the end of the year and to eliminate objections at the initial stage of a project and not at a later time.

1.20 At the Secretariat level a regular review, almost on a monthly basis, is being undertaken to keep a close watch on the expenditure and remedial action is taken to avoid under-utilization of funds. The Publicity Budgets of the Missions have also been allocated based on the details provided by the Missions in their Action Plans.

#### **Recommendation No. 11( Para No. 53)**

1.21 The committee have noted that the Ministry are utilising the services of one or another lobbying firms in USA to further the interest of the country. According to the Ministry, the efforts of the Lobbying Firm have yielded positive results. The Committee also recommend the Ministry to explore the possibility of having assistance of NRIs, wherever they might prove to be beneficial for furthering the interests of the country.

#### **Reply of the Government**

1.22 The Ministry of External Affairs has pro-actively roped in the India American community in the USA for furthering the interests of India. The community is one of the most powerful ethnic groups in the US. It is active socially and culturally and, since some years, politically. Despite being a small voting bloc, the Indian- Americans constitute the wealthiest ethnic minority group in the US and have been targeted by both the Republican and Democratic parties for fund-raising. Indian-Americans have also held posts of Mayors and served on various State and City level committees overseeing different areas of public activity. Our Embassy in Washington has also kept in touch with Indian Americans and they have begun to come into prominence at the federal level.

1.23 The efforts by some Indian American organizations to increase the political consciousness of the community have been aided by our Mission/Posts in the US. Some of these organizations have active lobbying operations on Capitol Hill. One of these is the US-India Political Action Committee (USINPAC), which has nearly 30,000 members countrywide. Other organizations such as the Indian American Forum for Political Education (IAFPE) and the Indian American Center for Political Awareness (IACPA) are doing important work in sensitising the Indian- American community to the importance of participating in political life in the US.

1.24 Important leaders among the Indian- American community have been identified by our Mission/ Posts in the US. A number of these have helped in procuring the support of

US lawmakers (members of the House of Representatives and the Senate). They have also helped in lobbying efforts to increase membership to the India Caucus in the House of Representatives and in the Senate. Officials of the Embassy in Washington and the Consulates in Chicago, Houston, San Francisco and New York are in close and constant touch with members of Indian- American community in the US.

**Recommendation No. 14 (Para No. 77)**

1.25 The Committee express their happiness over the fact that for this financial year the Ministry are proposing to open two consulates one each in Birganj, Nepal and in Melbourne, Australia. In their 11<sup>th</sup> Report (2003-04) the Committee had recommended that with a view to reducing the administrative expenses, the Ministry should conduct a thorough review to assess the need and desirability of opening and operating Indian Missions/Posts in different countries of the world. The Committee hope that the Ministry have done a thorough study of the need for having these two consulates. The Committee are in agreement with the Ministry that there is an urgent need for CGIs in Birganj and Melbourne. These two consulates being proposed in two strategically important places will not only serve Indians but also help promoting tourism, furthering our bilateral ties and boosting economic cooperation with these countries. Keeping this in view, the Committee recommend the Ministry to take all necessary steps so that these projects take off as early as possible and are completed within the time schedule outlined for them – in order to avoid any possible cost escalation at later stages.

**Reply of the Government**

1.26 The Ministry has already opened the Consulate General of India (CGI) in Birgunj (Nepal) with effect from February 2004. The proposal for opening of the Consulate in Melbourne (Australia) is under active consideration. As recommended by the Committee, the Ministry has initiated a review to assess the need and desirability for opening of Indian Missions/Posts in different countries.

**Recommendation No. 16 ( Para No. 79)**

1.27 The Committee observe that C&AG in their Report No. 2 of 2003 had made observations in Para 4.7 that repeated observations notwithstanding cash management by Overseas Missions continued to be deficient resulting in retention of cash balances in excess of actual requirements and consequential recurring loss of interest. The Committee are shocked to observe that this has happened in spite of the Ministry issuing

instructions from time to time to Indian Missions/Posts abroad reiterating the need to manage their cash requirements in such a way that an on time their cash exceeds six week's requirement. The Ministry have informed that last such instructions were issued vide the Ministry's circular of 2.6.2003. The Committee view such lapses seriously and recommend the Ministry to make sure that the Missions/Posts take note of these instructions for strict compliance and adherence. The Committee are of the opinion that computerization of cash accounts of Missions/Posts in the Ministry through appropriate software system can lead to a better internal financial management and minimize such cases. They, therefore, recommend that computerization of cash accounts of Missions/Posts be undertaken at the earliest.

#### **Reply of the Government**

1.28 As already submitted by the Ministry of External Affairs, National Informatics Centre (NIC), Ministry of Information Technology has been commissioned to develop software for computerization of the Accounts of its Missions/Posts abroad. They (NIC) are currently in the process of studying the software requirements for the proposed system.

#### **Recommendation No. 21 (Para No. 107)**

1.29 The Committee are in agreement with the Ministry that the present trend of Budget allocation in ICCR is not favourably activity oriented as a lion's share of the Budget is going for payment of rents, salaries and allowances, etc. and only a meagre amount remains with the Council to support much larger activities. The Committee welcome the idea about reversal of the trend regarding allocation of the Budget from the present practice and concur with the views expressed by the Foreign Secretary. The Committee, therefore, sincerely hope that from now onwards the activity Budget of the ICCR will be substantially augmented as against its establishment Budget.

#### **Reply of the Government**

1.30 The expenditure incurred by the Council during the financial year 2003-2004 was Rs. 56.50 crores. Out of this Rs.15.09 crores were spent on establishment costs including salaries, pension, rents and other establishment costs at headquarters, 8 regional offices in India and 16 Indian Culture Centres abroad. It will thus be seen that total expenditure on establishment costs in both India and Indian Culture Centre's abroad totals to Rs.15.09 crores or 26.71% of the total expenditure of Rs.56.50 crores. The expenditure on establishment of Indian Culture Centres abroad includes salaries



and allowances of the Director and the local staff, which amounts to Rs.8.45 crores out of the total expenditure of Rs.17.26 incurred by the Council on these Centres. The rest of the expenditure was on programme activities, which also includes expenditure on salaries, allowances, accommodation etc. in respect of India-based and local teachers working at these Centres). The Council will endeavour to augment the budget meant for programme activities of Centres in the future.

### **Recommendation No. 22 (Para No. 108)**

1.31 The Committee have been informed that the Council had already requested for an amount of Rs. 66.80 crore in the BE 2004-2005, against which only Rs. 55.59 crore has been allocated, and as compared to Rs. 54.50 crore in RE 2003-2004. The enhancement of Council's budget during 2004-2005 by Rs. 1.09 crore over the previous year is not at all sufficient to meet the Council's requirement. The Committee with great concern are shocked to note that the Council had requested for an amount of Rs. 66.80 crore and same had not been provided to them. What further agitates the Committee is the fact that the projects/tasks assigned to the Council are not going smoothly and as per schedule. Almost, all the projects, viz. opening of new Cultural Centres abroad or setting up of Regional Centres in India are not moving forward an inch and are almost in a state of freeze. The Committee fear that shortage of fund can disturb the momentum of the Council. The Committee, therefore, strongly recommend that no impediment should occur due to paucity of fund and Ministry should be more vigilant over the activities and requirements of the Council. Keeping in view the expanding activities and new schemes which are likely to be undertaken in the financial year 2004-2005, the budgetary allocation to the Council should be substantially augmented and the incremental amount should be utilised to support much larger activities.

### **Reply of the Government**

1.32 The need for augmenting the Council's budget to meet the requirements of its expanded activities including establishment of new Regional Offices in India and Cultural Centres abroad has been noted. The Council has already opened a Regional Centre in Jaipur. It is being manned out of the existing staff strength of the Council. As regards other Regional Centres and Culture Centres abroad, action is being taken to secure requisite administrative and financial approvals for creation of posts. Depending on the number of approvals obtained from the Government and to meet the requirement of new initiatives/projects, additional funds will be sought in RE/FE 2004-05 and BE 2005-2006.

**Recommendation No. 26 ( Para No. 112)**

1.33 The Committee agree with the views of the Ministry regarding the importance of cultural diplomacy. Cultural diplomacy certainly is a very powerful weapon in the hands of the Ministry of External Affairs to promote relationship between people of this country and people of other countries. ICCR is one of India's oldest bodies working for the promotion of this cause. It has got a very fine tradition and its potential for spreading our cultural heritage is immense. However as to the working of the ICCR, the Committee by their experience are constrained to take the view that it is moving without any direction through having been controlled by the Ministry of External Affairs. The Committee feel that the ICCR is groping in the dark and as such is unable to fulfil its vision in a meaningful fashion. The Committee would, therefore, recommend that it is high time the Ministry made a thorough review of the working of ICCR so that it really serves as an important and integral tool in achieving the objectives of our Cultural Diplomacy.

**Reply of the Government**

1.34 "The Ministry is considering the recommendations of the Standing Committee for a total review of functions and responsibilities of the ICCR in order to give more thrust for the cultural diplomacy".

**Recommendation No. 27 ( Para No. 117)**

1.35 The Committee are of the view that the Society for Research and Information System (RIS) for Non-aligned and Other Developing Countries is doing a good job and appreciate the jobs and appreciate the jobs undertaken so far by the Society. As informed by the Government, the Society acts as a specialized 'think tank' on global issues in the field of international economic relations and development cooperation. It provides analytical inputs also to India and other developing countries on the issues taken up at the international for a such as G-77, NAM Summits, IMF, WTO, ASEAN, IOR-ARC and BIMSTEC etc. RIS is also mandated to function as an advisory body to the Government of India on matters pertaining to multilateral economic and social issues including regional & sub-regional cooperation arrangements, as may be referred to if from time to time. The Ministry have also informed that it is an autonomous organization registered in India under the Societies' Act and receives the core grant from the Ministry of External Affairs. It, however, generates its own revenue as well by receiving project grant from donor and multilateral funding organizations for activities undertaken on their

behalf. The Committee also note that the RIS plays a catalytic role in the formulation of India's policy towards such regional groupings. Keeping in view the significant role being played by RIS towards formulation of India's foreign policy and in other matters, the Committee strongly feel and recommend that budgetary allocations should be augmented suitable so as to enable RIS to perform its role without encumbrances in a much larger perspective in this era of globalization.

#### **Reply of the Government**

1.36 As recommended by the Standing Committee on External Affairs, the action to provide additional assistance to RIS has already been initiated. It has been proposed at the Budget Estimate stage for the Financial Year 2005-06 to enhance the present allocation of Rs. 1.37 crores to Rs. 1.50 crores.

#### **Recommendation No. 28 (Para No. 126)**

1.37 The Committee note that the Ministry themselves are candid enough to accept that the budgetary provision of Rs. 1.65 crore in BE 2004-2005 will not be sufficient enough to meet the requirement of ICWA. Going by the declared objectives of ICWA, the Committee also feel that allocation of such small amount is really insufficient to achieve those objectives. The Committee recommend that allocation to fund to ICWA at RE stage should be appropriately increased. The Committee observe that the formation of the Governing Body of the Council is pending for quite a long time and many of its activities can be undertaken only after the formation of the Governing Body. The Committee expect that the formation of the Governing Body should be done within one or two months and other pending work such as the filling of vacant posts, etc. should be undertaken by the Council immediately. The Committee also hope that the renovation work at Sapru House be completed by the end of the current financial year. The Committee sincerely hope the ICWA to get back to its past glory and touch new heights in the near future.

#### **Reply of the Government**

1.38 On the recommendations of the Standing Committee on External Affairs, the ICWA has projected RE 2004-2005 at Rs. 2.05 crore. The Ministry has initiated the action for the formation of the Governing Body. As and when the Governing Body is formed, the pending work such as the filling of vacant posts will be undertaken.

