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

FOURTEENTH LOK SABHA

MINISTRY OF EXTERNAL AFFAIRS

**DEMANDS FOR GRANTS
2005-2006**

SEVENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 2005/Vaisakha, 1927 (Saka)

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(2004-2005)

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DEMANDS FOR GRANTS
(2005-2006)

Presented to Lok Sabha on 26.04.2005
Laid in Rajya Sabha on 26.04.2005



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STANDING COMMITTEE ON EXTERNAL AFFAIRS

(2004-2005)

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Dr. Laxminarayan Pandey

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SECRETARIAT

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

* Shri Atal Bihari Vajpayee ceased to be 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 present the Report on their behalf, present this Seventh Report (14th Lok Sabha) on Demands for Grants of the Ministry of External Affairs for the year 2005-2006.

2. The Standing Committee on External Affairs was constituted on 5th August, 2004. One of the functions of the Standing Committee as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha is to consider the Demands for Grants of the concerned Ministries/Departments and make a report on the same to both the Houses. The Report shall not suggest anything of the nature of cut motions.

3. The Committee (2004-2005) took evidence of the representatives of the Ministry of External Affairs on 8th April, 2005. The Committee wish to express their thanks to the officers of the Ministry of External Affairs for placing before the Committee the material and information which they desired in connection with the examination of the Demands for Grants of the Ministry for 2005-2006 and for tendering evidence before the Committee.

4. The Committee (2004-2005) considered and adopted the report at their sitting held on 25th April, 2005.

5. The Committee place on record their appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

NEW DELHI

DR. LAXMINARAYAN

PANDEY,

25 April, 2005

Chairman,

Vaisakha 5, 1927(Saka)

Standing Committee on External

Affairs

REPORT

A. INTRODUCTORY

The Demands for Grants of the Ministry of External Affairs for the year 2005-2006 were laid on the Table of the Lok Sabha on 23rd March, 2005. The Budget of the Ministry of External Affairs is primarily non-Plan. From the financial year 1996-97 onwards, a 'Plan' Budget Head was created with the approval of the Union Cabinet for meeting the large expenditure outlay on the projects relating to infrastructure development such as the 1020 MW Tala Hydro-electric Project (Rs. 3580 crore which is likely to be revised to Rs. 4300 crore), 60 MW Kurichu Hydro-electric Project (Rs. 560 crore) and the Dungsum Cement Project (Rs. 400 crore), being executed with Government of India's assistance in Bhutan. In addition, preliminary work for the 900 MW Punatsangchu Hydro-Electric Project is currently in progress and project will be taken up for implementation in 9th Five Year Plan of the Royal Government of Bhutan (2002-2007). These projects are being funded from the "Plan" Budget. The allocation under the Plan Head was Rs. 455.00 crore in BE 2004-2005 which remained unchanged at RE stage. Under the Head "Aid to Bhutan" in BE 2005-2006, an allocation for Plan and Non-Plan expenditure of Rs. 815.11 crore has been proposed, while Rs. 286.00 crore for Plan expenditure under the Head "Loan to Government of Bhutan" has been proposed.

2. The Committee took evidence of the representatives of the Ministry of External Affairs on 8th April, 2005 on the issues arising out of Demands for Grants of the Ministry of External Affairs under Demand No.31 for the year 2005-2006.

B. OVERALL BUDGETARY PROPOSALS

3. Demand No. 31 pertaining to the Ministry of External Affairs contains the figures of Revenue as well as Capital Expenditure under the Charged and Voted Sections for the year 2005-2006 as follows:-

<i>(Rs. in crore)</i>			
Section	Revenue	Capital	Total
Charged	0.03	-	0.03
Voted	3574.55	353.42	3927.97
Total	3574.58	353.42	3928.00

4. The total allocation in BE 2004-2005 for Ministry of External Affairs under the Revenue and Capital Sections was Rs. 3640.69 crore which was increased to Rs. 3885.00 crore at RE 2004-2005. The proposed allocation in BE 2005-2006 is Rs. 3928.00 crore, which comes to a percentage increase of 7.89% over BE 2004-2005 and an increase of only 1.11% over RE 2004-2005.

5. The BEs of different Major Heads and Minor Heads for the year 2004-2005 and 2005-2006 are as follows:-

Budgetary Estimates (BE) of Major Heads and Minor Heads under Demand No. 31 for the year 2004-2005 and 2005-2006:

<i>(Rs. in crore)</i>				
Section	Major Head	Minor Head	BE 2004-2005	BE 2005-2006
Revenue	2052-Secretariat -General Services		130.18	120.72
	2061-External Affairs		1975.48	2021.06
	2075-Miscellaneous General Service	00.791-Loss by Exchange	00.01	00.01
	3605-Technical and Economic Cooperation with other countries	00.101-Cooperation with other countries	1158.39	1432.79
		Total-Revenue Section	3264.06	3574.58

Capital	4059-Capital Outlay on Public Works	60.051-Construction	70.00	51.41
	4216-Capital Outlay on Housing	01.700-Other Housing	25.00	15.00
	7605-Advances to Foreign Govt.		281.63	287.01
		Total-Capital Section	376.63	353.42
		Total – Grant No.31	3640.69	3928.00

6. The overall budgetary position for the year 2004-2005 and the proposed allocations for the year 2005-2006 under the Revenue and Capital Sections under both the Plan and Non-Plan Heads are:

(Rs. in crore)

	BE 2004-2005		RE 2004-2005		BE 2005-2006	
	Non Plan	Plan	Non Plan	Plan	Non Plan	Plan
Revenue Section	2809.06	455.00	3062.36	455.00	3995.58	479.00
Capital Section	96.63	280.00	87.64	280.00	67.42	286.00
Total	2905.69	735.00	3150.00	735.00	3163.00	765.00
Grand Total	3640.69		3885.00		3928.00	

Variation between BE 2004-2005 and RE 2004-2005 = **244.31 crore = 6.71%**

Variation between RE 2004-2005 and BE 2005-2006 = **43.00 crore = 1.11%**

Variation between BE 2004-2005 and BE 2005-2006 = **287.31 crore = 7.89%**

7. Allocation of funds at RE stage to the Ministry, Actual Expenditure and the unspent balances from the year 1998-99 onwards are:

(Rs. in crore)

Year	Total Grant (RE)	Actual Expenditure	Unspent/Overspent Balance
1998-1999	2236.17	2073.76	-162.41
1999-2000	2249.44	2133.16	-116.28
2000-2001	2720.72	2488.85	-231.87
2001-2002	2830.00	2624.55	-205.45
2002-2003	3200.00	3253.79	+53.79
2003-2004	3410.00	3344.53	-65.47
2004-2005	3885.00	3758.85(Projected)	-126.15 (Projected)
2005-2006	3928.00 (BE)	-	-

8. The comparative figures indicating BE, RE and Actual Expenditure from the year 2001-2002 onwards and the BE for the year 2005-2006 are:

(Rs. in crore)

Major Head	BE 2001-2002	RE 2001-2002	Actual 2001-2002	BE 2002-2003	RE 2002-2003	Actual 2003-2004	BE 2003-2004	RE 2003-2004	Actual 2003-2004	BE 2004-2005	RE 2004-2005	BE 2005-2006
2052-Sectt.Gen. Services	120.31	121.46	118.68	123.70	123.67	116.83	129.40	127.63	109.73	130.18	118.30	120.72
2061-External Affairs	1706.34	1683.18	1604.16	1809.70	1806.42	1845.70	1892.51	1845.39	1805.06	1975.48	2072.66	2021.06
2070-Other Administrative Services	0.00	0.00	0.00	0.00	21.93	19.76	35.00	24.00	22.15	0.00	0.00	0.00
2075-Miscellaneous General Services	0.01	0.01	0.00	0.01	0.01	0.00	0.01	0.01	0.00	0.01	0.01	0.01
3605-Technical & Economic Cooperation with other Countries	709.07	729.72	631.84	886.73	928.75	939.96	982.07	1028.96	1023.85	1158.39	1326.39	1432.79
4059-Capital Outlay on Public Works	67.20	50.78	25.43	67.20	22.66	11.77	68.00	50.00	22.34	70.00	48.76	51.41
4216-Capital Outlay on Housing	27.00	27.42	8.39	36.59	42.15	33.53	35.00	10.00	14.25	25.00	20.00	15.00
7605-Advances to Foreign Govts	253.46	217.43	236.05	314.41	254.41	286.24	268.01	324.01	347.15	281.63	298.88	287.01
Total	2883.39	2830.00	2624.55	3238.34	3200.00	3253.79	3410.00	3410.00	3344.53	3640.69	3885.00	3928.00

9. According to the detailed Demands for Grants of the Ministry, it is observed that Rs. 3410.00 crore were allocated at BE stage in 2003-2004, which remained unchanged at RE stage. However, the Actual Expenditure (i.e. Rs.3344.53 crore) was less than what was projected at the BE and RE stage. However, the Committee find that this has been the trend in the past years as well, except for 2002-2003 – where the Actual expenditure was more than the projection at BE and RE stages.

10. On being asked about the reasons for decrease in the Actual Expenditure during 2003-2004 and the projected Actual Expenditure for the year 2004-2005. The Ministry stated:

“The decrease in actual expenditure during 2003-04 was primarily due to the actual expenditure under some Heads being less than anticipated. A major saving of Rs. 102.05 crore occurred under Special Diplomatic Expenditure. The projected actual expenditure for the year 2004-2005 is 3758.85 crore .

11. According to the brief on detailed Demands for Grants submitted by the Ministry to the Committee, the Budget allocation of the Ministry in BE 2004-2005 was Rs. 3640.69 crore which was an enhancement over BE 2003-2004 by Rs. 230.69 crore (i.e. by 6.77%) and there was also an increase in the RE for 2004-2005 over the BE 2004-2005 to the tune of Rs. 244.31 crore (i.e. by 6.71%). The Committee find that Rs. 65.47 crore remained unspent again during the year 2003-2004 which had been the case earlier in the years 2000-2001 as also in 2001-2002.