1.39 The renovation work at Sapru House is expected to be completed by the end of current financial year.

### **Recommendation No. 29 ( Para No. 134)**

1.40 The Committee note with immense satisfaction that the VII World Hindi Conference gave an impetus for launching greater propagation and promotion of Hindi as was evident from the demand from a large number of delegations for organizing Regional Hindi Conferences in different parts of the World. The Committee are of the view that such Conferences should be organized more frequently and funds required for propagation of Hindi should be provided without any hesitation because the promotion of India's national language is an important national concern. The Committee further note that there are so many countries where Hindi is being spoken and written by huge numbers of people. The Government, in the opinion of the Committee, should form an organization of countries where Hindi is being spoken and written. And in particular, when no constraints are being faced by the Ministry in their drive to make Hindi as official language of the U.N., the Committee recommend the Ministry to make vigorous efforts to achieve this target in a definite time-frame.

### **Reply of the Government**

1.41 In addition to the World Hindi Conferences, Ministry has been giving active support in organising Regional Hindi Conferences in different parts of the world, from time to time. During the last two years, Regional Hindi Conferences have been organized at Budapest (Hungary -6-8 March 02), Port of Spain (Trinidad & Tobago -17-19 May 02), Kathmandu (Nepal -1-2 Dec. 02), London (UK -21-23 March 03) and Bucharest (Romania -6-8 March 04). There are proposals to hold such conferences in Poland and Norway in the near future. The next World Hindi Conference is also being proposed to be held in 2005 or early 2006. Ministry has been allocating funds for these ventures in a timely manner. In addition to a regular annual budget of Rs.70 lakh for the propagation of Hindi Abroad, additional amount is proposed at RE stage to fund Hindi Conferences whenever so required.

1.42 The Committee's recommendation, for formation of an organization of countries where Hindi is spoken and written, would be pursued vigorously. As a follow up to the VII World Hindi Conference, the Ministry has already taken a view to form 5 Regional Hindi Propagation Centers, apart from World Hindi Secretariat in Mauritius where Indian Diaspora is in large number. The Ministry is making efforts to make Hindi an official Language of the UN. To seek directions in this regard from the highest level, a high-level Committee under the chairmanship of the EAM has been formed. Three meetings of the

Committee have been held so far. Preparation of an Advocacy Paper to bring about awareness of Hindi on international level among PIOs worldwide is underway.

### **Recommendation No. 31 ( Para No 140)**

1.43 The Committee appreciate India's abiding interests in providing assistance for developmental projects not only in neighbouring friendly countries, but also in Africa, Central Asia and South-east Asia. The Ministry have stated that one of the reasons for increase in total expenditure is the extension of the tenure of experts who are already in these countries as in the event of extension though the expenditure towards final air fare and transportation of the baggage are borne by the host Government, the Government of India continues to pay their FA, CEA etc. The increasing number of requests from beneficiary countries have also entailed substantially larger amounts of budgetary allocation to meet the variety of requirements in executing this programme. Similarly, the number of experts who are sent abroad has taken a quantum leap with more and more countries seeking India's assistance by way of deputation of experts.

1.44 The Committee are of the view that programmes imparting technical cooperation to friendly countries certainly generate considerable goodwill among them and need of the time is that we should be proactively involved in promoting the same. While developing countries by providing huge assistance and in the end exploiting them, India should make efforts to develop cordial relations with friendly countries; not for their exploitation, but for building up permanent friendly relations and promoting strong ties. And to achieve the same, if there is requirement of additional funds, the Government should provide the same without any inhibitions.

### **Reply of the Government**

1.45 Ministry is endeavoring to promote goodwill and stronger ties with friendly countries by increasing slots of training, providing relief assistance in the event of natural calamity and giving project assistance and sending experts.

1.46 In tune with this, over 3400 civilian training slots and 200 defence training slots have been offered to ITEC partner countries during the year 2004-05. Fresh experts are being deputed and new projects are also being undertaken.

**Recommendation No. 32 ( Para No. 143)**

1.47 The BIMST-EC is a sub-regional economic cooperation grouping of countries on the rim of Bay of Bengal. At present, there are seven members (Bangladesh, India, Sri Lanka, Thailand, Myanmar, Nepal and Bhutan) in this sub-regional economic cooperation grouping. The grouping was largely formed due to a coalescing of Thai and Indian interests – Thailand's desire to expand its 'Look West' Policy and India's desire to expand its 'Look East' Policy. Although, a young grouping and, therefore, it will need time to show results. The Committee hope that the initiative taken so far will be helpful in developing the priority areas. The initiatives, which are still in feasibility study phases, will start taking shape soon and the BIMST-EC will bind all its countries together in seeking to advance their collective interests faster. The Committee also hope that the eastern part of the sub-continent will have better environment for growth and development in the near future. In order to achieve the same, the Committee recommend that collective definite efforts and strategies need to be made to strengthen this newly born organization, which in the long run, thus, may be quite useful for all the seven member countries.

**Reply of the Government**

1.48 At the First BIMST-EC Summit held in Bangkok, Thailand on 30-31 July, 2004, the acronym BIMST-EC was changed to BIMSTEC and was renamed as 'Bay of Bengal Initiative for Multi- Sectoral Technical and Economic Cooperation. India made the following commitments at the Summit:-

- (i) India will host the BIMSTEC Energy Minister's Conference in the 2005. Necessary action has been initiated to convene the meeting.
- (ii) Workshop of Tourism Ministers and Round Table with Tourism Trade and Industry Representatives. Ministry of Tourism has prepared a background paper on the subject. The preparations are on to convene the Round Table in the first quarter of 2005.
- (iii) BIMSTEC Centre for Weather and Climate: The Centre has already been operationalized in its virtual phase since August 19, 2004. A core group has been established to prepare the concept paper for future cooperation.
- (iv) Sharing of Remote Sensing Data with BIMSTEC countries: A concept paper is being prepared on Remote Sensing applications in different fields.

(iv) 150 additional ITEC slots: The concerned Missions have already been informed about the additional slots.

(v) 30 Scholarships for Courses in India systems of medicine: The Department of AYUSH has prepared a preliminary background paper on the modalities of scholarship and is presently discussing its implementation.

(vi) Joint Working Group on Counter Terrorism: Dates for the first meeting of the JWG have been proposed to be December 9-10, 2004. The BIMSTEC member countries have been approached to confirm the suitability of the dates.

(vii) BIMSTEC Free Trade Area: First meeting of the Trade Negotiating Committee (TNC) was held in Bangkok on September 7-8, 2004 to finalize the Terms of Reference (TORs) for future work.

(viii) India will host the second BIMSTEC Summit in 2006. Action has been initiated for the preparatory work.

### **Recommendation No. 33 ( Para No. 148)**

1.49 The Committee observe that the Mekong-Ganga Cooperation (MGC) was formally launched in 2000 at Luang Prabang in Lao PDR on the bank of Mekong. During the first Ministerial meeting of MGC a Declaration had been issued on MGC. The Declaration covers cooperation in four sectors, namely tourism, cultural, education, transport and communication. The leading countries for the four sector of cooperation are: Thailand (Tourism) India (Education), Lao PDR (transport and communication) and Cambodia (Culture). One of the main focuses of MGC has been on the reliable transportation and tourism between India and member countries. In view of the close cultural and historical links with member countries, the MGC mechanism provides an additional forum to further strengthening cooperation with MGC member countries. The Committee express their satisfaction over the development so far. The Committee, however, recommend that cultural and historical links with member countries should be strengthened and possibility of further cooperation should be explored. The Committee, therefore, urge the Government of India to extend all possible help to MGC and if required some additional budget may also be allocated to this cooperation to achieve its objectives.

### **Reply of the government**

1.50 Culture: The project parameters towards setting up Museum of Traditional textiles of MGC countries, to be established at Siem Reap, Cambodia are being firmed up. The project is being implemented by ICCR.

1.51 Tourism: India and Thailand are collaborating on preparing promotional brochures, as envisaged under the Hanoi Plan of Action. MEA is extending assistance to Ministry of Tourism.

1.52 Transport and Communications: Structured programme of cooperation is yet to take off.

1.53 Education: India has offered 50 cultural scholarships (10 each to the member countries) for higher studies in areas of Musicology, Museology, Archeology, Dance, Study of Scriptures, and Sanskrit and Pali language. ICCR is identifying the institutions for these studies.

1.54 Delhi-Hanoi rail link: Feasibility studies for the rail link Jiribam-Mandalay are being undertaken by RITES Ltd. The studies will be completed by end of December, 2004.

1.55 Efforts are on to convene the Foreign Ministers' meeting of MGC countries. Our Mission in Thailand would be seeking convenient dates for the meeting.

#### **Recommendation No. 34 (Para No. 153)**

1.56 The Committee observe that allocation of funds to Bangladesh under the Head "Aid and Loan" in BE-2004-2005 is lower than BE-2003-2004. As stated by the Ministry it was because a number of projects are under discussion between the two sides are yet to be finalised and provisions will be suitably made once there is bilateral agreement over these. The Bangladesh Government has been appreciative of Indian Assistance and understand that both kinds of assistance is the key components of economic cooperation between the two countries. The Committee also appreciate the commitment of Government of India to provide both grants and loan assistance to Bangladesh with a view to promoting and strengthening cooperation in the various areas of bilateral agreement. The Committee recommend that the agreements which have to be negotiated may be negotiated speedily and projects which are under discussion should also be attempted to be finalised as early as possible.

#### **Reply of the Government**

1.57 Budget Provision and Expenditure under head 'Aid to Bangladesh' & 'Loan to Bangladesh' - Year wise expenditure are given below:-



**Aid to Bangladesh****(Rupees in Lakhs)**

Year	BE	RE	Expenditure	Any other
2003-2004	20,00,00,000	2,00,00,000	60,47,965	
2004-2005	3,30,00,000	-	91,36,588	

**Loan to Bangladesh****(Rupees in Lakhs)**

Year	BE	RE	Expenditure	Any other
2003-2004	20,00,00,000	20,00,00,000	20,00,00,000	
2004-2005	1,62,00,000	-	90,12,630	

1.58 The Ministry has noted the recommendation for speedily negotiating agreements and early finalization of projects.

**Recommendation No. 35 (Para No.161)**

1.59 The Committee are happy to note that India is playing quite a pivotal role in the modernisation of Bhutan, providing technical and financial assistance to Bhutan's five year plans since 1961. As a consequence of our support to Bhutan's development programmes, the overall relations between India and Bhutan have matured over the years to become a model for mutually beneficial cooperation in the region; providing immense benefit to the peoples of both countries. While the bilateral relationship is multifaceted and diverse, encompassing political, security, economic, cultural and social fields, it is in the area of development cooperation, that the mutual benefits are most tangible. The concerted efforts by the two countries continue to draw upon the complementarities and comparative advantages of the two economies – placing bilateral relations on the firm footing. The Committee recommend that while our policy towards Bhutan such as recognizing their legitimate aspirations and integrating the two economies should remain intact, at the same time, the Government should ensure that our own vital national interests are not in any way compromised and efforts should be made in finding more mutually beneficial sectors like hydroelectricity and others.

**Reply of the Government**

1.60 Cooperation with Bhutan in diverse areas, including in the field of development cooperation, have contributed significantly for the mutual benefit of both countries and

peoples. The cooperation in the field of hydropower has resulted in a win-win situation with India receiving electricity and Bhutan gaining additional revenue. GOI assisted projects cover a wide range of sectors, from roads, telecom and civil aviation to hospitals, education and culture. They have a wide geographical spread and directly benefit the people of Bhutan. Our two countries will continue to expand the areas of cooperation for mutual benefit.

1.61 Our cooperation also extends to areas of vital national interest, such as security. Bhutan has demonstrated, in an exemplary manner, its sensitivity on security issues of importance to both countries. The successful operations to flush out Indian insurgents from their territory undertaken in December 2003 and January 2004 have sent a message throughout our region that terrorist and militant activities will not be tolerated.

**Recommendation No. 38 ( Para No. 166)**

1.62 The Committee are happy to note that the Economic integration of Nepal with India, with specific focus on Terai, is a key long-term strategic goal of the Indo-Nepal cooperation. Strengthening of existing social, cultural, familial and economic linkages across the border would go a long way towards achieving this objective. Projects in areas of infrastructure, health, water resources, rural and community development, education, etc. are being undertaken to strengthen the Indo-Nepal cooperation. The Committee appreciate the Indian efforts which are being made to provide assistance to Nepal as to earn visibility and goodwill for India, the benefits are being made available to grass root level by implementing projects in Nepal. The Committee are also happy to note that several new projects have been launched to improve transport infrastructure and connectivity on the two sides of the border including development of border check-posts, development of important links road on both sides of the border and development of broad-gauge rail links between important border towns and believe that once implemented, these projects would contribute towards maintenance of security and development of trade and economic cooperation between India and Nepal. The Committee also observe that vast scope is there in the field of water resources and efforts are under way to develop cooperation in this field as has been elaborated by the Foreign Secretary during the course of evidence. The Committee, therefore, feel that this area should be explored earnestly on the lines of projects being executed in Bhutan. The Committee also believe that investment in Nepal will be certainly fruitful for India and

Government should go ahead with this so that other countries in the region should not be allowed to take advantage in exploiting Nepal by providing mere assistance.

#### **Reply of the Government**

1.63 Efforts have been made inter-alia through high-level exchanges to further develop friendly relations between India and Nepal. Recent visit of H.E. Mr. Sher Bahadur Deuba, PM of Nepal, has contributed significantly in widening and deepening of the on-going cooperation between the two countries including in the field of water resources. During the visit, the two Prime Ministers stressed the need for expeditious progress on various water resources projects currently under active consideration.

1.64 Pursuant to the directive given by the two Prime Ministers, a comprehensive review of India-Nepal cooperation in the field of water resources was undertaken in a series of meetings of bilateral institutional mechanisms including the meetings of the Joint Committee on Water Resources (JCWR) in September-October 2004. The two sides have worked out a definitive road map to move forward on various projects.

1.65 Indian investment in Nepal has increased substantially. Indian Joint Ventures now account for over 40% of total Foreign Direct Investment in Nepal. These are in the hotel and tourism sector, telecom, food processing, cosmetics, medicines, etc. The India-Nepal Trade Treaty has been instrumental in development of bilateral trade and has also given a boost to Indian investment in Nepal. With a view to improving the investment climate for Indian investment in Nepal, GOI has entered into discussion with His Majesty's Government of Nepal for concluding a Bilateral Investment Promotion and Protection Agreement with Nepal.

#### **Recommendation No. 39 ( Para No. 167)**

1.66 The Government have accepted that there are projects in the pipeline that have not been implemented for example, the Pancheswar project is about eight years old. Ever since, the agreement was signed the Government are still nowhere near the implementation of project. This is very unfortunate and projects considered or being considered in areas of power generation, flood control and irrigation between India and Nepal should be negotiated as early as possible, in order to guard against the time and cost escalations.

#### **Reply of the Government**

1.67 During the recent visit of Nepalese Prime Minister H.E. Mr. Sher Bahadur Deuba to India in September 2004, the two Prime Ministers stressed the need for expeditious

progress on various water resources projects currently under active consideration including Pancheshwar.

1.68 Pursuant to the directive given by the two Prime Ministers, a comprehensive review of India-Nepal cooperation in the field of water resources was undertaken in a series of meetings of bilateral institutional mechanisms, including the meetings of Joint Committee on Water Resources (JCWR) and the Joint Group of Experts on Pancheshwar, in September-October 2004. The two sides have worked out a definitive road map to move forward on various projects. The Joint Committee on Water Resources would also be preparing a comprehensive strategy for flood management and control, including measures that can be implemented in the short to medium term.

#### **Recommendation No. 41 (Para No.179)**

1.69 The Committee are happy to note that the ITEC programme and the Special Commonwealth Assistance for African Plan (SCAAP) have generated goodwill for India and recognition by the developing countries of India's achievements in Science, Technology, Industry, Agriculture and Human Resource Development. The Committee are of the view that being the hub of technical and economical activity, such as, IT SOFTWARE small Scale Industries, Industrial Estates, Civil and Public Administration machine tools, railways, etc., more and more fund will certainly be needed under this Head. The Committee hope that in order to fulfill our commitments, and to enable the ITEC to carry out its activities and execute various projects, are required fund to TC division will be made available by the Ministry. The Committee recommend that every aspect should be taken care of in order to bring India closer to other developing countries-all over the world.

#### **Reply of the Government**

1.70 The Committee noted with happiness that ITEC AND SCAAP have generated goodwill for India and recognition by the developing countries of India's achievements for various fields. The Committee expressed the view that more and more funds will certainly be needed to fulfill our commitments and to carryout activities. The Committee recommended that every aspect should be taken care of in order to bring India closer to other developing countries. Efforts of the Ministry of External Affairs under ITEC and SCAAP programmes are towards these ends and the Ministry have sought additional funds in RE 2004-05 and BE 2005-06. It is expected that higher allocation will be made available.

**Recommendation No. 43 (Para No.181)**

1.71 The Committee had expressed their desire to know about the details of suggestions and recommendations made by the Advisory Group on Technical Cooperation and the action taken by the Government. However, the Ministry have evaded the query and simply furnished a vague reply that they have taken note of the suggestions and recommendation made by Advisory Group on Technical cooperation which met in 2001, and that most of these have been accepted and are being implemented. The Committee are shocked to note that the Ministry are still planning to appoint a Consultant for reform of ITEC programme. The Committee recommend that the appointment of Consultant should be finalized as quickly as possible in order to bring about suitable reforms in the ITEC and SCAAP programmes.

**Reply of the Government**

1.72 Details of suggestions and recommendations made by the Advisory Group on Technical Cooperation are enclosed (Annexure). The Ministry accepted the need to develop ITEC programme to serve as more effective tool. As suggested by the Advisory Group, an ITEC website has been developed to disseminate information on a wider scale.

1.73 The Ministry have also taken note of other suggestions and recommendations made by the Advisory Group and have accepted most of these suggestions. With aim to revamping the ITEC and SCAAP programmes so as to make these effective Overseas Development Programmes on the lines of suggestions made by the Advisory Group and to make further preliminary in-house study so that the scope of duties of consultant is made clearer and focused, the Ministry has appointed a Joint Secretary designated as Joint Secretary (Overseas Development) to undertake a study for the reform and up-gradation of our Economic and Technical Cooperation programme. The Officer is expected to submit his report within one month. After taking into consideration the findings of the study, the Ministry will take further step to appoint consultant to bring suitable reforms in ITEC/SCAAP programmes.

## Annexure

### REVAMPING OF ITEC

#### RECOMMENDATIONS OF ADVISORY GROUP

S. No	Item	Advisory Group
1.	Objectives	ITEC Programme should be viewed as an effective medium for promotion of economic and commercial interest rather than a mere vehicle for the promotion of diplomatic and political and political gains to the country. In fact political spin offs are difficult to measure and they can evaporate in no time. Therefore, commercial spin offs for every single activity undertaken as part of this programme should be expected. (M. Dubey).
2.	Geographical Coverage	It is essential to concentrate on a very carefully selected group of countries to expect any type of advantage on the implementation of the scheme. It will not be wise to scatter the programme t 150-160 countries with the modest resources at its disposal. South Africa should be given priority followed by South East Asian Countries including Countries in Gulf Region and Countries/ Region with which we have traditional partnerships for logistic support and goodwill. (M Dubey).
3.	Management of Itec Programme	<ul style="list-style-type: none"><li>i) This Programme should be entrusted to an autonomous organization like Japan International Cooperation Agency (JICA) with a Board of Directors Consisting of Persons from Industry, Scientific Community, Academies and Businesses Community. Expert from Private sector may be included invariably to ensure the proper evaluation of projects and speed up the decision making process. (M. Dubey).</li><li>ii) ITEC programme should be developed as a National mission to be achieved. There must be a task force with inter – ministerial representation to work out ways and means to coordinate and increase the ITEC cooperation qualitatively. (A.N. Ram).</li><li>iii) Disseminating information by developing an ITEC Portal</li></ul>

4.	Civilian Training	<p>i) Training shall have a commercial objective and directly relate to a project or an activity. A knowledge and skill acquired under training must help the trainee to go back to his country and set up / execute the project. (A. N. Ram).</p> <p>ii) Senior level official may be targeted for short duration training as they serve as permanent assets while dealing with those countries. (Shashank).</p> <p>iii) CSIR can be utilized to the optimum limits in the field of training as only three laboratories are seriously involved in this project. (Dr. Mashelkar).</p> <p>vi) Experts from private / corporate sector may be selected rather than solely dependent on Government Agencies. (Another Speaker).</p>
5.	Fields of Training:	<p>i) The broad areas identified for training include IT, Pharma, Agriculture production / technology, Animal husbandry, Small Scale Industry, Setting up of Industrial Estates, Renewable Energy etc. which constitute our areas of strength. (Another Speaker).</p> <p>ii) ITEC should focus at exporting knowledge as it has much more value than any other. Physical commodity. (Dr. Mashlekar).</p> <p>iii) CIEFL has suggested for the setting up of India-English Centers in the non-western world on the lines of Maxmuller Bhawan to impart communicative skills in English for specific purposes. Involvement of corporate sector in this scheme can also be thought of to make them self- financing activities. ( Prof. Pramod Talgeri).</p> <p>iv) It will be cost effective if our trainers are deputed abroad so that they can train large no of trainees in one go and IIMs can provide requisite support. (Another Speaker).</p>
6.	Terms & Conditions of training	<p>The payment package offered under ITEC has to undergo an upward change to attract good quality trainers. (Another speaker)</p>
7.	Defense Training	<p>i) Focus should be on Central Asian Countries, our neighboring countries and countries formed out of former USSR.</p> <p>ii) Economic spin-offs in the field of defense exports cannot be ignored altogether. (Mr. Devre).</p>
8.	. Projects	<p>Ability to absorb and provide necessary infrastructure</p>

		should be the guiding principal involvement of local entrepreneurs including ITEC trainees is essential for making project a success, (Another Speaker).
9.	Humanitarian aid	This programme should not be used as an instrument of Grant and even if grant is to be given, it should necessarily lead to commercial spin-offs. To illustration it will be advantageous to gift a machine, which will give scope for repeated orders from the recipient countries rather than giving items like rice/wheat, which will end up in consumption.



#### **Recommendation No. 44 (Para No.187)**

1.74 The Committee note that there is substantial increase in BE 2004-2005 against the RE of Rs. 71.62 crore in 2003-2004 and the Actual Expenditure upto 31.3.2004 was Rs. 81.42 crore. Bills amounting to Rs. 41,82,85,452 still, however, remain outstanding for the aid already provided during 2003-2004. The Committee feel that India can do much more for African countries in order to build up better relations by paying more focused attention on granting aid to these countries. There is a feeling amongst African countries that we do not consistently engage with them. Another problem area in engaging with Africa is that quite often we are out – spent by some of our neighbouring countries. India is unable to provide aid to certain countries in Africa because they have large outstanding and there is likelihood of this money being recovered. The Committee hope that the Government will make positive efforts to improve our relations with African countries and also work in the direction of solving all these problems which come in the way of extending loans credits to the African countries or in other words our engagement with these countries. The Committee will highly appreciate, if relations with the African countries are strengthened.

#### **Reply of the Government**

1.75 Ministry of External Affairs is consistently trying to improve and strengthen our relations with African countries. It is fully conscious of the economic difficulties being faced by many countries of this region. Govt. of India has already waived govt.-to-govt. loans for most countries of this region. Moreover, lines of credit on liberal terms have been extended to many African countries. These credit lines are being utilized to finance our project exports as well as for import of goods from India. Every effort is being made to establish a strong relationship with countries of Africa, to promote economic and commercial interaction with them as well as to maintain a steady dialogue with them in various arenas.