12. On being asked to explain the reasons for these unspent provisions during 2003-2004 and as to what extent the Ministry was successful in checking the trend of unspent balances, over which the Standing Committee has been expressing their repeated concern, the Ministry submitted:

“Unspent provisions were primarily due to less than anticipated expenditure under some of the Heads of expenditure. The major item of expenditure where a large provision remained unspent was the Special Diplomatic Expenditure. The Ministry has established an internal mechanism to monitor the overall expenditure of the

Ministry. An Expenditure Monitoring Committee has been constituted which has met with all spending Divisions of MEA periodically to assess the progress of expenditure and utilization of allocations under the various schemes. Based on the assessments and reviews by the Committee, of the progress of expenditure, the budgetary allocation of the MEA has been reallocated as necessary in order to ensure optimal utilization of the available funds and to minimize savings/surrender.

13. The Ministry further stated that it may be seen that the large savings during the year 2004-2005 occurred under the following heads:

- a) Special Diplomatic Expenditure - Rs. 145.43 crore
- b) Aid to African Countries - Rs. 25.95 crore
(Some schemes/programmes which are under process could not be brought to the stage of making payments due to procedural requirements and will come up for expenditure in the Financial Year 2005-06)
- c) Capital Outlay - Rs. 62.17 crore
[Projections had been based on plans for purchases of property and construction projects some of which could not reach the anticipated stage of making payments due to unforeseen local developments]

14. The Ministry also stated that these savings were re-appropriated to other Heads where there was a requirement for more funds for ongoing programmes/schemes and other commitments – and the overall savings from MEA's allocation could be reduced to Rs. 126. 15 crore.”

15. Elaborating further on the issue during the evidence, representative of the Ministry also stated:

“I would like to submit for your consideration that we have had a saving of about Rs.126 crore in the Budget of 2004-05. The main reason for that is the saving in Special Diplomatic Expenditure head, which is of the order of Rs.145 crore. I think, the Foreign Secretary has explained the reason for this. Since the saving in the head of Special Diplomatic Expenditure has been of the order of

Rs.145 crore, the total saving is much less, which is Rs. 126 crore. That single item of Special Diplomatic Expenditure has been responsible for the saving.”

16. The Committee desired to know during the course of evidence to explain as to how does the increase of 7.89% over the BE/RE of 2004-2005 works out in the real terms and as against the projected requirement of Rs. 4797.74, the Ministry of Finance has provided an amount of Rs. 3928.00 only as BE 2005-2006. The Committee further desired to know as to how the Ministry will manage their requirement during the current Financial year in view of such a huge gap between the projections by the Ministry and actual provisions provided by the Ministry of Finance.

17. The Ministry in their reply stated:

“The projection in BE 2005-2006 is 7.89% higher than BE 2004-2005 while it is 1.11% over RE 2004-2005. Taking into account the anticipated inflation of 5% in the Financial year 2005-06, the increase in real terms in the BE 2005-2006 allocation will be only by 2.89% while it will be less than RE 2004-2005 by 3.89%.

In order to manage expenditure within the allocation for BE 2005-06, Ministry has to carry out a review of its various commitments and prioritize them to meet expenditure within the given allocation. We have requested the Ministry of Finance to allocate an additional amount of Rs. 432.00 crore for 2005-2006 to enable us to meet our bilateral commitments which cannot be delayed.

18. The Ministry added:

“The vital areas likely to be affected due to the reduced allocation are -

- (a) Technical & Economic Cooperation with Other Countries, which includes Aid to Bhutan, Aid to African & Other Developing Countries, training programmes under ITEC, etc.
- (b) Passport & Emigration
- (c) Secretariat General Services
- (d) Embassies & Missions.

19. The reasons for higher projections in BE 2005-2006 is on account of increased requirements for increased expenditure projections on various aid programmes under Technical & Economic Cooperation with Other Countries, Special Diplomatic Expenditure, Passport & Emigration services, International Cooperation, for providing Grants-in-aid to various Institutions, Embassies and Missions.”

20. Clarifying the position further during the evidence, the Ministry submitted:

“We had requested for an allocation of Rs. 4,797 crore as budget for the current financial year 2005-06 and we have been allocated Rs. 3,928 crore which is less by about Rs. 800 crore compared to the demand we had made and this is only Rs. 43 crore more compared to the Revised Estimates of 2004-05. With this increase of Rs. 43 crore, we can only pay the increase in salary and establishment expenses. We cannot raise the outlay under any head. So, we had separately requested the Ministry of Finance for an additional outlay of Rs. 432 crore.”

21. During the evidence representatives of the Ministry of External Affairs informed the Committee:

“The Standing Committee have been recommending that we should avoid rushing on expenditure in the last quarter of the financial year. I am happy to bring to your notice that till the month of December 2004, we were able to incur expenditure to the extent of 71% of the Budget made available by the Ministry of Finance. It was only about 29 per cent of the remaining funds that we spent in the last quarter of the financial year, 2004-05. If you kindly consider

the point, the savings under the head Special Diplomatic Expenditure, are of the order of Rs.145 crore, while our surrendered amount is Rs.126 crore. I think, you can appreciate the problems that we have encountered for certain reasons, and which have been brought to your kind notice. It is because of situation in Nepal, and some other reasons that we could not spend the amount that we had projected to spend under the Special Diplomatic Expenditure. I am not in a position to really dwell on why there are savings under that head. But that is the biggest contributor. It is Rs.145 crore vis-a-vis surrendered amount of Rs.126 crore. This will indicate that we have been able to manage the Budget under various heads reasonably well.”

C. RENTS, RATES, TAXES

a. Secretariat: 2052-02.00.14

(Rs. in crore)

Year	BE	RE	Actual
2000-2001	8.58	13.00	11.78
2001-2002	13.65	13.65	10.63
2002-2003	13.65	11.65	6.40
2003-2004	12.00	11.25	6.91
2004-2005	11.25	8.70	-
2005-2006	7.41	-	-

b. External Affairs: Embassies and Missions: 2061- 00.00.14

(Rs. in crore)

Year	BE	RE	Actual
2000-2001	165.00	167.00	157.25
2001-2002	175.00	180.00	170.68
2002-2003	189.44	188.44	191.92
2003-2004	195.02	177.02	198.18
2004-2005	207.60	215.63	-
2005-2006	208.07	-	-

c. External Affairs : Passport and Emigration: 2061 – 00.105 - 00.00.14

(Rs. in crore)

Year	BE	RE	Actual
2000-2001	3.80	7.50	4.16
2001-2002	7.75	8.10	5.92
2002-2003	7.80	7.00	3.62

2003-2004	8.00	6.50	3.75
2004-2005	6.50	4.91	-
2005-2006	4.91	-	-

22. On being asked about the reasons for substantial variations in BE and Actual Expenditure again in the year 2003-2004 under the Head External Affairs: Passport and Emigration and the measures taken/proposed to be taken to avoid such variations Head-wise, the Ministry replied as under:

“The provision caters to the rentals of various Passport Offices. Projections had been made on the basis of proposals of individual Passport Offices, some of whom had envisaged increased payments for ground rent, renewal of lease etc. However, savings occurred as those anticipated additional/increased payments did not materialize. Every effort was being made to examine demands for allocations carefully with a view to arrive at more accurate projections”.

23. The following figures indicate the rental outgo of Ministry of External Affairs during the last 5 years and the BE for 2005-2006:

(Rs. in crore)

Year	Major Head 2052 - Sectt. (MEA)	Major Head 2061- External Affairs- Embassies & Missions	Minor Head - Passport & Emigration	Total
2000-01 <i>(actual)</i>	11.78	157.25	4.16	173.19
2001-02 <i>(actual)</i>	10.63	170.68	5.92	187.23
2002-03 <i>(actual)</i>	6.40	191.92	3.62	201.94
2003-04 <i>(actual)</i>	6.91	198.18	3.75	208.84
2004-05 <i>(BE)</i>	11.25	207.60	6.50	225.35
<i>(RE)</i>	8.70	215.63	4.91	229.24
2005-2006 <i>(BE)</i>	7.41	208.07	4.91	220.39

24. The above table shows the increasing trend in the respect of total rental liabilities of the Ministry. In this context, the Ministry were asked to state as to what action has been taken or proposed to be taken by the Ministry to check this situation in the years to come. The Ministry replied:

“It has been the endeavour of the Ministry as far as possible to acquire properties abroad for housing the chanceries of Indian Missions abroad and residential accommodation for the officials of

the Mission/Posts, with a view to minimizing expenditure on rentals. Over the years, the Ministry has been able to acquire built-up property/construct buildings for chanceries in 77 stations, residences of Heads of Mission/Post in 83 stations and acquire/construct 610 residential apartments for other officials in 44 stations. With a view to giving a greater impetus to construction projects and acquisition of property, a separate Projects Division headed by Joint Secretary has been created in the Ministry with effect from 15 February 2005”.

25. On being asked to furnish a list of all those stations where high rentals are being paid, the Ministry in their reply has stated that there are 18 stations namely **Chanceries** at Rome, Geneva (PMI), Chicago, Munich, Sydney, Toronto, Stockholm, Tel Aviv, Osaka-Kobe & Hamburg and **Embassy Residences** at Tel Aviv, Tehran, Buenos Aires, Osaka-Kobe. Sofia, Shanghai, Istanbul, Paris (PDI), Baharain and Kyiv, where the rental liabilities are high.