1.76 To give a further impetus to our relations with the African countries, Hon'ble President recently visited Tanzania and South Africa. During the visit, India's 'Focus Africa' policy was reiterated and India's desire to work with African partners in areas of their core competence was emphasized. An agreement was signed with Tanzania for waiver of loan granted to it earlier. Agreements for cooperation in the field of Information Technology were signed with both Tanzania and South Africa. We also offered to

provide India's satellite and fibre-optic connectivity for creating a network of e-education and tele-medicine centers across African States.

1.77 The fact that during the year 2003-2004, the actual expenditure was more than the budgeted amount is an indicator of the efforts made by this Ministry to substantially increase our aid to the African countries. The Ministry would continue to make all efforts to further strengthen our relations with the African countries and would try to resolve all problems that come in the way of extending loans/ credits to them.

#### **Inputs from West Africa Division**

1.78 The Ministry has been making and will continue to make positive efforts to improve our relations with African countries. The recent initiative of TEAM-9 aims at bringing together eight countries of West Africa in a Techno-Economic collaboration with India. We have allocated US \$ 500 million as line of credit to TEAM-9 countries. In addition, lines of credit of around US \$ 40 million to Angola, US \$ 15 million to Senegal, US \$ 42 million to Ghana have been earmarked. The US \$ 200 million line of credit for NEPAD is also being used in West Africa Aid is being given to countries like Cote d'Ivoire, guinea, chad, Republic of Congo etc. In addition, India is considering large-scale investment in acquiring oil fields in Angola. Cote d'Ivoire, Equatorial Guinea, Chad etc. India is also looking at investing in Phosphoric Acid plants in Togo and Guinea Bissau. There is a proposal to set up Technology Demonstration Centres as well as Entrepreneurship Development Centers in many West African countries.

#### **Recommendation No. 45 (Para No.190).**

1.79 The Committee express their great pleasure to note that two cooperation projects are under active consideration for implementation under the aegis of COMESA viz. imparting training to COMESA personnel on harmonization of drugs and pharmaceutical standard and registration procedure and deputing experts to determine the feasibility of the great lakes irrigation projects. The Committee note that countries like Egypt, Mauritius, Kenya, Sudan, Ethiopia and Zambia are important markets for India's exports in these sub-regions and welcome the Memorandum of Understanding between COMESA and India which focuses on the potential for bilateral cooperation between India and the COMESA states through increased trade and investment flows. The Committee hope that Government will explore more possibilities of export to these countries and our export will be mobilized by cordial relations which are developing by way of bilateral cooperation – between India and COMESA States.

### **Reply of the Government**

1.80 The Ministry of External Affairs is making concerted efforts to give impetus to bilateral relations with COMESA States. We are in the process of formulating a plan of action to increase bilateral trade with each member country of the COMESA. Under this plan of action, thrust areas for growth in exports will be identified and growth targets will be specified for the years 2004-2005, 2005-2006 and 2006-2007. The steps needed to be taken to achieve these targets will be specified and action will be taken accordingly to meet the targets. To strengthen our relationship with COMESA we are seeking accreditation of our Mission in Lusaka to the COMESA.

### **Recommendation No. 46 (Para No.206)**

1.81 The Committee are surprised to note the declining trend which has shown over the years in the allocation under the Head Capital Outlay on public works. The Ministry have submitted that they had planned and provided funds for successive years in the hope that several of the construction projects under planning would mature to construction stages and that this could not materialize due to reasons beyond the control of the Ministry. The Committee find themselves totally unsatisfied over the progress made by the Ministry regarding the execution of various projects under this Head. The Committee recommend that if the Ministry are unable to implement the projects due to non-feasibility, they should not project funds at the stage of Budgetary allocation itself. More funds may be needed only at the advance stage of finalisation of projects. The Committee hope that the Ministry will be able to complete some of the ongoing construction projects under this Head and the anxiety of the Committee will come down to some extent.

### **Reply of the Government**

1.82 The Ministry has noted the recommendations regarding projection of funds under the Capital Outlay Budget Head. Accordingly, the projection of funds for projects for which CNE approvals are pending, have been altogether deleted while preparing the Revised Estimates for the current financial year and the estimates have also been toned down to the minimal possible level for the next financial year. Planning for all the existing projects, to be funded from the Capital Outlay Fund, is progressing smoothly and the Ministry is hopeful that with the due financial approvals these will progress to the construction stage. The projects currently under construction are Foreign Service

Institute in New Delhi, Headquarter building for Asian Afro Legal Consultative Organization besides some major renovation works for which funds are being met out of the Capital Outlay Fund. Ministry is hopeful of making expenditure as per budget plans.

**Recommendation No. 47 (Para No.207)**

1.83 The Committee are also shocked to observe the fate of Doha construction Project. As per the Ministry a new location of plot is being processed. The Mission was asked to take up the matter with the foreign office as the construction project had got delayed on 26<sup>th</sup> April 2004 and the Mission conveyed allotment of a fresh plot, giving details of the same. However, the plot in question has still not been formally handed over to the Mission. The Committee hope that after a high drama, now the Ministry will be able to formally acquire the plot. The Committee strongly recommend that Doha construction project should be completed in a time bound manner without any further precious loss of time.

**Reply of the Government**

1.84 The Ministry has been putting pressure on the Qatar government at the highest level through our Mission in Doha to expedite allotment of new plot of land. The Foreign Office has informed that the designing work of the infrastructure of the New Diplomatic Area will be finished by the Public Works Authority by February 2005. Work on the infrastructure including engineering works, roads and pavements shall commence from May 2005 and it will take at least one year for completion of the works. Once the new plot is available the Ministry will make all efforts to complete the project in a time bound manner.

**Recommendation No.49 (Para No.209)**

1.85 In regard to Videsh Bhavan Project, the Ministry have submitted that the Videsh Bhavan has now been named Jawaharlal Nehru Bhavan and it has been entrusted to CPWD. A detailed presentation comprising an explanation of the concept design model had been presented to the Minister of External Affairs on 3<sup>rd</sup> July, 2004 and same has been approved. The preliminary cost estimates have also been approved by the Minister and preparation of Memo for seeking approval of the Committee for Non-Plan Expenditure is underway. The project proposal, the approximate cost of which is expected to be around Rs.180 crore, will require approval of the Union Cabinet also. The Committee strongly recommend that a time schedule should be prepared at an early

stage, monitoring of developments should be made each quarter of the year and Officials causing any undue delays should be held responsible. The Committee expect that taking a lesson from past experience, the Ministry will not repeat the same mistakes again and take steps for timely completion of this project.

### **Reply of the Government**

1.86 The Ministry has already submitted a proposal for approval by the CNE. The proposal has been examined and certain comments have been made by the Ministry of Finance. The needful is being done in consultation with the concerned authorities so as to expedite the proposal.

### **Recommendation No. 50 ( Para No. 210)**

1.87 Last but not the least, the Committee would like to make a general observation about the Budgeting process – as obtaining in the Ministry of External Affairs. The replies to the List of Points sent by the Committee on various subject in the course of examination of the Demands for Grants of the Ministry were furnished by the Ministry to them on 6.8.04, which means more than 4 months, after close of the last financial year. Surprisingly, however, in some cases only likely estimations in the Actual Expenditure have been furnished. In many cases, the Committee have come across major discrepancies in figures furnished by the Ministry. In the opinion of the Committee, such careless approach and attitude towards an important exercise like Budget is highly deplorable. More so, when every data can be made available by the Ministry at the veritable click of a mouse. From this, the Committee can interpolate as to what kind of inputs may have gone into – while the Demands for 2004-2005 were being finalized in the absence of Actual Expenditures. The Committee, therefore, desire the Ministry to put in place a more quick and efficient accounting mechanism, so that, the exact financial data, which is the most essential input in the preparation as also analysis of a Budgetary exercise is available – in time – for any mid-course corrections and proper planning.

### **Reply of the Government**

1.88 The Monthly Accounts of Ministry of External Affairs are computerized and the figures of actual expenditure incurred within the country are available promptly. However, in respect of the Missions/Posts abroad, there is a time lag as the monthly cash accounts are received through diplomatic bags. Further expenditure of the Ministry

of External Affairs being incurred by other Ministries/Departments and vice-versa are subject to periodic reconciliation.

1.89 As per the time schedule prescribed by the Ministry of Finance, the annual accounts of all Ministries/Departments are to be finalized by the end of June and submitted to the Ministry of Finance and Audit. While provisional figures of expenditure are available by the end of June, these are subject to audit and the final audited figures are available by the end of September.

1.90 However, necessary efforts are already on to put in place a mechanism to report timely and accurate figures. The National Informatics Centre of Ministry of Information Technology has been commissioned to develop software for computerization of Mission Accounts. They are currently in the process of studying the software requirement. It is expected that the software will be ready by the second half of 2005-2006.

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## CHAPTER – II

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

#### **Recommendation No. 12 (Para No. 58-59)**

2.1 The Committee find gross underutilisation of funds by the Ministry under the Professional Services Head in the year 2001-2002, the BE for the purpose was Rs.40 lakh which was halved to just Rs.20 lakh in the RE. The actual spending, however, was a meagre Rs.3.66 lakh. In the next year, the BE and the RE remained constant at Rs.20 lakh and the Actual Expenditure was Rs.10 lakh only. The Committee are constrained to note that in 2003 –2004, the BE and RE were again pegged at Rs.20 lakh – Rs.15.50 lakh meant for CPV Division and Rs.4.50 lakh meant for BSM Division. However, out of this, only a paltry sum of Rs.73,160/- could be spent. The Actual Expenditure figures for BSM Division were, however, not furnished to the Committee.

2.2 The Committee are not happy with the alibi extended by the Ministry that the BE figures have been kept at a higher level than Actual Expenditure due to the recommendations of the previous Committee for having a separate panel of advocates for court cases, particularly of extradition proceedings. To put the record straight, the Committee's recommendation was given almost two-and-half years back and the list of advocates from the Ministry of Law & Justice was also received by the Ministry more than a year back. All this time, the Ministry have been sitting over the matter while precious funds have been kept blocked in anticipation. The Ministry's delay has also led to the expiry of the panel sent by the Ministry of Law & Justice and naturally there is a wait for a new panel. The Committee do not agree with the Ministry's reply that it is difficult to give specific time frame for completing this exercise and the Ministry would try to complete the finalisation of the panel of advocates in 6-9 months period. The Committee feel that the reasons for the delay are mainly of the Ministry's mown creation. They, therefore, recommend that a decision in the matter may be taken within the next three months so that realistic Budgetary Estimates are made under this Head for the next financial year and the funds are not kept blocked in anticipation without making any headway in achieving the desired objectives.

## Reply of the Government

2.3 Para Nos.58-59-Professional Services – Professional Services in respect of BSM Division pertain to preparation of India-Bangladesh passports and miscellaneous visa works. Details of Year-wise Budget provision and expenditure in respect of three states West Bengal, Meghalaya and Assam for agency function, i.e. issue of India-Bangladesh passports and miscellaneous visa works are given below:

(Rupees in Lakhs)

Year	BE	RE	FE	Expenditure
2001-02	2,38,64,000	2,38,64,000	1,99,06,000	1,99,06,129
2002-03	1,23,57,000	98,57,000	-	-
2003-04	1,00,00,000	1,00,95,000	1,00,95,000	-
2004-05	98,60,000	-	-	-

2.4 The Expenditure of Rs.1,99,06,129/= shown during the year 2001-2002 is an amount which was reimbursed to Government of West Bengal for functioning of the State Secretariat for Passport and Visa work on behalf of the Ministry. Ministry is at present processing claims of Rs. 61,26,324/- for reimbursement to Government of West Bengal pertaining to period 2002-2003. Claims for the year 2003-2004 would be received later. Therefore, the figures at expenditure for period 2002-2003 and 2003-2004 are not booked.