26. Further, in reply to a question, as to how many missions with high rental liabilities have sent proposals to the Ministry for purchasing/acquiring properties during the year 2004-2005 and whether properties have since been acquired or construction started at such places. The Ministry were also asked to furnish complete details thereof, station-wise. The Ministry in their reply submitted the status report in respect of various stations as follows :

“**Tehran** - Mission has short-listed some properties for chancery/residences. Proposal is under examination and dates for the visit of a property team to Tehran are being finalized

Buenos Aires - Property team visited Buenos Aires in January 2005. Action has been initiated to implement recommendations of the property team regarding purchase of built-up property for Chancery and Embassy Residence.

Shanghai - The Governments of India and China are in the process of negotiating a long term lease for a plot of land offered by Chinese side for constructing the Indian Consulate.

Istanbul - Post has identified some properties for Chancery/ HOP's residence and the purchase proposal is being examined in the Ministry.

Bahrain - Payment for a plot of land for constructing Chancery building has been released. The Bahrain government is in the process of transferring the title deed of the plot to the Government of India.

Missions/Posts in the other stations have not yet sent purchase proposals. Because of the prevailing political situation in Israel, acquisition of property for the Indian Embassy in Tel Aviv may not be feasible in the near future. In Sofia, the Mission has been making efforts to acquire property, but the Bulgarian government has raised the matter of reciprocity and has asked for ownership rights to the two plots of land in New Delhi that had been given to the Bulgarian Embassy on long lease. The issue is to be resolved. Posts in Chicago and Munich have indicated that action would be initiated for sending specific proposals in the first half of 2006, as the lease deeds of the hired buildings expire in Sep/Oct 2006. In the remaining stations, efforts are on to locate suitable properties.”

D. ADVERTISING AND PUBLICITY

a. Secretariat : 2052-02.00.26

(Rs. in crore)

Year	BE	RE	Actual
2000-2001	17.50	13.00	15.05
2001-2002	17.50	20.00	22.52
2002-2003	20.00	20.25	22.41
2003-2004	23.50	21.36	13.30
2004-2005	21.78	14.50	-
2005-2006	17.00	-	-

b. External Affairs-Embassies & Missions : 2061-00.00.26

(Rs. in crore)

Year	BE	RE	Actual
2000-2001	23.65	24.40	15.18
2001-2002	25.62	19.68	15.08
2002-2003	25.62	25.34	18.93
2003-2004	25.64	22.08	17.92
2004-2005	21.92	20.93	-
2005-2006	23.00	-	-

27. In response to a question regarding non-utilisation of allocated funds under the Head “Embassies & Missions” over the last several years and under the Head “Secretariat” from the year 2003-2004, the Ministry replied:

“The Committee may note that several of our Embassies and Missions are fully utilizing the funds allocated for Advertising and Publicity. The Ministry has been working in a coordinated manner with various Missions in drawing up their publicity plans and regular review is also undertaken to ensure better utilization of publicity budgets”.

28. The under-utilization in most cases is due to reasons unique to each Mission. Some of these reasons are as under:

- Prevalence of difficult circumstances in the country of accreditation e.g. natural disasters, civil unrest, security situation etc. In the past years there was under-utilization on account of major unexpected events like September 11 attacks, terrorist attack on Parliament, Gujarat riots etc which required instant crisis management by Missions for objective and correct portrayal of the Indian stand. This required considerable time and effort but was not necessarily hard on budget.

- Delay/cancellation of specific projects or events like VVIP visits (for which substantial funds are earmarked for publicity activities), film festivals, seminars, conferences etc because of local contingencies, regulations or conditions beyond the control of the Missions.
- Increased reliance on modern technology for communication e.g. use of e-mails and websites which has led to reduced expenditure.
- Savings because some of the activities which were planned to be undertaken from a particular Mission's budget could be organized with support from local government or resources.

Under the Head "Secretariat" there has not been a regular under-utilization of funds. In some financial years the expenditure was very close to the B.E. The under-utilization in a few years is because of unforeseen conditions due to which planned projects could not be undertaken or completed. For example, during the current F.Y. considerable time and effort – though not substantial funds - were spent in keeping the media and our Missions abreast of information during the Tsunami disaster and the Indian hostage crisis in Iraq.

The extensive use of modern communication technology has also resulted in cutting expenditure at the Headquarters. For example, in the past two financial years we have moved from fax based system to e-mails and website for sending all our press releases, statements etc both to the journalists as well as to our Missions. Similarly, earlier the slides of photographs for publicity were physically sent to all our Missions but are now transmitted electronically. We have also moved from an essentially "supply driven" scenario for sending our publicity material to Missions to "demand driven" scenario. The lists of publicity material available at Headquarters are now hosted on an electronic notice board. The Missions can access this notice board and project their requirement. This step has also led to a more efficient utilization of our resources and funds."

29. Further in reply to a question as to whether the Ministry finds that the publicity related activities proposed to be undertaken during the year 2005-2006 can be fully completed with the support of the budgetary estimates under this Head. The Ministry in their written submission had stated as under:

"The Ministry does believe that the publicity related activities proposed to be undertaken during the year 2005-06 can be fully

completed with the support of the budgetary estimates under this Head.”

30. On being asked to furnish the details of action plans drawn up by the Missions for intensive publicity campaign during the year 2005-2006, the Ministry has furnished the Action Plans proposed to be taken in respect of following eight countries :

1. Embassy of India, Thimpu
2. Embassy of India, Oslo
3. Embassy of India, Bangkok
4. Embassy of India, Zagreb
5. Embassy of India, Vienna
6. Embassy of India, Tel Aviv
7. Embassy of India, Damascus
8. Embassy of India, Jakarta

E. PROFESSIONAL SERVICES

External Affairs – Passport and Emigration :

(2061– 02.105 – 00.00.28)

(Rs. in Lakhs)

YEAR	BE	RE	Actuals
2000-2001	200.00	200.00	181.65
2001-2002	210.00	240.14	199.09
2002-2003	138.57	108.57	3.52
2003-2004	115.50	103.95	0.24
2004-2005	106.10	175.00	-
2005-2006	175.00	-	-

31. On being asked to furnish the likely Actual Expenditure under both these Heads for the year 2004-2005, the Ministry stated that the Actual Expenditure under both these Heads in the year 2004-2005 was expected to be Rs. 20.00 lakh and Rs. 34.35 lakh, respectively. The Ministry added that the Extradition Section was making payments to the lawyers under the Major Head 2061-02.105-00.00.28, and not utilizing the Major Head 2052-02.00.28. The Actual Expenditure under the Major Head 2061-02.105-00.00.28 by the Extradition Section of CPV Division was likely to be Rs. 2,82,292.00 for the financial year 2004-2005.

32. About the reasons for high fluctuations in Budget Estimate under the Head “Passport and Emigration”, reasons for gross under-utilization of funds and for

projecting BE of Rs. 20 lakh and Rs. 175 lakh under both the Heads, the Ministry submitted:

“The provision under this Head caters *inter alia* to the expenditure on engagement of legal services and reimbursement to State Governments of West Bengal, Tripura and Assam which provide India-Bangladesh passport and Visa Services. The fluctuation may be attributed to payments to these State Governments being less than anticipated.

Under utilization of funds can be attributed to lesser expenditure on legal service and delayed or non-receipt of claims from these State Governments.

The projection of Rs.20.00 lakh for Professional Services in the Secretariat head, is primarily to provide for expenditure on engagement of legal services. As it is not possible to accurately assess the expenditure, provision has been made to meet unforeseeable expenditure.”

33. Further, in reply to a question as to whether the lists of advocate for extradition cases had been furnished by the Ministry of Law and Justice and whether the Ministry had selected the advocates for inclusion in the penal for the extradition cases, the Ministry in a written submission stated:

“Ministry of Law and Justice has furnished a list of advocates for formation of the proposed panel of advocates for extradition cases In consultation with this Ministry’s legal and treaties division and the Additional Solicitor General for India, who is representing the union of India in the Hon’ble High Court of Delhi in various extradition cases, a list of six advocates has been prepared. After obtaining approval from the Minister of State for External Affairs (E.A.). The proposal has been forwarded to the Ministry of Law and Justice for their concurrence and reply is awaited.”

F. FOREIGN SERVICE TRAINING INSTITUTE

Head : 2061-00.003-01.00.13

(Rs. in crore)

Year	BE	RE	Actual
2000-2001	1.50	1.25	1.20
2001-2002	1.58	2.10	1.78
2002-2003	2.15	2.15	2.13
2003-2004	2.15	2.15	1.79
2004-2005	2.19	2.00	-
2005-2006	2.00		

34. The Ministry in its reply to a recommendation (1st Report, 14th Lok Sabha) of CEA had stated that CPWD has informed that the first phase civil work, comprising Foreign Service Institute and hostel building, would be completed by 31.12.2004. Structural work for the building was already complete and finishing work was in progress. Work relating to services and interiors would be undertaken as soon as the civil work was complete.

35. On being asked as to whether the works relating to the Foreign Service Institute have since been completed and the FSI is in position to shift to its new complex, the Ministry stated:

“The construction and furnishing of the new Foreign Service Institute and Hostel Building is being done by C.P.W.D. under the directions of Joint Secretary (Establishment)/Joint Secretary (Projects). The building as of now is not completed and ready for the FSI to start functioning from there.

The Dean, Foreign Service Institute, has in a meeting held at the site in February 2005 instructed the Additional Director-General (TD), C.P.W.D.; the Consultant, the representative of the Contractor that even if the whole building is not completed, the Foreign Service Institute wants that the Office rooms and the Lecture Halls be completed in the next 3-6 months so that the FSI moves into the premises. JS (Projects) was present at the meeting. The remaining part of the building, i.e. hostel, auditorium etc. can be completed subsequently. The Dean has been assured that every effort will be made to comply with his instructions.”

36. The Committee also desired to know from the Ministry as to what further improvements were being contemplated to make the training courses offered by the Institute more dynamic, interactive, result-oriented and at par with the best diplomatic Institutes of the World?

The Ministry informed:

“The Foreign Service Institute of Ministry of External Affairs is continuing in its endeavour to make the training-cum-familiarization courses more dynamic, inter-active and result-oriented to make it on par with the best Diplomatic Institutes of the world. The Institute engages Guest Speakers who have achieved excellence in the academic and their professional fields who impart knowledge and information to the participants on various issues like India’s Foreign and Security Policy, International Relations, International Law, matters concerning terrorism, India’s economic policy, multilateral and bilateral negotiations and protocol etc. The Foreign Service Institute has entered into Memorandum of Understanding with Foreign Service Institutes of several other countries. To date such Agreements have been concluded with 22 countries in order to facilitate mutual cooperation and improve bilateral relationships.”

G. EMBASSIES AND MISSIONS
(2061 – 00.101)

Year	(Rs. in crore)		
	BE	RE	Actual
2000-2001	674.75	727.01	691.61
2001-2002	756.06	759.92	719.96
2002-2003	787.82	783.54	800.54
2003-2004	811.43	773.31	816.66
2004-2005	855.00	896.27	-
2005-2006	872.43	-	-

37. On being asked to furnish the likely Actual Expenditure under the Head in the year 2004-2005, the Ministry in its reply had stated that the likely Actual Expenditure under this Head in 2004-2005 is expected to be Rs. 855.00 crore.

38. In reply to a query as to explain the reasons for increase in Actual Expenditure during the last two years, the Ministry in a written submission stated as under:

“The increase may be attributed to increase in rates of Foreign Allowance, normal inflationary trends, increase in costs of goods and services which occurred after the computation of projections under this Head.”

39. Further, on being asked to state the reasons for pruning the BE 2005-2006 to Rs. 872.43 vis-à-vis RE 2004-2005 amount of Rs. 896.27 particularly when the Actuals during the last 2-3 financial years had been more than the BE/RE amount and how the Ministry managed to raise this additional funds during all these years and what were the activities on which the funds were utilised, the Ministry replied as under:

- “ (i) The allocation in BE 2005-2006 has been made keeping in view the overall budgetary allocation approved for MEA by the Ministry of Finance within which the requirement of funds under this Head had to be met..
- (ii) The additional funds could be provided through re-appropriation of savings from other Heads and by obtaining Supplementary Grant. The funds were utilized for establishment expenditure of Embassies and Missions.”

40. On being asked to furnish details pertaining to the number of vacancies in Indian Missions/Posts abroad post -wise and country-wise together with details of action taken to fill up these vacancies. The Ministry replied as under:

“The filling of vacancies in Indian Missions/Posts abroad is a dynamic process, wherein there is a constant movement of India-based officials from Headquarters (New Delhi) to Indian Missions/Posts abroad or vice versa and also from one Mission/Post to another. At times, there is a short gap between departure of the incumbent officials and the arrival of the

successors. As a practice, the Ministry attempts to keep the chain of movement of officials in such a way that the gap is kept to the minimum.

As a result of above mentioned dynamic process of movement of India-based officials, at present some of Missions/Posts have temporary vacancies.

For example, the posts of Indian Ambassadors/High Commissioners in Iraq, Israel, Jordan, Norway, Turkmenistan, Nigeria and Uganda are vacant. In addition, the post of Consul General in Toronto is vacant. Similarly, the posts at the level of Counsellor and Below are temporarily vacant in Moscow, Tel Aviv, The Hague, Dar-e-Salaam, Washington, Baghdad, Abu Dhabi, Brussels and Riyadh.

At the Support Staff level, posts are vacant in Baghdad, Jalalabad, Yangon, Goergetown, Hong Kong, Jakarta, The Hague, Damascus, Ottawa, Doha, Belgrade, Minsk, Tel Aviv and Vancouver.

The Ministry has already initiated necessary action to ensure that the above posts are filled at the earliest.”

H. PASSPORT AND EMIGRATION

Head : 2061 - 00.105

(Rs. in crore)

Year	BE	RE	Actual
2000-2001	88.41	95.96	79.75
2001-2002	98.48	99.64	94.26
2002-2003	101.23	93.76	102.59
2003-2004	103.87	95.75	108.64
2004-2005	121.86	159.98	-
2005-2006	140.55	-	-

41. On being asked as to what is the estimation of the Ministry about the Actual Expenditure incurred under this Head during the year 2004-2005. The Ministry stated as follows:

- i) The estimated Actual Expenditure under this head in 2004-2005 is Rs. 157.00 crore.

- ii) The Actual Expenditure under the above head in respect of Central Passport Office during the year 2004-2005 is Rs.157 crore. “

42. The Committee noted that during the Year 2004-2005, the projected expenditure under this Head was Rs. 121.86, which was revised to Rs. 159.98 at the RE stage, which was approximately an increase of 32% over the BE amount. The Ministry incurred expenditure of Rs.108.64 crore against the projected BE and RE of Rs. 103.87 crore and Rs. 95.75 crore respectively during the year 2003-2004.

43. In the context of reasons for increase in Actual Expenditure during the years 2002-2003 and 2003-2004, for substantive hike in the RE during the year 2004-2005 as also failure of the Ministry in accurately estimating its requirements under this Head, the Ministry in its written submission stated:

- “(i) The excess expenditure was on account of unavoidable payments towards travel documents, machine-writing of passports, application forms and scanning of passport documents.
- (ii) The number of passports issued every year is going up. Consequently, the expenditure involved in the whole process of issuance of passports has increased. Further, scanning of old passport records was undertaken in 2002-03. This exercise added to the expenditure substantially during the last three years. The hike in RE for 2004-05 is primarily on account of payment towards various travel documents to India Security Press, Nasik.
- (iii) Ministry had made estimates based on previous years’ expenditure taking into account the projected increase in issue of travel documents. Normally, approved BE is lower than the estimates. As a result, revised estimates appear to be substantially at variance with the budget grant.”

44. On being asked to indicate the number of Passport Offices functioning in rented buildings and also the rent being paid in each case, the Ministry had furnished the following table showing the name of Passport Offices and annual rent being paid in each case.

S No	Name of the Office	Annual rental in Rs
1	Bhubaneswar	2,40,000/-
2	Bangalore	35,41,680/-
3	Bhopal	1,59,168/-
4	Guwahati	4,61,460/-
5	Jalandhar	8,82,000/-
6	Jammu	2,23,524/-
7	Jaipur	30,00,000/-
8	Lucknow	20,47,500/-
9	Mumbai*	1,57,80,000/-
10	Pune	31,14,804/-
11	Ranchi	3,66,024/-
12	Surat	11,77,176/-
13	Tiruchirapally	6,10,392/-
14	Thiruvananthpuram	6,31,632/-
15	Thane	33,08,239/-
16	Vishakapatnam	4,43,400/-

* RPO Mumbai is functioning from two different premises, one owned and other on rental

45. During the study-visit of the Committee during the month of October, 2004 to Passport Offices, Jaipur, Bangalore, Guwahati and Bhubaneswar, the Committee observed that the construction of Passport Office buildings at these places has not been started so far. The Ministry were asked to state the present position of construction of Passport Office buildings at Bhubaneswar, Bangalore, Jaipur and Guwahati, the detailed reasons for abnormal delays in executing these projects, the cost and time overruns involved therein and also present status thereof and also the measures being taken by the Ministry to expedite these projects. The Ministry informed as under:

Bhubaneswar-The Revised Estimates submitted by CPWD are under consideration of this Ministry for financial approval. After the approval is accorded, a tender will be called by CPWD to start the construction.

Bangalore-Construction work has started wef 14.2.2005

Jaipur- Approval of the drawings from Jaipur Development Authority (JDA) is awaited. After approval of the drawings, tender will be called.”

Guwahati- The exercise of mutation, i.e change of title in the name of Ministry of External Affairs is being followed up by RPO Guwahati with the Commissioner Kamrup. Once the mutation is completed, the drawings and the Preliminary Estimates will be prepared.”

46. During the examination of Demands for Grants for the year 2004-2005 , the Ministry in their reply to the a question had stated that only two Passport

Offices, viz., Jalandhar and Mumbai had sent their proposals for the purchase of land and construction of Passport Offices, which were under examination and other offices had been reminded from time to time to send their proposals for purchase of land for Passport Offices. In this context; the Ministry were asked to state whether the proposals submitted by Jalandhar and Mumbai Passport Offices have since been approved and how many proposals for the purchase of land for construction of Passport Office have been received by the Ministry so far. The Ministry replied that the proposals submitted by Jalandhar and Mumbai Passport Offices had not been approved by then. The proposal for Mumbai has been approved in-principle by the Ministry and the Ministry is preparing a detailed proposal for the formal approval of the Committee of Non-Plan Expenditure (CNE). Regarding the proposal for Jalandhar, the matter is under consideration and the proposals have been received from these two offices only.

47. On being asked to state as to whether the proposal for opening of Passport Offices in the capital cities of Uttaranchal, Chhattisgarh and Himachal Pradesh have been received by the Ministry from the respective State Governments and whether the Ministry is following-up the matter with these State Governments to expedite the issue. In their reply the Ministry have stated as follows:

“There is a proposal to open Passport Offices in the capital cities of the three states viz Uttaranchal, Chhattisgarh and Himachal Pradesh.


Due to existing staff shortage in Passport Offices, the Ministry is not in a position to open Passport Offices in these states at present.”

48. On this issue during the evidence, the Joint Secretary (CPV), Ministry of External Affairs informed the Committee as follows:-

“.....But, those three States require Passport Office. We are not able to immediately open because we do not want to spread our resources too thinly. We have seen the example of Surat. In Surat we opened a Passport Office and within a few months there was a problem because we posted people there and then they did not go.

It was difficult to get the number of people we want there. The number of services went very high, much more than our expectation. The result was that the pendency was there and it was difficult for us to handle. Ultimately some solution was found. But we want to start the project only when we know that we will be able to sustain it. It may take a few months extra. But I think it will be prudent to wait for these three Passport offices a little more. In any case, the number of applications being received from these three offices is not very high. For example, in Uttranchal there are only 15,000 applications per year. From Himachal Pradesh there are about 7,900 applications last year. From Chattisgarh there are about 7,000 passport applications.”