2.5 As per recommendation/observation of the previous Standing Committee, the proposal containing names of a few lawyers (who have been engaged as special counsels in various ongoing extradition cases) was referred to the Ministry of Law and Justice for approval. Ministry of Law and Justice in turn requested this Ministry to make the request after taking approval from the Administrative Minister of this Ministry. Subsequently, this Ministry called an inter-ministerial meeting in May, 2003. In that meeting besides representatives of CPV Division, representatives of Legal and Treaties Division and Finance Division of Ministry of External Affairs, Ministry of Law & Justice and CBI were present. During the meeting Ministry of Law & Justice conveyed that it would send its list of advocates to help in the finalisation of names for the proposed panel of advocates for extradition cases. It was also decided that this Ministry would



request the Ministry of Law & Justice for approval of a separate panel of advocates to represent the Government of India, i.e Ministry of External Affairs, whenever the requests for extradition are received from the foreign countries. Keeping this into mind, the Ministry proposed some anticipated expenditure, expecting that with the formation of the panel of advocates, the expenditure will increase. However, meanwhile the advocates in the panel of Ministry of Law & Justice changed during the current year, causing delay in selection. A new list has been obtained from the Ministry of Law & Justice and with the approval at Ministerial level shortly a proposed panel of advocates for extradition cases with appropriate terms and conditions will be sent to the Ministry of Law & Justice for approval. The exercise is likely to be completed within six months.

#### **Recommendation No 20 (Para No. 95)**

2.6 The Committee express their happiness over the creation of Central Database for all the passports, that are issued by the passport office in the country. The Committee note that such a database is really an important tool because if the passport of a person is lost while travelling abroad, this database will enable the concerned authority to verify the original passport details instantly. The Committee hope that creation of this Central Database will certainly facilitate the process of issue of Duplicate Passport to a great extent. The Committee desire that Database facility should be made fully operational and put into service forthwith. The Committee further desire that this Database should be constantly updated for quick retrieval of passport details for the issue of a Duplicate Passport.

#### **Reply of the Government**

2.7 The Central Database facility is fully operational, and is regularly updated. It is being used extensively by Passport Offices in India and Indian Missions abroad while providing various services to a passport-holder including issue of a duplicate passport. NIC is the concerned agency for maintaining this database. This Ministry interacts closely with NIC for constant improvement in the Central Database system.

#### **Recommendation No. 23 (Para No. 109)**

2.8 The Ministry have furnished various reasons for increase in BE 2004-2005 over BE 2003-2004 some of which are as, opening of Cultural Centres abroad, maintenance of building of Cultural Centre which was earlier being done by the Ministry of External Affairs, renovation of Nehru Centre, London and its art gallery, opening of New Regional

Offices in India, renovation of ICCR property (Jinnah House, Mumbai and Africa House, New Delhi) establishment of computer kiosks in Cambodia and increase in number of scholarship being administered by ICCR etc. The Committee are constrained to note that the ICCR have increased the number of scholarships to foreign students desiring to study Indian Performing Arts like dance and music. The Committee note that the track record of the ICCR in respect of utilisation of scholarships given to foreign students by them during the previous years has not been very encouraging as during the year 2003-2004 out of a total of 1093 scholarship on offer, only 779 could actually be utilised. Again, most of the projects undertaken by the ICCR themselves have not progressed well and are in no way in a position to be completed within time schedules. The Committee wonder as to why the ICCR are taking the additional burden of maintenance of Cultural center buildings onto their shoulders. The Committee are of the clear view and recommend that only those tasks which the ICCR can accomplish should be undertaken by them and the Council concentrate on making efforts to fulfill the vision and mission which have originally been assigned to them.

### **Reply of the Government**

2.9 The Council's annual Plan of Action which includes activities to be undertaken are compiled every year and approved by its statutory bodies. Additionalities not contained in the original Plan of Action are considered on the basis of their relevance and importance before seeking the approval of competent authority.

2.10 As regards low utilization of scholarships, the Committee may kindly note that during the academic year 2004-2005, 945 admissions to foreign scholars have been confirmed against a total number of 1076 scholarships offered. The actual number of scholars who join their respective courses, however, are lower than the admissions confirmed. This is due to various reasons which are not in the Council's control - these are: no provision of international airfare; candidate not being offered the courses of his/her choice; and scholars securing admission/scholarship elsewhere namely in the West. However, it is mentioned that as a special case Council has decided to provide airfares to a few developing countries. During the year 2004-2005, 30 return airfares have been provided to 5 Central Asian countries to encourage better utilization of scholarships. ICCR scholarships for learning Indian Dance and Music are very popular. It was, therefore, decided to enhance their number from 60 to 100 annually. However, to make our scholarship scheme more attractive, it was decided to enhance stipend, house rent allowance, contingency etc. during the academic year 2004-05.

2.11 The Council has noted Committee's observation regarding the Council undertaking the repair and maintenance of Indian Culture Centres abroad. In this connection Council would like to stress that the repair and maintenance work of Indian Culture Centres abroad was transferred to ICCR on the specific instructions of the Foreign Secretary and of Jinnah House by the Hon'ble External Affairs Minister.

2.12 The Council would also like to stress that the Computer Kiosk Project being undertaken by ICCR in Cambodia has been nearly completed without any time or cost over run. The work on the Museum of Traditional Asian Textiles in Siem Reap in Cambodia will commence as soon as financial allocations have been made.

**Recommendation No. 40 (Para No. 170)**

2.13 The Committee observe that there is a decrease in Actual Expenditure under the Head "Aid to Myanmar" in comparison to 2002-2003. Although, several projects were finalized after consultation between the Governments of the two countries, the implementation of all these projects is still awaited. The Ministry have informed the Committee that the attention of the Myanmar Government on bilateral projects with India appear not to have been given priority due to their internal situation and every effort was made to finalise agreements as well as facilitate implementation. Since, the bilateral nature of these projects required implementation from Myanmar, the Committee recommend that all possible efforts should be made by the Ministry at the earliest in respect of these projects and assurance regarding timely and proper implementation should be secured from the Government of Myanmar forthwith.

**Reply of the Government**

2.14 The Ministry of External Affairs is making efforts at the highest possible level for expediting the implementation of the Projects to be funded under the head "Aid to Myanmar". These efforts are expected to improve the utilization of the allocated funds under this Head. However, the projects being of bilateral nature, there always remain an element of uncertainty in terms of meeting the expected schedules.

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## CHAPTER – III

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION AND ALSO THOSE RECOMMENDATIONS/OBSERVATIONS WHICH EVEN THOUGH ACCEPTED BY THE GOVERNMENT, YET ATTRACT COMMENTS OF THE COMMITTEE**

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

### **A. RENTS, RATES, TAXES**

#### **Recommendation No.5 (Para No.38)**

3.2 The Committee in their First Report (14<sup>th</sup> Lok Sabha) had expressed that while the Committee could understand the slippages taking place in the physical and financial performance of the Ministry in projects abroad because of location specific laws, rules and regulations, etc. on which they had no control, the Committee had taken a serious note of the laxity in case of projects even at domestic front. While the Ministry had reported savings under the Head “Secretariat” in respect of rental liabilities for Akbar Bhavan for which rentals were being paid at old rates, awaiting Fair Rent Certificate, at the same time, it had been stated that provision had been made to meet payment of enhanced rents and arrears. The Committee were at a loss to understand as to why this issue had been allowed to drag on for so long, specially when the matter had to be settled between the two agencies of the Government of India. The net result was that the Ministry had been having a surplus of 30 to 45 per cent even in the Revised Estimates during the last three years. The Committee, therefore, recommended that the Ministry should now focus on this issue with a view to sorting it out forthwith.

3.3 The Reply of the Government is as under:

“Payment of rent at enhanced rate and arrears accrued thereupon to the NDMC, in respect of Akbar Bhawan Building could not be made because the Ministry of External Affairs was not agreeable to the quantum of rent demanded by NDMC and various clauses of Lease-Deed suggested by the latter. Govt. of India has its norms for payments and unless proper justification was given for the enhanced rental, it was not possible to make the payment, which had resulted in surrender of funds. Ministry of External Affairs, on its part, made every effort possible to sort out the issue, so that the amount of rental could be settled, but there was no response from NDMC other than routine demand of

higher rental and arrears. Revised Fair Rent Certificate was requested from CPWD in order to reach a mutually acceptable amount.

3.4 Ministry of External Affairs, on its part, had been requesting for a meeting with the Chairperson of NDMC since 18.11.2003, which could materialize only on 11.10.2004 after several reminders. At the meeting, it was decided that a Committee would be formed which would deliberate on quantum of rentals as well as interest payable by the MEA to NDMC. No further response has been received from NDMC in this regard so far.”

3.5 **The Committee find that the issue of settlement of rent has been delayed inordinately. It should not be very difficult for the Ministry to organise meetings with the officials of the NDMC and sort the matter out. Therefore, the explanation given by the Ministry is not convincing. The Committee desire that the issue of rent should be settled within three months and the Committee be informed about it.**

**(Recommendation No. 1)**

**Recommendation No 6 (Para No. 39)**

3.6 The Committee had observed that the BE for Major Head 2061(for Embassies and Missions) for the last financial year (2003-2004) was Rs. 195.02 crore. The RE were scaled down by almost 10 percent to Rs. 177.02 crore. The Actual Expenditure submitted to the Committee subsequently was, however, Rs. 198.18 crore. In all, the Ministry's calculations had gone awry by more than 20% under that particular Head. This clearly showed an imprudent handling of financial resources by the Ministry and the Committee desired that they would definitely like to be apprised of the reasons behind that flip-flop.

3.7 The Government have replied:

“It may be mentioned that the projections for the Rents, Rates and Taxes Head under Major Head 2061 at the Revised Estimates (2003-2004) stage was Rs. 199.17 crore which is marginally higher than the Actual Expenditure eventually booked under the Head during the financial year 2003-2004.

3.8 The Non-Plan allocation of the Ministry for the financial year 2003-2004 had been scaled down by the Ministry of Finance by Rs. 110.00 crore at the Revised Estimates stage. Non-Plan allocation of Ministry of External Affairs under various Heads of Accounts including the Rents, Rates and Taxes head under Major Head 2061 were consequently reduced.

3.9 However, later, the allocation under Rents, Rates and Taxes head required augmentation at the Final Estimates stage. This could be done as savings had become available under other Heads at the Final Estimates stage.”

3.10 The Committee note that the projections under Major Head 2061 at RE stage (2003-2004) was actually to the tune of Rs. 199.17 crore, whereas the Ministry had earlier at the time of examination of Demands for Grants for the year 2004-2005 stated this figure as Rs. 177.02 crore. This shows the figure furnished earlier by the Ministry under this Head was wrong. The Committee have taken a serious note of this. The figures/information furnished to the Committee, should be accurate and authentic. The Committee would also advise the Ministry to ensure proper and apt handling of their financial resources.

(Recommendation No. 2)

#### Recommendation No.9 (Para No.42)

3.11 The Committee had stated that in spite of the clarifications given by the Ministry, the Committee still had their apprehensions about the status of the land being acquired for Chancery-cum-residences at Ulan Bator. While in the first instance, it was pointed out by our Mission that the property was not encumbrance-free as there was a structure on the land rented out to another organization, the Mission had subsequently informed that it was a separate building having independent entry. The Committee had expressed that they would, therefore, like the Ministry to make it absolutely sure that the land being acquired was really free from encumbrances and that there will be no problems in future vis-à-vis the party which had raised a stake on the land.

3.12 The Government informed:

“The matter regarding an early evaluation of the property rented from the Mongolian government has been taken up by our Ambassador at the highest level. Once this issue is resolved, the Ministry proposes to purchase this property at the earliest while ensuring that the property is free from any encumbrances.”

3.13 The fact that the Ministry has already taken too much time in evaluating the property for Chancery-cum-residences at Ulan Bator makes the Committee apprehensive that the Ministry is likely to take even more time in purchasing the property. The Committee has been continuously expressing their anxiety over the extremely slow pace of implementation of various projects undertaken by the Ministry and feel that this project may not be an exception. The Committee reiterate that the Ministry should make all out efforts to accomplish this project and make it absolutely sure that the property is purchased without any further loss of time.