49. During evidence the Committee in unison raised the issue of lack of public facilities in almost all the Passport Offices visited by them. Upon this, the JS (CPV), submitted as follows:

“.....Indeed, we had asked all our passport officers to improve the facilities -- not only providing better services, but also particular attention should be given to the public area. I would like to submit here that today if we have a passport office which is built according to our requirement, and that takes into account the ten-year requirement of the crowd or the public, unfortunately, what is actually happening is that the increase is virtually taking place in an exponential manner. 

50. The Committee noted that as per the Annual Report 2004-2005, the Ministry had proposed to purchase land for constructing passport offices at the places viz. Thiruvanthapuram, Tiruchirapalli, Guwahati and Jammu. In this context, the Ministry was asked to state as to whether the Ministry had declined the offer made by the Government of Assam to allot a plot of land free of cost to construct a building for the Passport Office. The Ministry stated that they have not declined the offer made by the Government of Assam to allot a plot of land

free of cost and there is no proposal in the Ministry to purchase the built-up property owned by the State Government, to house the Passport Office, Guwahati.

51. Further to a question as to whether the land for the proposed passport offices has since been purchased and if so, whether the construction work have started at these places. The Ministry replied as follows:

“For Guwahati, the land is to be transferred in the name of the Ministry of External Affairs. For Trichy, there is a proposal for purchase of Defence land. Approval for the same is awaited from the concerned Defence authorities. For Jammu and Trivandrum, the proposals sent by the Passport Offices were found unsuitable.”

52. During the course of evidence, the Committee desired that the Ministry should explore the feasibility of opening Regional Passport Office at Agra – Agra being an international city. It was also stated that there are three Passport Offices in Uttar Pradesh viz. Ghaziabad, Bareilly and Lucknow. If a Regional Passport Office is opened in Agra for the convenience of applicants, Agra, Firozabad, Etah, Mathura, Aligarh, Hathras and Jhansi, Lalitput, Mahoba, Hamirpur and Banda districts of Bundelkhand will be covered.

53. The Ministry were asked to furnish a list of sanctioned staff strength for all the Regional Passport Offices across the country indicating vacancies in each RPO, reasons therefor and the steps taken/being taken to fill up the vacant posts. In their reply, the Ministry furnished the following details:

STATEMENT SHOWING SANCTIONED STRENGTH AND WORKING STRENGTH UNDER THE CPO

S.No.	Name of Office	Sanctioned Strength	Working Strength	Casual labourer	Total including casual labourer
1	AHMEDABAD	125	73	9	82
2	BANGALORE	96	82	3	85
3	BAREILLY	29	33	20	53
4	BHOPAL	33	17	9	26
5	B'NESHWAR	17	14	2	16
6	CHANDIGARH	110	79	17	96
7	CHENNAI	127	128	19	147
8	COCHIN	84	136	0	136
9	DELHI	142	137	34	171
10	GHAZIABAD	41	24	20	44
11	GUWAHATI	19	14	2	16
12	HYDERABAD	175	119	41	160
13	JAIPUR	58	50	14	64
14	JALANDHAR	111	70	31	101
15	JAMMU	15	17	2	19
16	KOLKATA	79	63	15	78
17	KOZHIKODE	112	129	7	136
18	LUCKNOW	98	89	36	125
19	MUMBAI	116	138	0	138
20	NAGPUR	22	14	3	17
21	PANAJI	21	21	1	22
22	PATNA	39	27	17	44
23	PUNE	38	23	10	33
24	RANCHI	8	7	1	8
25	SRINAGAR	15	7	15	22
26	SURAT	21	24	0	24
27	THANE	46	46	3	49
28	TIRUCHI	124	97	36	133
29	TRIVANDRUM	66	73	9	82
30	V'PATNAM	42	17	20	37
31	TOTAL	2029	1768	396	2164
32*	P.G. Cell	8	2		2
33*	Inspection Unit	5	1		1
34*	Vigilance Unit	6	3		3
35*	Estt./Admn.	11	16		16
36*	Legal Cell	3	0		0
	Grand Total	2062	1790	396	2186

* Posts in the CPV Division in Ministry. The vacant posts in CPO will be filled up per the existing rules and regulations.

54. During the evidence, in reply to a question as to how many casual labourers working in the various Passport Offices were regularized, the JS(CPV) has stated as under:

“The practice of keeping labourers on daily wage basis has been going on for the last 15-16 years. Many of them have been regularized. During the month of last March itself 34 persons have been regularized and 139 have been given temporary status. We have done so not only on the humanitarian ground but also because they had been working there for years together. We, however, can ask for their removal but it would not proper as they have been working for years. The larger issue is their regularization but an approval is required from the Ministries. We, therefore, cannot regularize them. The matter has been taken up at the level of the Prime Minister, the Minister of External Affairs as well as the level of the DoPT....”

55. In reply to a further question regarding regularization of casual labourers and opening of new Passport Offices, the JS(CPV) replied as under:

“Passports are being issued, while this problem is being addressed. The problem of additional staff is being addressed. I must also mention here that the Ministry of Finance is going to conduct its SIU study in Delhi and in four or five other passport offices. Based on that, they will recommend to us the revised norms which will be used for working on the revised staff strength which will then be taken up with the Ministry of finance. Only then, this will be decided. It is not in our hands.....a number of persons have been regularized now, the problem remains about approximately 200 casual workers. We are trying to address. It is not only the problem of our Ministry. Even other Ministries have similar kind of problem. We are trying to address so that they can be accommodated and their services can be regularized.

56. During the course of evidence, the Committee raised that whenever they have visited passport offices, they found that touts are very much active there. That means the money, which rightfully should come to the passport office, for those ex-military

people who are retained for support, that money goes to these people. At times, the touts get preference over the genuine people who apply for passports.

57. Further, the Committee desired to know as to whether the Ministry has ever considered the pre-verification by the police because at times, it takes three or four months for Police Verification Reports to reach the Passport Offices. Moreover, for those people who can get pre-verification done by Police. Because by resorting to this time would be curtailed for their getting the passports issued.

58. The Committee also raised that in most of the Passport Offices, in the public areas, there is no facility where the applicants have to spend at least three to four hours. They are too crowded also. Some of the buildings and some of the offices, which they have seen, are not equipped to handle people who are coming to the passport office daily. At some places, in case of emergency, people can not be evacuated from those places because of the construction of those offices. Similarly, in the public areas, there was hardly any access or exit possible in case of fire or any other emergency. The Committee desired that the Ministry should lay down some parameters for future expansion of the passport offices.

59. During the evidence, the Committee raised the issue of Tatkaal Scheme and desired to know as to the number of days required by the Passport Offices to issue passports under the Tatkaal Scheme.

I. INDIAN COUNCIL FOR CULTURAL RELATIONS

Head: 2061 - 11.01.31

(Rs. in crore)

Year	BE	RE	Actual
2000-2001	39.00	39.65	39.68
2001-2002	40.00	41.62	41.62
2002-2003	42.43	42.00	42.00
2003-2004	54.50	54.50	56.50
2004-2005	55.59	57.50	-
2005-2006	57.50	-	-

60. The Ministry in its brief has said that the allocation in BE 2005-2006 is an increase of Rs. 1.91 crore over the BE 2004-2005. It can be seen from the table that the same amount has been allocated in BE 2005-2006, which was allocated at RE 2004-2005 stage. It means that the amount remaining unchanged.

61. On being categorically asked as to whether the Ministry feels that the amount Rs.57.50 crore allocated to ICCR in BE 2005-2006, will be sufficient to meet all the proposed/projected activities of ICCR and if not, how does the Ministry propose to make up for the shortfall to this effect. The Ministry have replied that:

“The amount of Rs.57.50 crores allocated to ICCR in BE 2005-06 will not be sufficient to meet all the proposed/projected activities of ICCR. The ICCR projected an amount of Rs.68.00 crores for BE 2005-06. Efforts will be made at RE stage to seek additional funds to bridge the shortfall.”

62. During the course of evidence, the representative of the Ministry supplemented as follows:

“We had separately requested the Ministry of Finance for an additional outlay of Rs. 432 crore. So, subject to availability of the additional outlay, we can consider if we can supplement the resources of ICCR. But I am sure with the money that we have given to the ICCR, they will be able to take up critical activities as per the plan of action they had prepared.”

“The Budget of ICCR is also supplemented in a way that our capital budget is used for construction of cultural centres, etc. As far as capital outlay is concerned, the MEAs Budget is used for construction also. That way, we try to supplement. Our limitation is that our Budget is backed at

the revised estimation level of the last year, if we are able to manage more funds that we have requested. Then we will be in a position to consider the commitment of the ICCR. But so far our emphasis has been to bring qualitative improvement in the functioning of the ICCR.”

63. The Committee had recommended (1st Report, 14th Lok Sabha) that Advisory Committees for Regional Offices of ICCR should be constituted at the earliest. In their reply, the Ministry has stated that inputs had been received from the Regional Offices for constitution of the ‘Advisory Committees’. These had been processed and required approvals were being obtained. These “Advisory Committees” were expected to start functioning in early 2005. Regarding opening of new Regional Offices, proposal for creation of posts in these Regional Offices was being processed.

64. On being asked as to whether the “Advisory Committees” for each of the Regional Centre have since been constituted. The Ministry have informed to the Committee that:

“Advisory Committees for Regional Offices in Jaipur and Mumbai have been constituted.

The “Advisory Committees” for remaining Regional Offices will be constituted in due course after taking into account the experience of the Committees already in place. The first meeting of these Advisory Committees is expected to be held soon.”

65. On being questioned by the Committee as to whether any proposal for the opening of new Regional Centres to remove the regional imbalances has been processed for the consideration of the statutory bodies of the Council. The Ministry replied:

“As per the directives/recommendations of Council’s statutory bodies and the Standing Committee on External Affairs, the Council is committed to open additional Regional Offices in different States of the country. The Council has already opened a new office in Jaipur in April, 2004 by deploying two officers and one staff member from Council’s existing staff strength. Given the present staff strength of the Council, it is not possible

to set up new Regional Offices. Proposal for creation of new posts to enable opening of Regional Offices is being processed with competent authorities. In the meantime, the Council is making all efforts to present a composite cultural image of the country through its activities.”

66. In this context, during the evidence, the representatives of the Ministry supplemented:

“Opening of new Cultural Centres abroad would require new posts. We had sent a proposal to the Ministry of Finance for sanctioning new posts. But it was turned down by the Ministry of Finance. That is way we did not indicate opening of new centres in our plan of action as we do not have the posts to open new cultural centres.”

67. The Ministry was asked to furnish a detailed status Report regarding the setting up of Cultural Centre in Washington, highlighting the specific efforts made by Ministry of External Affairs during the last six months in this direction. The Ministry to this effect informed the Committee:

“Following EAM’s directions, Foreign Secretary had, in September 2004, written to our Ambassador in Washington that until the Mission was able to locate a suitable built-up property for the proposed Cultural Centre in Washington, the Mission should identify a suitable premises which could be hired. Earlier, in July 2004, Hon’ble President, ICCR, had also requested our Ambassador to look for a suitable building on rent for the proposed Cultural Centre. The Mission is making efforts in this regard.”

68. When the Committee during the course of evidence expressed their strong displeasure over the lackadaisical approach with which the Ministry was pursuing the issue, the representatives of the Ministry submitted:

“I would like to provide some information about the cultural centre in Washington. The cultural centre building, in fact, was approved by the Government of India. But it was local authorities in Washington, they took lot of time in giving zoning permission because it has to be used for

cultural performances. They have to give permission for that and they took a lot of time and the owner was also not willing to wait that much. So, we explored the idea of having a building on rental basis in the meantime. During first week of April 2005, the Ministry of External Affairs have received a cable from Washington stating that they have been able to locate a building in down-town Washington, which can be taken on rent or can be purchased. The officials from the Ministry added to this:

“Our Ambassador there has been able to locate a suitable building and we are trying to expedite our decision. The cultural centre can start functioning whether it is an owned building or a rental building. We would like to expedite the decision here in the MEA, regarding the proposal which has been received from the Head of Mission.

The Ministry would like to take an expeditious decision regarding the proposal that we have received. The Ministry would like to submit that there are many things which have to be gone through, the suitability of the building, the location of the building and things like that. There are so many factors which are under consideration in the Ministry. We would like to consider the proposal from all angles and take a very quick decision regarding the proposal which we have received.”

69. The Committee in their 1st Report (14th Lok Sabha) had recommended that all the necessary arrangements with regard to the establishment of a Cultural Centre in Fiji should be made by the Ministry so as to ensure that a full fledged Cultural Centre is operational in time. In its reply, the Ministry of External Affairs has submitted that they had already appointed teacher to work at Cultural Centre in Fiji and Mission had been asked to expedite the hiring of suitable residential accommodation for these teachers.

70. The Committee in their 1st Report (14th Lok Sabha) had recommended that all the necessary arrangements with regard to establishment of a Cultural Centre in Fiji should be made by the Ministry as to ensure that a full fledged Cultural Centre is operational there in time.

71. The Committee desired to know about the progress made so far in this regard and where this Cultural Centre is to be housed. In this regard, the Ministry have informed the Committee:

“With the joining of the Kathak and Tabla teachers, the Cultural Centre at Suva started functioning from the Embassy premises in Feb 2005. Classes are being conducted at the Fiji India Cultural Centre, Indian College and the MGM High School. Yoga teacher designate for the Sub-Centre at Lautoka is expected to join in May 2005.

Residential accommodation for two teachers at Suva has already been arranged and the lease for the accommodation of Yoga Teacher at Lautoka would be signed soon. The Mission is making strenuous efforts to locate a suitable independent premises for the Cultural Centre at Suva and the Sub-Centre at Lautoka.”

72. During the course of evidence on demands for Grants for the year 2005-2006, the Committee desired to know about the new schemes which has been initiated/proposed to be initiated by the ICCR. The representative of the ICCR submitted:

“With regard to new schemes, there were four new initiatives undertaken by the ICCR. As, ICCR used to have large stocks of CDs and cassettes of the artists who are on our panel and we used to sent these cassettes and CDs abroad for publicity. Sometimes, these cassettes and CDs could not be used as these were of very poor quality. So, ICCR had taken up the task of digitising them and put them in a digital format.

Then, we had undertaken the job of designing website to make it more attractive and more user-friendly and we hope to start it by the end of this month.

Similarly, to cut the cost on the chairs at the universities abroad, Council has taken another initiative. It costs something about Rs. 20 lakh every year to maintain one chair abroad. It is very expensive. So, we have evolved a scheme of Visiting Professor whom we send for one semester to teach a course on Indian History or Indian Economics. Under

that scheme, we pick up their travel cost plus their salary and the receiving university pays for their local accommodation, local transport etc. We find it much cheaper

Under this scheme, I would like to inform the Committee, we have sent five professors to Germany and Poland and we plan to send eight to nine more to these countries. We find it more effective. We can cover much larger areas. We can spread the resources much wider.

Thirdly, as far as our outgoing delegations are concerned, we have taken a decision that we will send cultural delegations to take part in major cultural festivals only. We used to have a system of paying the local cost of all the coming cultural delegations. But for Western Europe we have stopped that practice. Now, this has led to a saving. I just wanted to brief the Committee of some of these modest steps that we have taken.”

73. During the course of evidence, the Committee also desired to know about the efforts made by the Government to properly assess the efficacy of various activities undertaken by ICCR, the official from the Ministry submitted:

“In the last year, our effort has been to bring about some qualitative improvements in various activities which the ICCR has been undertaking. Another thing is that we have recently evolved a system of what we call ‘performance audit’ in respect of our three activities. One is for the outgoing cultural troupes, which go out, the other one is for the incoming one and the third one is for the distinguished visitors whom we invite. So, we have evolved a kind of very simple questionnaire with yes or no questions for which they give their comments very briefly. It runs into two to two-and-a-half pages. We distribute them randomly and get the feedback of the audience how they found the programme. Suppose it is all right, then there are questions like what was the duration, sound and light etc. That way we are trying to evolve a system to assess the effectiveness and the quality of these three activities in which, there is a lot of interface with the public. We tell our Missions to go to them and send them back to us so that we can constantly judge whether a group which has gone

should be repeated or not. Sometimes we get a negative response. So, we take them off from the panel. So, through these measures which we have put in place we are trying to assess or we have put in a system, Similarly, for the distinguished visitors, questionnaire has questions like whether the programme was too tight or there were a lot of gaps, how was the hotel and transport arrangement for them, would like to come to India as ICCR guests? Would you like to write about India or lecture about India and tell your other friends to come to India? Like this we have evolved a questionnaire which we have found very useful. We are putting it in full use.”

J. SOCIETY FOR RESEARCH AND INFORMATION SYSTEM FOR NON-ALIGNED AND OTHER DEVELOPING COUNTRIES (RIS)

Head: 2061 : 11.04.31

(Rs. in crore)

Year	BE	RE	Actuals
2000-2001	1.35	1.35	1.35
2001-2002	1.35	1.37	1.37
2002-2003	1.37	1.37	1.37
2003-2004	1.37	1.37	1.37
2004-2005	1.37	1.37	-
2005-2006	1.37	-	-

74. The Ministry in its reply to a recommendation (1st Report, 14th L.S.) on Demand for Grants (2004-2005) has informed that they had proposed to enhance the present allocation of Rs. 1.37 crore at the BE stage for the Financial Year 2005-2006 to Rs. 1.50 crore. However, the committee find to their utter surprise that the allocation is again pegged at Rs. 1.37 crore, in BE 2005-2006 i.e., it remains same as it was in the BE 2004-2005.

75. The Committee asked Ministry to explain as to why the proposed enhanced allocation could not be made in BE 2005-2006, despite a commitment by the Government to this effect before the committee. The Ministry stated that:

“The Multilateral Economic Relations (MER) Division of the Ministry of External Affairs had projected at the BE stage, the budgetary requirement of Rs. 1.50 crore for Society for Research and Information System for non-aligned and other Developing Countries for the Financial Year 2005-2006. However, the actual allocation could only be made at the same level as the previous Financial Year. The actual allocation was made on the recommendations of the Ministry of Finance.”

K. INDIAN COUNCIL OF WORLD AFFAIRS

Head: 2061 – 11.05.31

(Rs. in lakh)

Year	BE	RE	Actuals
2000-2001	01.00	80.00	65.00
2001-2002	100.00	120.00	134.36
2002-2003	150.00	150.00	112.32
2003-2004	160.00	160.00	160.00
2004-2005	165.00	180.00	-
2005-2006	180.00	-	-

76. The Committee find that there is no enhancement in Budgetary Allocation for ICWA and desired to know whether the fund allocated in BE 2005-2006 will be sufficient for the complete activities of the ICWA during the year 2005-2006.

The Ministry admitted:

“The fund allocated in BE 2005-2006 will not be sufficient for all activities of the ICWA.

77. During the evidence, the Committee desired to know as to when the repairs and maintenance work in Sapru House are likely to be completed, the representatives of the Ministry submitted :

“We have done a lot of work, it is clean. There is still a little civil work to be done. We hope that it will be completed in this current year.”

78. The Committee categorically desired to know about the progress been made regarding the formation of the ‘Governing body’ of the Council. The Ministry have replied:

“The Ministry of External Affairs has initiated the action for the formation of Governing Body.”