(Recommendation No. 3)

**Recommendation No. 13 (Para No. 66)**

3.14 During the examination of Demands for Grants of the Ministry (2003-2004), the Committee was assured that the Foreign Service Institute will be moving to its own complex some time in July 2004. The new complex will have the state of the art facilities. On line mid-career training programmes for the officers of the Indian Foreign Service were being designed and would be implemented as soon as possible. Now the Ministry maintain that the new premises of the Foreign Service Institute was still under construction and the process was expected to be completed in the calendar year 2005. The Committee taken a serious view of the reply forwarded by the Ministry. Linger on with projects, setting new target dates and deadlines have become a routine with the Ministry, as was evident in the case of Washington Cultural Centre, the Brasilia Project, Videsh Bhavan Project, Doha Project and so on and so forth. The Committee, once again, recommended the Ministry to take necessary steps for expediting the completion of the Foreign Service Institute Building Complex in the current year itself, because they felt that the Institute could work more effectively – if it will start functioning from this new complex which had got the state of the art facilities – with full backup of cyber technology.

3.15 The Government has replied as under,

“ CPWD has informed that the first phase civil construction work, comprising Foreign Service Institute and hostel buildings, would be completed by 31.12.2004. Structural work for these buildings is already complete and finishing work is in progress. Works relating to services and interiors will be undertaken as soon as the civil work is complete”.

3.16 The Committee note that the construction work of Foreign Service Institute complex could not be completed within the targeted date. Changing of target dates shows some laxity on the part of the Government in this case. The Committee recommend, therefore, the Ministry to take necessary steps for the completion of the Foreign Service Institute building within target dates set therefor.

(Recommendation No. 4)

**Recommendation No.15 (Para No. 78)**

3.17 The Committee in their Eleventh Report on Demands for Grants had observed that there was an apparent need for evaluation of the functioning of the Indian Missions/Posts abroad with a view to bringing improvement in their working. The Committee were informed that the Ministry had already set up a body i.e. the Foreign Service Inspectorate to this effect, which had already started functioning. Further, the Ministry were also in the process of drawing up a detailed schedule for carrying out inspection of our Missions/Posts abroad. The Committee had appreciated the action taken by the Ministry in this regard. They had further recommended that apart from undertaking inspections of our Missions from time to time, this Foreign Service Inspectorate should work as a standing body for constantly monitoring the working of Missions/Posts and reporting on any deficiencies found so that necessary corrective measure could be taken. The Committee also desired that they may be apprised of the details of the Inspection Reports as carried in all the Missions and the action taken thereon.

3.18 The Government: have replied as under:

“A Foreign Service Inspectorate, now called the Directorate General of Inspections (DGI), has been set up in the Ministry from February 2004. The above body is headed by Additional Secretary (AD) in the Ministry, who has also been designated as Director General of Inspections.

3.19 As per its mandate, DGI serves as an independent and objective evaluator of all activities, functions and operations of Indian Missions/Posts abroad. The inspection team assesses all aspects of Mission's functioning, including assessment of the overall work done by the Mission/Post vis-à-vis the foreign policy objectives, review of the human resource management in the Mission/Post, evaluation of economic and commercial activities undertaken, assessment of the effectiveness of press, information and cultural work, examination of the efficiency of delivery of consular services and



interaction/contact with NRIs/PIOs, review of internal administration and control, assessment of utilisation of communication and information technology tools, efforts made by Missions/Posts in propagating Hindi, steps taken by Missions/Posts to implement security measures and assessment of the general morale of the officers/staff obtaining response/feedback from Missions.

3.20 Till now, inspections have been carried out in five Missions i.e. Ulaan Batar, Islamabad, Nicosia, Kabul and CGI Jalalabad. These inspections were carried out keeping in mind the above parameters. Pursuant to the inspections, inspection reports were submitted and specific recommendations were made as appropriate. These recommendations included suggestions and guidelines on optimum human resource management, assessment of the constraints faced by the Missions and suggesting solutions for the same and instructions for further improving internal control.”

3.21 **The Committee desire that in the first instance, a round of inspection of those Missions and Posts which are strategically important in serving and strengthening our social, cultural and economical interests, be carried out and for the purpose a detailed schedule be drawn up by the Ministry. The Committee had desired that they may be apprised of the details of the Inspection Reports as carried in all the Missions and the action taken thereon. However, the Ministry has not supplied the required information to the Committee. The Committee, therefore, reiterate that they should be apprised of the contents of the Inspection Reports of these Missions including action taken thereon.**

(Recommendation No. 5)

## **C. PASSPORT AND EMIGRATION**

### **Recommendation No. 17 (Para No. 92)**

3.22 The Committee noted with satisfaction that out of 18 districts in West Bengal, District Passport Cells were functional in 14 districts since January 2004. Keeping in view the importance of the DPC scheme, the Committee had expressed that they would like the Ministry to cover the remaining four districts of the State at the earliest. The Committee were also of the view that the publicity efforts with regard to DPC scheme in the States not appeared satisfactory for which the success rate of this scheme was quite low. Therefore, the Committee urged the Ministry to further enhance their efforts in that direction and give wide publicity to that scheme through newspapers and other media.

3.23. The Government have replied as under:

“District Passport Cells have also been opened in the remaining four districts of West Bengal. On Ministry’s instructions, Passport Offices have been giving wide

publicity to the District Passport Cell scheme by holding press conferences and through press releases on regular basis. Ministry has finalised an advertisement about the scheme and given it to DAVP for publication in over 70 newspapers all over India. It is expected to be published shortly.”

3.24 The Committee observe that though the passport offices were giving wide publicity to the District Passport Cell scheme by holding press conferences and through press releases on regular basis and the Ministry has finalised an advertisement about the scheme and given it to DAVP for publication in over 70 newspapers all over India, yet, in the opinion of the Committee, the efforts made in this direction do not suffice. In a country like India where the reach of newspaper is only to 20 to 25% of the entire population, the dependency on newspapers alone is not enough. The Committee recommend that efforts to publicise the scheme to the common people need to be intensified a great deal through local newspapers, Regional language Radio/Television as also through pamphlets etc.in regional languages.

(Recommendation No. 6)

#### **Recommendation No 18 (Para No 93)**

3.25 The Committee were happy to note that the efforts of the Ministry had borne fruit and DPCs were proposed to be opened in the states of Bihar and Rajasthan shortly. The Committee had desired that the Ministry should ensure a regular follow up in respect of these two States.

3.26 The Government have informed:

“As a result of Ministry’s constant and persuasive efforts, Government of Bihar has opened DPCs in 12 districts (total 38 districts) and Government of Rajasthan has taken steps to open DPCs in 9 districts (total 32 districts).”

3.27 The Committee are happy to note that as a result of the Ministry’s efforts the Governments of Bihar and Rajasthan have since opened District Passport Cells in some districts. The Committee would however like the Ministry to continue with its constant and persuasive efforts, so that more District Passport Cells are opened in other districts also.

(Recommendation No. 7)

#### **Recommendation No. 19(Para No. 94)**

3.28 The Committee had found that the Ministry’s plan to ultimately shift all RPOs from rented premises to owned premises was not making much headway. Though a concrete action in that regard was apparent in case of Bhubaneswar, Bangalore, Jaipur and

Guwahati, the Passport Offices in Jalandhar and Mumbai had kept silent after informing the Ministry about the availability of land almost a year back. Recently, Trichy had also informed the Ministry about the availability of land. As regards the large number of Passport Offices which were still functioning from rented premises, the Ministry, on their part had, however, merely kept on reminding such passport offices from time-to-time - without any concrete response from other side. The committee viewed that as insensitivity and irresponsibility on the part of the subordinate offices in carrying out directions from the nodal Ministry. The Committee, therefore, recommended that the Ministry should convey in no uncertain terms to the non responding Passport Offices about the urgent need to complete those projects expeditiously and in case of further delay in the matter they should be held directly responsible for the same. The Committee had expressed their desire to be apprised of the action taken by the Ministry in that direction.

3.29 To this, the government have replied:

**Trichy:-** Proposal is with Directorate of Defence Estates. They are yet to inform the Ministry of their decision. We have already reminded them for their early decision.

**Mumbai:-** AS(ER) & JS(CPV) visited Mumbai and held meetings with the concerned official of MMRDA. They have already sent their offer. Space area requirements of RPO, Mumbai is being finalized at present.

**Jalandhar:-**JS (CPV) to visit Jalandhar shortly to look at the land for the possible site of the RPO.”

3.30 The Committee feel that merely reminding the Passport Offices from time to time without any specific time frame and response from them to this effect is an exercise in futility. What the Ministry really needs to do is to try hard and motivate the non-responding Passport Offices about the urgent need to complete these projects expeditiously and most importantly hold them responsible in case of non-compliance, as delay in implementation of these projects is causing huge monetary loss to the exchequer. Ministry of External Affairs should also coordinate with concerned State Governments, CPWD for allocation of land/finalising Building plans, etc.

(Recommendation No. 8)

## **D. INDIAN COUNCIL FOR CULTURAL RELATIONS**

### **Recommendation No. 24 (Para No. 110)**

3.31 The Committee had expressed their deep anguish at the reply given by the Ministry with regard to the establishment of Cultural Centre in Washington. The Committee in almost all their meetings and Reports presented to Parliament had been emphasising that the Ministry must go ahead to buy a property, in order to set up a Cultural Centre in Washington. However, it was utterly deplorable on the part of the Ministry that they had once again lost the opportunity to acquire a suitable property in Washington. Time and again, properties had come in hand, and by the time the Ministry of External Affairs and Ministry of Finance got their act together, the property got sold. As a result of all that, the Committee found to their utter amazement and shock that Government were back to square one and looking for a suitable property. The Committee strongly recommended that the Cultural Centre at Washington should be established at the earliest at any cost. Similarly, all the necessary arrangements with regard to establishment of a Cultural Centre in Fiji, should be made by the Ministry so as to ensure that a full fledged Cultural Centre was operational there in time.

3.32 The Government have again replied:

“Washington - The Joint Team of Ministry of External Affairs and Ministry of Finance had visited Washington in 2003 and had advised the Mission to make a tentative offer through a non-binding Letter of Intent of US\$ 6.55 million for the identified property and examine it from other relevant aspects. The deal, however, could not go through, as MEA’s proposal to make a deposit in Escrow Account in connection with the purchase of the proposed property did not meet with the approval of the Ministry of Finance. The MoF ruled that the purchase proposal be processed without resorting to Escrow Account payment. In the meantime, Embassy was informed by the property agents handling this transaction that the seller was not willing to wait any longer as the local authorities were taking too much time in giving permission from zoning angle for the intended use of the property as a Cultural Centre.

3.33 The Mission was subsequently asked to examine the possibility of developing and utilizing the vacant land behind the Chancery Annexe from the point of view of zoning, engineering design and likely investment for either supplementing or housing the proposed Cultural Centre independently. A feasibility study conducted for this purpose

has revealed that the required additional space needed for the Indian Cultural Centre cannot be realized at the existing premises as only marginal addition of space would be possible through fresh construction due to applicable local regulations

3.34 Recommendation of the Standing Committee with regard to the Establishment of a Cultural Centre at Washington has been noted for compliance. The Mission has been making concerted efforts for locating a suitable building for the India Centre. As soon as a suitable property is located, the Ministry will make all efforts to purchase the same expeditiously.

3.35 Fiji – Teachers have already been selected to man the Cultural Centres in Suva/Lautoko. The Mission has been asked to expedite the hiring of suitable residential accommodation for these teachers.

3.36 The Committee in their earlier Reports had continuously expressed their displeasure and anguish over the lapses committed by the Ministry in establishment of Cultural Centre in Washington and recommended that it should be established at the earliest. The Committee once again strongly reiterate that action should be initiated on the project on top priority so that a Cultural Centre is opened in Washington positively by the end of 2005.

3.37 As regard establishing a Cultural Centre in Fiji is concerned, the Ministry in their replies have been repeatedly saying that 'teachers have already been selected to work in the Cultural Centre in Suva/Lautoko' i.e., the same thing since the last one-and-a-half years and yet nothing concrete in this regard could materialise so far. The Committee, therefore, want the Ministry to redouble their efforts for hiring of a suitable residential accommodation for the teachers, who are to work in the Cultural Centre in Fiji.