79. The Committee further enquired as to whether the non-formation of the ‘Governing Body’ of the Council is affecting adversely the working of ICWA. To this, the Ministry submitted:

“The activities of the ICWA have not been affected adversely but the formation of the Governing Body could facilitate the demand for enhanced funding of ICWA activities and research.”

L. PROPAGATION OF HINDI

Head: 2061 - 13.01.26

(Rs. in lakh)			
Year	BE	RE	Actuals
2000-2001	75.00	70.00	71.11
2001-2002	73.50	72.50	74.22
2002-2003	70.00	100.00	50.57
2003-2004	270.00	250.00	203.34
2004-2005	90.00	75.00	-
2005-2006	70.00	-	-

80. In a reply to the recommendation (1st Report, 14th Lok Sabha) of the Committee, the Ministry had informed that it was 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 External Affairs Minister had been formed and three meetings of the Committee had been held. Preparation of Advocacy papers to bring out awareness of Hindi on international level among PIO's worldwide was also under way.

81. The Ministry was asked to state the outcome of the aforesaid three meetings and also as to whether the Advocacy papers have since been prepared. To this, the Ministry replied:

“As part of Ministry's efforts to make Hindi as one of the official languages of the UN, meetings have been held under the Chairmanship of External Affairs Minister and Minister of State in the External Affairs. Subsequently, the Ministry has taken the following follow-up action:

- (a) From our Permanent Representative/Ambassador at UN, an assessment report on the procedure, requirement, and impediments for making Hindi an official language of the UN has been obtained;
- (b) Financial implications as well as political and diplomatic efforts required are being assessed;
- (c) It was decided to prepare an “Advocacy Paper” to present India's case to the Indian Diaspora;

The process of preparing Advocacy Paper is being pursued actively. Some outsourcing as envisaged has been resorted to. However, the preparation got delayed due to slow progress of our earlier resource

person who has now been replaced. A frame work advocacy paper is expected to be completed very soon which will be discussed in the Committee constituted on 17th March, 2005 under Minister of State for External Affairs (Shri Rao Inderjit Singh). A Meeting of this Committee would be held after the current session of Parliament.”

82. According to the Annual Report (2004-2005), the Indian Missions/Posts abroad promote and assist in the learning of Hindi through correspondence courses conducted by Central Hindi Directorate. In 2004-2005 out of 100 slots only 43 students could be admitted from 18 Countries to learn Hindi at Kendriya Hindi Sansthan, Agra.

83. The Committee desired to know the reasons for non-utilisation of all these slots. The Ministry stated:

“100 slots were allotted to various countries around the world to nominate students to undergo course in Hindi in India. The course is conducted by Central Hindi Institute, Agra, an organization under Ministry of Human Resources Development.

As per information available, 115 applications were received in all. 43 students, out of that, were given admission by the Central Hindi Institute, Agra. Admissions are allowed by the Institute keeping various factors such as suitability of the candidates, number of applications received from a particular country in comparison to number of slots allotted to it. Final decision regarding admissions is taken by CHI, Agra only. The Missions have been advised to carefully scrutinise the nominations and forward the applications of the candidates who fulfill the criteria so that the available slots can be utilized to the maximum extent. Facilities for foreign students at the Central Hindi Institute, Agra also needs to be improved to attract more students from abroad.”

M. FOREIGN ECONOMIC RELATIONS

TECHNICAL & ECONOMIC CO-OPERATION WITH OTHER COUNTRIES

Major Head: 3605

Year	BE			RE			Actuals (Rs. in Crore)		
	Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total
2000-2001	345.00	386.50	731.50	349.20	367.60	716.80	334.19	326.50	660.69
2001-2002	272.00	437.07	709.07	240.00	489.71	729.71	276.12	355.72	631.84
2002-2003	365.60	521.13	886.73	335.60	593.15	928.75	375.25	564.72	939.97
2003-2004	402.00	580.07	982.07	456.00	572.96	1028.96	455.99	567.85	1023.84
2004-2005	455.00	703.39	1158.39	455.00	871.39	1326.39			
2005-2006	479.00	953.78	1432.79						

84. The table shows that allocation under this Head were Rs. 886.73 (BE 2002-2003), Rs. 982.07 (BE 2003-2004), Rs. 1158.39 (BE 2004-2005) and Rs. 1432.79 crore is allocated in BE 2005-2006, which shows an increase of 10.75%, 19.95% and 23.69%, respectively. It indicates a steep increasing trend under this Head over the years.

85. The Ministry was asked to furnish the reasons for such a steep rise in the allocation under this Head, the manner in which the interests of India have been served/protected during last three years by providing such huge amounts for the developmental projects in friendly countries in Africa, Central Asia and South East Asia. The Ministry was also asked to furnish the details of new projects, likely to be taken up with the provisions under this Head during 2005-2006; for which this enhanced allocation has been made, country-wise.

In this regard, the Ministry stated as under:

(i) So far as TC Division is concerned, the increase in expenditure for ITEC and SCAAP Programmes is due to (a) increase in training slots and better utilization and (b) higher anticipated expenditure on projects in Indonesia, Cambodia and Yemen.

(ii) ITEC/SCAAP Programmes and Projects, including deputation of experts under these programmes generate tremendous amount of goodwill in friendly developing countries and also further promote India's political interests in these countries and strengthen bilateral relations.

Popularity of training projects can be gauged from the fact that the number of the foreign nominees attending these courses has gone up by nearly 22% in the past two years.

(iii) In addition to providing training under ITEC/SCAAP Programmes and deputation of Indian experts abroad, the following ongoing projects as well as new projects will be undertaken during the year 2005-2006.

- (a) Restoration and conservation of Ta Prohm Temple in Cambodia;
- (b) Training of local instructor at Vocation Training Centre, Jakarta;
- (c) Installation and commissioning of Vocation Training Centre at Al Khatwa in Yemen;
- (d) Feasibility study and setting up of IT Centre in Laos;
- (e) Feasibility study and setting up of Specialty Hospital in Laos;
- (f) Establishment of an SMEs Centre in Zimbabwe under G-15.”

(a) FINANCIAL ALLOCATIONS FOR BHUTAN

(a) Aid to Bhutan: 3605 - 10.00.32

(Rs. in crore)

Year	BE	RE	Actual
2000-2001	545.00	549.20	553.36
2001-2002	482.00	495.00	507.25
2002-2003	597.05	567.05	607.78
2003-2004	644.00	696.00	700.98
2004-2005	699.80	768.65	-
2005-2006	815.11	-	-

(b) Loan to Government of Bhutan: (7605 – 00.097 - 00.00.55)

(Rs. in crore)

Year	BE	RE	Actual
2000-2001	230.00	200.80	200.78
2001-2002	148.00	160.00	157.44
2002-2003	234.40	214.40	272.88
2003-2004	248.00	304.00	327.14
2004-2005	280.00	280.00	-
2005-2006	286.00	-	-

86. According to the Performance Budget of the Ministry, the Tala Hydro-Electric Project is periodically jointly audited by CAG's Office and Royal Audit Authority of Bhutan periodically jointly audit the THEP.

87. The Committee desired to know the numbers of times the aforesaid audit exercises have been conducted so far and as to whether the Audit Authorities have detected any discrepancies/ misappropriations of funds, on this the Committee was informed:

“(i) The project has been jointly audited by CAG's office and Royal Audit Authority of Bhutan five times covering six financial years from 1997-98 to 2002-03. The joint audit for the year 2003-04 is scheduled to be conducted in May-June 2005.

(ii) In the five audit exercise conducted for the project, there were audit 213 paras, out of which 185 paras have been dropped after satisfactory reply was provided by the management. Out of the remaining 28 paras, 17 paras pertain to the last audit. The reply to the outstanding paras is under preparation by the management and would be taken up with CAG / RAA

shortly. The audit authorities have not detected any major discrepancy or misappropriation of funds.”

88. The Committee find that the Dungsum Cement Project was suspended due to security problems. However, the Royal Government of Bhutan has proposed that the plant should be revived after improvement in the security situation. During the meeting of Dungsum Cement Plant Authority (DCPA), scheduled in Feb. 2005, the modalities of revival were to be discussed and appropriate decision taken.

89. The Committee desired to know from the Ministry as to whether the Dungsum Cement project has been revived after meeting of DCPA in Feb. 2004. The Committee further desired to know whether any time scheduled has been set up for completion of the Dungsum Cement project. To this, the Ministry responded:

“(i) A decision to re-activate Dungsum Cement Plant in Bhutan was taken in the meeting of Dungsum Cement Plant Authority in February 2005. The Authority is chaired by Minister of Trade and Industry of Royal Government of Bhutan and has senior representatives for the two Governments.

(ii) The modalities of revival of DCP were discussed in detail in the meeting of DCPA held in February 2005. As a first step, it was decided that the Detailed Project Report of the Project prepared in 1998 would be updated. The modalities of execution will be jointly discussed again after the recommendations in updated DPR are examined.

(iii) At this stage, a time schedule has not been drawn up for completion of DCP. However, the updating of DPR is likely to be taken up in the first quarter of 2005-06.”

(b) ITEC AND SCAAP PROGRAMMES

90. According to the Annual Report (2004-2005), 2826 slots under ITEC program and 716 slots under SCAAP were allotted in 2004-2005, but only 1819 and 494 trainees availed the slots respectively. On being asked to furnish the reasons for such underutilisation of available slots and the efforts being made by the Government for ensuring maximum utilisation of the allotted slots.

91. The Ministry stated:

“The slots for training under ITEC and SCAAP Programmes of the Ministry are allotted after due recommendation by our Mission of the demands projected by the countries of their accreditation. 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. It may also be mentioned that number of slots utilized up to end of March 2005 is 1886 under ITEC and 535 under SCAAP. The exact number of trainees who joined the courses in February/March was intimated to the Ministry by the empanelled institutions later on and hence, could not be taken into account earlier.