(Recommendation No. 9)

#### **Recommendation No. 25(Para No. 111)**

3.38 The Committee noted that Advisory Committees were being set up for each of the Regional Offices of the Council. The Council was in the process of identifying distinguished personalities in the field of art and culture as members of Advisory Committees. Each Committee would consist of 3 to 5 members out of which one or two members would be from among the members of statutory bodies/ eminent personalities in the field of art and culture from the concerned region. These Advisory Committees would submit reports for placing before the statutory bodies for their consideration and further recommendations. The Committee also noted that Regional Offices were

proposed to be opened in Bhubaneswar, Bhopal, Srinagar and North East (Shillong and Imphal). The Committee observed that similar reply was being furnished by the Ministry with regard to the establishment of Regional Cultural Centres in the country time and again, while no progress had been achieved in this direction. The Committee had recommended that Constitution of Advisory Committee should be done at the earliest and all the necessary formalities in this regard should be completed. As far as the opening of the Regional Centres in Bhubaneswar, Bhopal, Srinagar and North-East were concerned, these should be opened without losing any further precious time to remove the regional imbalances.

3.39 The Government have informed:

“Inputs have been received from the Regional Offices for constitution of the Advisory Committees. These have been processed and required approvals are being obtained. These Advisory Committees are expected to start functioning in early next year. Regarding opening of new Regional Offices, proposal for creation of posts in these Regional Offices is being processed.”

**3.40 The Committee would like to know the reasons for delay in constituting Advisory Committees for regional offices and desire that Advisory Committees for all the Regional Offices should be constituted forthwith. Similarly, the creation of posts for the proposed new Regional Offices should also be processed without any further delay.**

**(Recommendation No. 10)**

## **E. PROPAGATION OF HINDI**

### **Recommendation No. 30 (Para No. 135)**

3.41 The Committee were shocked to note that out of more than 160 Missions/Posts only six Missions and Posts abroad had appointed six Hindi Officers and only one translator. It was a pity that where more than 50 crore people speak Hindi at least two-three hundred people were not available to save the national pride. If, it was due to non-provision of funds then in the opinion of the Committee, it was truly unsatisfactory. The Committee recommended that at least one Hindi officer should be appointed in each Mission/Post for the propagation of Hindi. Each and every Mission and Post should be well equipped with equipment like Hindi software, dictionaries, magazines, etc. to serve the purpose of propagating Hindi. The Committee were of the considered view that no nation can develop without development of its national language. As rightly said by the great scholar Babu Bhartendu Harish Chandra “Nij Bhasha unnati ahai, sub unnati ko mool” (it means development of our own Language is the root of all development), the

Committee had expressed hope that world wide propagation of Hindi should be done as effectively as possible through our Missions/Posts as also through the ICCR.

3.42 To this, the Government have replied:

“The Committee has recommended that at least one Hindi officer should be appointed in each Mission/Post for the propagation of Hindi. Hindi software, dictionaries and other teaching aids are being provided by the Ministry to most of the Missions. Ministry is also providing financial support to HCI, London for bringing out Mission’s Hindi magazine “Bharat Bhawan”. Hindi magazines are also brought out from our Missions in, Yerevan and Kathmandu. We are also making adequate number of copies of 15 noted literary Hindi magazines available to the Missions for dissemination to local Hindi lovers.

3.43 It may be mentioned that the Indian Missions/Posts abroad do undertake work relating to propagation and promotion of Hindi, apart from the Hindi promotion activities undertaken by the Indian Council for Cultural Relations (ICCR). ICCR has established 10 Hindi chairs worldwide, which have been catering to the need of Hindi teaching and propagation among the foreign students in the respective countries. A few Missions where there are large number of PIOs, Ministry posts Hindi officers specifically to undertake Hindi propagation and promotion activities. “

3.44 The Committee are dissatisfied to note that the Ministry posts Hindi Officers only where there are large number of PIOs and only 10 Hindi chairs have been established world wide so far. The Committee find that the number of chairs are not sufficient to cater to the need of teaching Hindi and its propagation. They, therefore, desire that for wider propagation of Hindi world-wide through our Missions/Posts and also through the ICCR, at least one Hindi Officer should be posted in all the Missions and the number of Hindi chairs worldwide should also be raised.

(Recommendation No. 11)

## G. FINANCIAL ALLOCATIONS TO BHUTAN

### Recommendation No.36 (Para No.162)

3.45 The Committee had also noted that as part of Government of India assistance to Ninth Plan of Bhutan, Tata Energy Research Institute was preparing an Energy Master Plan for Bhutan. The Master Plan would form the basis of cooperation in this sector. Under Government of India assistance for Bhutan’s Ninth Plan, Feasibility Studies of three projects with total expected potential of 2000 MW would also be undertaken. These projects were Punatsangchu II (Punakha District), Daglia (Zemgang District) and

Kholongchu (Tashiyangse). The Committee recommended that keeping in view our own national interests, feasibility studies of projects with total expected potential of 2000 MW should be undertaken on urgent basis. The Committee trust that effort and money put into these projects would not go waste and ultimately benefit both the countries, in the coming years.

3.46 The Government have informed:

“Hydroelectricity is an important pillar of economic cooperation between India and Bhutan. The success of Chukha and Kurichu Projects which export most of the electricity to India and upcoming Tala Project, which is also expected to export all surplus electricity to India testify to the close and fruitful mutually beneficial cooperation in this sector. India is committed to further strengthen this cooperation by undertaking additional projects. Preparation of Detailed Project Report of Punatsangchu-I Project and feasibility studies for the three stated projects reflects our continuing interest in this sector. The Energy Master Plan of Bhutan would help us identify and prioritize projects in this sector.  
“

**3.47 The Committee note that the upcoming Tala project (Bhutan) which is expected to export all the surplus electricity to India, testifies to the close and fruitful mutually beneficial cooperation in this sector. Preparation of Detailed Project Report of Punatsangchu–I and feasibility studies for the three stated projects also reflects India’s continuing interests in this sector. They desire these projects to be pursued vigorously and completed without the time and cost overruns.**

**(Recommendation No. 12)**

**Recommendation No.37 (Para No. 163)**

3.48 The Committee noted with surprise that the Dungsum Cement Plant was in a state of suspension. Although request had been received from the Royal Government of Bhutan for its reactivation, the Ministry had submitted that the decision could be taken only after a review of the security situation of the area and detailed discussions between the two sides on other aspects of the Project. The area had also faced unprecedented floods this year causing damages to the roads, which was expected to delay the reactivation of the Project. The exact time schedule of the Project can be worked out only after detailed consultations between Government of India and the Royal Government of Bhutan on reactivation of the Project and reappointment of the Consultant. The Committee had said in this regard that security problems and floods were not permanent problems and due to these problems the project should not be



allowed to remain in a state of suspension. And especially when a request for reactivation for the project had been received from the Royal Government of Bhutan, the situation should be studied for reactivation of the project at the earliest.

3.49 The Government have replied as under:

“Following the successful eviction of Indian insurgents groups from Southern Bhutan, the security situation in the area of location of the Dungsum Cement Plant has improved. A decision has therefore been taken, in principle to reactivate the Dungsam Cement Plant. At present, we are engaged in discussions with Royal Government of Bhutan on modalities for reactivation of the Project.”

3.50 The Committee desire that they may be apprised of the outcome of discussions being held with the Royal Government of Bhutan on modalities for reactivation of the project and hope that the Dungsum Cement Plant would be reactivated at the earliest.

(Recommendation No. 13)

#### H. INDIAN TECHNICAL AND ECONOMIC COOPERATION (ITEC) AND SPECIAL COMMONWEALTH ASSISTANCE FOR AFRICA PLAN (SCAAP) PROGRAMMES

##### Recommendation No. 42 (Para No.180.)

3.51 The Committee had pointed that there was gross under-utilisation of the slots and expenditure made under the Head “ITEC-SCAAP programme”. As stated by the Ministry earlier the total number of civilians trained in the financial year 2002-03 and 2003-04 was 2001 and 2130 respectively. In this respect the Ministry informed later that the slots actually utilized under ITEC during 2003-04 was 1652 against the allotted slots of 2559. The Committee were not satisfied with the confusing replies furnished by the Ministry at various stages and expressed hope that this kind of replies would be avoided in future. As the Ministry had said, under the Head ‘civilian training’, the procedure entailed in the first instance was allotment of slots as per requirements of our Missions abroad, the Committee had recommended that before forwarding demands for allotment of slots, Missions should objectively examine the requirements of the concerned partner countries.

3.52 The Government have stated that:

“Undoubtedly there is no full utilization of slots and expenditure under “ITEC-SCAAP programmes”. As regards actual utilization of slots under ITEC in the financial

years 2002-03 and 2003-04, number of civilians trained were 2001 and 2130 against allotted slots numbering 2203 and 2891 respectively. As regards actual utilization of slots in the year 2003-04, no contradictory figures have been furnished by the Ministry. Total number of slots actually utilized were 2130 out of which 1652 were under ITEC programme and 478 under SCAAP programme. At one stage the combined figure of slots under ITEC and SCAAP programmes have been indicated and at some other stage, the total number of slots actually utilized under ITEC only were furnished causing the confusion which is regretted.

3.53 As regards suggestion of the Committee to objectively examine the requirements of the concerned countries before forwarding the demand, it is submitted that the Missions take into consideration the demands of the country/countries of accreditation and concurrent accreditation and after satisfying themselves of the requirements, the demand is forwarded to the Ministry. Sincere efforts to forward sufficient number of applications are made so that slots actually allotted to the country concerned are fulfilled. However, it is our experience that due to unforeseen reasons such as administrative requirements, personal requirements (as ill health, death in the family and other urgent reasons), some of the nominated candidates do not utilize the offer resulting in under-utilization of the slots. Moreover, other countries e.g. Japan, U.K., U.S.A. and Australia, etc., also offer scholarships. Some of the candidates who have option to choose between the offers from India and other countries do not avail of the offer from India. This results in cancellation in the eleventh hour and under utilization.”

3.54 **The Ministry by its own admission, has conceded that there is no full utilization of slots and expenditure under “ITEC-SCAAP Programmes”. The Committee, too, while noting this fact with concern would, therefore, recommend full utilization of slots as also the funds allotted under the ITEC-SCAAP programmes.**

**(Recommendation No. 14)**

## **I. CAPITAL SECTION**

### **Recommendation No. 48 (Paragraph No. 208)**

3.55 The Committee were shocked to see the functioning of the Government in the matter of establishment of a second diplomatic Enclave which had been sandwiched between the Ministries of External Affairs and Finance and could not be materialised in the last 34 years due to stringent and cumbersome bureaucratic procedures. The Committee had strongly recommended that the other projects which were lagging behind

schedule due to bureaucratic problems should be identified and executed at the earliest.

3.56 The Government have, however, replied:

“The Ministry of External Affairs has laid importance to the establishment of a Second Diplomatic Enclave so as to allot suitable land to those Diplomatic Missions which desire to build their Chanceries/Embassy Residences here. The matter is being pursued actively by the Ministry. The Ministry had conveyed its agreement for land south of Vasant Vihar (Vasant Kunj, Phase-II) in February, 1991 for the project but the same could not materialise.

3.57 Again, in March, 1992, the Ministry of Urban Development and Poverty Alleviation proposed to accommodate the second diplomatic enclave in a new area being developed at Papan Kalan (Dwaraka). The proposal was not found suitable for a number of reasons e.g. proximity to the airport, distance from the existing diplomatic enclave and security considerations. In September, 2000, the Ministry of Urban Development offered some land in Rangpuri but it was also not found acceptable to us after a visit to the site. The approach road to it from the Mahipalpur side was far too congested and the site itself was not free from encumbrances. With further requests from diplomatic Missions, the requirement of land swelled to 75 acres.

3.58 The plot of land for the Second Diplomatic Enclave has to be selected carefully keeping in view its access, availability of utility services and security as also acceptability for foreign missions who will eventually have to pay the assessed value of the land for acquisition. This matter has been raised by this Ministry at the level of Committee of Secretaries and a request for allotment of suitable land for this purpose had been made at the level of Minister for External Affairs to the Minister for Urban Development.

3.59 Redevelopment plan of the area surrounded by Netaji Nagar, R.K. Puram, Moti Bagh, Shanti Path and Safdarjung Railway Station is under consideration and present indications are that provision for Second Diplomatic Enclave in this area would be considered.

3.60 In its latest communication (No. L-II-9(76)/04/105 dated 27.4.04), the Ministry of Urban Development and Poverty Alleviation have informed this Ministry that the proposal for “establishment of a Second Diplomatic Enclave at the area surrounded by Netaji Nagar, Moti Bagh, R.K. Puram, Shanti Path and Safdarjung Railway Station has been under active consideration of this office in consultation with CPWD” and that this proposal would require “change of land use from Residential and partly Govt. Offices to

Partly Diplomatic Enclave and Partly Residential which is under process and further development in this regard shall be intimated in due course of time.” Foreign Secretary has written to Secretary, Ministry of Urban Development and Poverty Alleviation in August 2004 and requested that the 34 years old pending matter may be finalised early.

3.61 In this connection it may be mentioned that the decision on the allotment of land for the Second Diplomatic Enclave rests entirely with the Ministry of Urban Development and Poverty Alleviation, as it is the sole decision making authority in this regard. The Ministry of External Affairs, despite its best intentions of meeting the requirements of the diplomatic missions in New Delhi can only recommend allotment of land to the missions, after the land has been granted for the purpose by the land owning agency. “

3.62 The Committee find the Ministry’s argument that despite its best intentions of meeting the requirements of the diplomatic missions in New Delhi they can only recommend allotment of land to the missions, after the land has been granted for the purpose by the land owning agency, as totally unconvincing and casual. The very fact that this project has been pending for over three decades only goes to prove that the Ministry has not been making concerted efforts in this direction. The Committee strongly feel that the matter needs to be pursued by the Ministry more seriously and vigorously with the land owning agency at the highest level.

(Recommendation No. 15)

NEW DELHI;

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March, 2005/Chaitra, 1927 (Saka)

Dr. Laxminarayan Pandey,  
Chairman,  
Standing Committee on External Affairs

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON EXTERNAL  
AFFAIRS HELD ON 31<sup>st</sup> March, 2005

The Committee sat from 1500 hrs. to 1730 hrs.

**PRESENT**

Dr. Laxminarayan Pandey – Chairman

**MEMBERS**

**Lok Sabha**

2. Shri Yogi Aditya Nath
3. Shri Narayan Chandra Borkataky
4. Shri Vinod Khanna
5. Shri S.K. Kharventhan
6. Shri Nikhil Kumar
7. Shri Dinsha Patel
8. Shri Somabhai Patel
9. Shri Sebastian Paul
10. Dr. (Col.) Dhani Ram Shandil
11. Shri Madhu Goud Yashki
12. Shri Suresh Prabhu

**Rajya Sabha**

13. Smt. Prema Cariappa
14. Dr. Karan Singh
15. Shri Jana Krishnamurthy K
16. Smt. S.G. Indira
17. Smt. Jaya Bachchan
18. Shri S.M. Laljan Basha

**Secretariat**

1. Shri U.S. Saxena - Director
2. Shri Shiv Kumar - Under Secretary

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

3. XXX XXX XXX XXX

4. After that, the Committee also took up for consideration the draft 5<sup>th</sup> Report on Action Taken on the recommendations contained in the 1<sup>st</sup> Report (14<sup>th</sup> Lok Sabha) of the Committee on Demands for Grants of the Ministry of External Affairs for the year 2004-2005. The Chairman invited the Members to offer their suggestions, if any, for incorporation in the draft Report. The Members suggested minor modifications.

5. The Committee desired that modifications suggested by the Members be suitably incorporated in the body of the Report.

6. The Committee then adopted the Report and authorized the Chairman to finalise the Action Taken Report and present the same to Parliament.

*The Committee then adjourned.*

## APPENDIX II

*(Vide Introduction of Report)*

### ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE FIRST REPORT OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS (14<sup>TH</sup> LOK SABHA)

I.	Total Number of Recommendations	50
II.	Recommendations/Conclusions which have been accepted by Government	
	Recommendations Sl. Nos. 1, 2, 3, 4, 7, 8, 9, 10, 11, 14, 16, 21, 22, 26, 27, 28, 29, 31, 32, 33, 34, 35, 38, 39, 41, 43, 44, 45, 46, 47, 49 & 50	
	Total	31
	Percentage	62.00%
III	Recommendations/Conclusions which the Committee do not desire to pursue in view of the Government replies	
	Recommendations Sl. Nos. 12, 20, 23 & 40	
	Total	4
	Percentage	08.00%
IV	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee	
	Recommendations Sl. Nos. 5, 6, 9, 13, 15, 17, 18, 19, 24, 25, 30, 36, 37, 42 & 48	
	Total	15
	Percentage	30.00%
V	Observations/Recommendations in respect of which final replies of the Government are still awaited	
	Recommendations Sl. Nos. Nil	
	Total	Nil
	Percentage	Nil

## APPENDIX III

### STATEMENT OF OBSERVATIONS AND RECOMMENDATIONS

Sl. No.	Para No.	Ministry	Observations/Recommendations
1.	3.5	External Affairs	The Committee find that the issue of settlement of rent has been delayed inordinately. It should not be very difficult for the Ministry to organise meetings with the officials of the NDMC and sort the matter out. Therefore, the explanation given by the Ministry is not convincing. The Committee desire that the issue of rent should be settled within three months and the Committee be informed about it.
2.	3.10	External Affairs	The Committee note that the projections under Major Head 2061 at RE stage (2003-2004) was actually to the tune of Rs. 199.17 crore, whereas the Ministry had earlier at the time of examination of Demands for Grants for the year 2004-2005 stated this figure as Rs. 177.02 crore. This shows the figure furnished earlier by the Ministry under this Head was wrong. The Committee have taken a serious note of this. The figures/information furnished to the Committee, should be accurate and authentic. The Committee would also advise the Ministry to ensure proper and apt handling of their financial resources.
3.	3.13	External Affairs	The fact that the Ministry has already taken too much time in evaluating the property for Chancery-cum-residences at Ulan Bator makes the Committee apprehensive that the Ministry is likely to take even more time in purchasing the property. The Committee has been continuously expressing their anxiety over the extremely slow pace of implementation of various projects undertaken by the Ministry and feel that this project may not be an exception. The Committee reiterate that the Ministry should make all out efforts to accomplish this project and make it absolutely sure that the property is purchased without any further loss of time.
4.	3.16	External Affairs	The Committee note that the construction work of Foreign Service Institute complex could not be completed within the targeted date. Changing of target dates shows some laxity on the part of the Government in this case. The Committee recommend, therefore, the Ministry to take necessary steps for the completion of the Foreign Service Institute building within target dates set therefor.



5.	3.21	External Affairs	<p>The Committee desire that in the first instance, a round of inspection of those Missions and Posts which are strategically important in serving and strengthening our social, cultural and economical interests, be carried out and for the purpose a detailed schedule be drawn up by the Ministry. The Committee had desired that they may be apprised of the details of the Inspection Reports as carried in all the Missions and the action taken thereon. However, the Ministry has not supplied the required information to the Committee. The Committee, therefore, reiterate that they should be apprised of the contents of the Inspection Reports of these Missions including action taken thereon.</p>
6.	3.24	External Affairs	<p>The Committee observe that though the passport offices were giving wide publicity to the District Passport Cell scheme by holding press conferences and through press releases on regular basis and the Ministry has finalised an advertisement about the scheme and given it to DAVP for publication in over 70 newspapers all over India, yet, in the opinion of the Committee, the efforts made in this direction do not suffice. In a country like India where the reach of newspaper is only to 20 to 25% of the entire population, the dependency on newspapers alone is not enough. The Committee recommend that efforts to publicise the scheme to the common people need to be intensified a great deal through local newspapers, Regional language Radio/Television as also through pamphlets etc.in regional languages.</p>
7.	3.27	External Affairs	<p>The Committee are happy to note that as a result of the Ministry's efforts the Governments of Bihar and Rajasthan have since opened District Passport Cells in some districts. The Committee would however like the Ministry to continue with its constant and persuasive efforts, so that more District Passport Cells are opened in other districts also.</p>
8.	3.30	External Affairs	<p>The Committee feel that merely reminding the Passport Offices from time to time without any specific time frame and response from them to this effect is an exercise in futility. What the Ministry really needs to do is to try hard and motivate the non-responding Passport Offices about the urgent need to complete these projects expeditiously and most importantly hold them responsible in case of non-</p>

			compliance, as delay in implementation of these projects is causing huge monetary loss to the exchequer. Ministry of External Affairs should also coordinate with concerned State Governments, CPWD for allocation of land/finalising Building plans, etc.
9.	3.36 and 3.37	External Affairs	<p>The Committee in their earlier Reports had continuously expressed their displeasure and anguish over the lapses committed by the Ministry in establishment of Cultural Centre in Washington and recommended that it should be established at the earliest. The Committee once again strongly reiterate that action should be initiated on the project on top priority so that a Cultural Centre is opened in Washington positively by the end of 2005.</p> <p>As regard establishing a Cultural Centre in Fiji is concerned, the Ministry in their replies have been repeatedly saying that 'teachers have already been selected to work in the Cultural Centre in Suva/Lautoko' i.e., the same thing since the last one-and-a-half years and yet nothing concrete in this regard could materialise so far. The Committee, therefore, want the Ministry to redouble their efforts for hiring of a suitable residential accommodation for the teachers, who are to work in the Cultural Centre in Fiji.</p>
10.	3.40	External Affairs	The Committee would like to know the reasons for delay in constituting Advisory Committees for regional offices and desire that Advisory Committees for all the Regional Offices should be constituted forthwith. Similarly, the creation of posts for the proposed new Regional Offices should also be processed without any further delay.
11.	3.44	External Affairs	The Committee are dissatisfied to note that the Ministry posts Hindi Officers only where there are large number of PIOs and only 10 Hindi chairs have been established world wide so far. The Committee find that the number of chairs are not sufficient to cater to the need of teaching Hindi and its propagation. They, therefore, desire that for wider propagation of Hindi world-wide through our Missions/Posts and also through the ICCR, at least one Hindi Officer should be posted in all the Missions and the number of Hindi chairs worldwide should also be raised.
12.	3.47	External Affairs	The Committee note that the upcoming Tala project (Bhutan) which is expected to export

			all the surplus electricity to India, testifies to the close and fruitful mutually beneficial cooperation in this sector. Preparation of Detailed Project Report of Punatsangchu-I and feasibility studies for the three stated projects also reflects India's continuing interests in this sector. They desire these projects to be pursued vigorously and completed without the time and cost overruns.
13.	3.50	External Affairs	The Committee desire that they may be apprised of the outcome of discussions being held with the Royal Government of Bhutan on modalities for reactivation of the project and hope that the Dungsum Cement Plant would be reactivated at the earliest.
14.	3.54	External Affairs	The Ministry by its own admission, has conceded that there is no full utilization of slots and expenditure under "ITEC-SCAAP Programmes". The Committee, too, while noting this fact with concern would, therefore, recommend full utilization of slots as also the funds allotted under the ITEC-SCAAP programmes.
15.	3.62	External Affairs	The Committee find the Ministry's argument that despite its best intentions of meeting the requirements of the diplomatic missions in New Delhi they can only recommend allotment of land to the missions, after the land has been granted for the purpose by the land owning agency, as totally unconvincing and casual. The very fact that this project has been pending for over three decades only goes to prove that the Ministry has not been making concerted efforts in this direction. The Committee strongly feel that the matter needs to be pursued by the Ministry more seriously and vigorously with the land owning agency at the highest level.