Efforts are being made to ensure better utilization of allotted slots in the coming years by upgrading the scale of accommodation for the trainees as well as increasing the amount of living allowance payable to them during the period of training in India.”

92. According to the Annual Report (2004-2005) under ITEC and SCAAP programmes Rs. 35.5 crore was allocated at BE2004-2005 stage, which was raised to

Rs. 50.50 crore at RE stage. However, expenditure incurred up to 31.01.2005 under the Head was Rs. 38.86 crore, while the utilisation of allotted slots was a little more than half of the total allotted slots, thus the expenditure incurred as on 31.01.2005 was much higher than the amount allocated at BE stage.

93. On being asked to explain the reasons for this gross under estimation of the expenditure for these programmes at the BE 2004-2005 stage and whether this allocation of Rs. 50.50 crore at RE stage would have been sufficient - had there been full utilisation of the allotted slots, to this, the Ministry replied as follows:

“(i) The ITEC Division has, in fact, proposed the budget estimates at Rs.50 crore for the financial year 2004-2005 under ITEC and SCAAP programmes. However, the grant approved for the year was Rs.35.5 crore. Justification for increase in grants to meet the expenditure on proposed activities was given to Finance and they agreeing to the genuine requirement revised the grant to Rs.50.5 crore at RE stage. Hence, the estimates more or less correspond to the expenditure that has been incurred during the year.

(ii) The budget under ITEC programme includes expenditure on civilian and military trainings, deputation of experts to various countries and expenditure on project assistance. Expenditure on civilian trainings, thus, forms a part of the overall expenditure under this category. It is felt that the budget approved under RE 2004-2005 would have sufficed to meet expenditure on the training of the foreign nominees and other ITEC project.”

94. It was noticed from the detailed Demands for Grants for the year 2005-2006 that the Ministry have again allocated the some of Rs. 50.50 crore for ITEC and SCAAP Programmes.

95. On being asked to give the total number of slots under both these programmes separately for which the aforesaid allocation has been made. The Ministry stated:

“Keeping in view the under-utilisation of slots, the number of slots for the year 2005-2006 has been fixed at 2397 for ITEC Programmes and 583 for SCAAP Programmes. However, our projected expenditure during the year 2005-2006 remains the same, as proposals to improve the facilities and living allowance are under active consideration.”

N. CAPITAL SECTION
(Major Heads 4059 and 4216)

a. Capital Outlay on Public Works: 4059

(Rs. in crore)

<u>YEAR</u>	BE	RE	Actuals
2000-2001	70.00	64.00	53.65
2001-2002	67.20	50.78	25.43
2002-2003	67.20	22.66	11.77
2003-3004	68.00	50.00	22.34
2004-2005	70.00	48.76	-
2005-2006	51.41	-	-

b. Capital Outlay on Housing: 4216

(Rs. in crore)

<u>YEAR</u>	BE	RE	Actuals
2000-2001	30.00	25.00	26.13
2001-2002	27.00	27.42	08.39
2002-2003	36.59	42.15	33.52
2003-2004	35.00	10.00	14.25
2004-2005	25.00	20.00	-
2005-2006	15.00	-	-

96. Table A indicates decline in allocation under the Head: Capital Outlay on Public Works and housing. Also from the percentage variation figures for the last three years furnished by the MEA separately, it has been noted that there is a steep negative variation i.e. to the tune of 26.56% and 40% respectively under these Heads.

97. The Committee desired to know the reasons therefor. The Ministry submitted:

“Vis-à-vis BE 2004-2005, there is negative variation in BE 2005-2006 under Capital Outlay on Public Works Major Head 4059 amounting to 26.56% and under Capital Outlay on Housing Major Head 4216 amounting to 40%. Based on the progress of various ongoing construction projects and likely acquisition of

properties abroad, Ministry had sought an allocation of Rs 80 crore under MH 4059 and Rs. 30 crore under MH 4216 in its proposal to Ministry of Finance for BE 2005-2006. In view of a budgetary allocation agreed to by Ministry of Finance being less than what was projected by MEA and taking note of other pressing requirements, capital outlay for public works Major Head 4059 was kept at Rs 51.41 crore and Capital Outlay for Housing Major Head 4216 at Rs.15 crore. In fact, the projected BE 2005-2006 figures of the Ministry represented a positive variation of 14.29% under MH 4059 and of 20% under Major Head 4216 vis-à-vis BE 2004-2005 allocation.”

98. Further, as regards the Brasilia Project, the Committee had recommended in their 1st Report (14th Lok Sabha) that the Brasilia project should be completed on time – even if it required extra efforts on the part of the Ministry. To this, the Ministry had submitted that they have 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 could be secured. The Consultant had 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 was able to make up for the lost time.

99. The Committee desired to know as to whether the local consultant has submitted the revised designs, conforming to the changes suggested by the Jury as also the cost estimates of the project and whether the Ministry has sought necessary financial approval for the purpose. The Committee further asked the Ministry as to what steps have since been taken by it in pursuance of the Committee’s recommendation for shortening of time span and early construction of Embassy Complex in Brazil. The Ministry submitted:

- “(i) The consultants have submitted revised designs and cost estimates for which financial approval was sought.
- (ii) Some queries were raised by the Finance Division of the Ministry in January 2005 and the consultants’ replies to them have been obtained on 23 March 2005 which are being examined.
- (iii) While every effort is being made for the speedy implementation of the project, the language barrier in Brazil has been contributing to the delay. Communication with the locals is possible only in Portuguese language and the documents exchanged between the Mission and the local bodies/companies need to be translated into Portuguese/English.

Among the steps being considered by the Ministry to speed up construction projects abroad including Brasilia, are on-site technical evaluation and financial examination by a property team at crucial pre-construction and construction stages of the projects and working out a system of authorizing Missions to settle running account bills of architects and contractor as per the terms of respective contracts.”

100. On being asked to furnish comprehensive status report on Doha Construction Project, Tashkent Project, Muscat Project, Second Diplomatic Enclave in New Delhi, Videsh Bhavan Project and ICCR, Kolkata Project.

101. The Ministry furnished a status report on these projects as follows:

- i) **Doha Construction Project** - Construction of Chancery and Embassy Residence.

M/s Rajendra Kumar & Associates were appointed Consultants for the project. CNE approved the project at a cost of Rs. 21.25 crore in October 2001. However, the project could not take off because the local government has decided to shift the site of the plot allocated to India to the new diplomatic enclave. The HOM has taken up the matter of allotment of an alternate plot with the Qatar Government at the highest level. The

Qatar government has informed that a fresh plot in the new diplomatic enclave is likely to be allotted to us by mid-2005.

ii) **Tashkent Project** - Construction of Chancery, Embassy Residence and Residences

A plot of 10,000 sqm was allotted to us under the 1989 Agreement with former USSR. However, after disintegration of USSR the matter got linked to allotment of plot to Uzbekistan on reciprocal basis. This has since been resolved and physical possession of the plot was taken in April, 2004. Contract signed with Mr. Romi Khosla as Consultant. Preliminary Design and cost estimates amounting to Rs. 17.26 crore have been prepared by the Consultant. The estimates needed further clarifications/revision and are being finalized in consultation with the consultant following which approval of CNE will be sought.

iii) **Muscat Project** - Construction of Chancery and Embassy Residence

A plot of 12,600 sqm was acquired from Government of Oman on reciprocal basis. Contract signed with M/s Babbar & Babbar as Architect-Consultants. Though CNE approved the project at a cost of Rs.21.28 crore in October 2002, it took a long time to get local body approvals that were received only in March 2004 after which tenders for award of construction contract were floated. Bids were received from 3 contractors but the tendered amount turned out to be more than that approved by the CNE. Negotiations with the lowest bidder were unsuccessful and it was decided to go in for fresh tenders. Accordingly, consultant has revised the cost estimates based on which fresh approval of the competent authority is being sought. Action has also been initiated to short list contractors

iv) **Second Diplomatic Enclave in New Delhi**

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 Chancery/Embassy Residence here. The matter is being pursued actively by the Ministry.

Ministry of External Affairs 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.

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.

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.

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.

In its communication 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. In January 2005 External Affairs Minister has also written to his counterpart in the Ministry of Urban Development stressing the urgency on identifying land for the Second Diplomatic Enclave.

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. 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.

v) Videsh Bhavan Project

The Videsh Bhavan (now known as the Jawaharlal Nehru Bhavan) is proposed to be constructed on a plot of land measuring 7.785 acres at the junction of Janpath and Maulana Azad Road as headquarters of the

Ministry of External Affairs. It will be the eighth and last building on the Central Vista between Rashtrapati Bhavan and India Gate. The objective is to construct a functional and state of the art building that would bring together the various wings of the Ministry that are presently spread out in different locations like Akbar Bhawan, Shastri Bhawan, Patiala House and ISIL building.

In November 2003, it was decided to entrust the project to CPWD for design and execution. The concept design prepared by CPWD has been approved by the Delhi Urban Arts Commission and the Central Vista Committee at the conceptual stage with some observations. Simultaneously, the project has been approved from financial angle by the Committee for Non-Plan Expenditure at a cost of Rs. 175.57 crore. Financial approval of the Cabinet is being sought. CPWD has indicated that construction of the building will take forty months after receipt of all approvals.

vi) ICCR, Kolkata Project - ICCR regional office premises

A plot measuring 3,443 sqm has been allotted by the Government of West Bengal. Civil, electrical and HVAC works are presently under progress. The work was to have been completed by November 2004 but has got delayed due to initial difficulties faced by contractor in getting access to site caused by security problems viz-a-viz the US Consulate located next to our plot. Projected date of completion of the project is mid-2005.

102. On being asked by the Committee as to whether any action plan as of now has been drawn to acquire properties for the chancery and Embassy residence through purchase or constructions. In response, the Ministry stated:

“Properties for purchase have been located in Tehran, Buenos Aires, Istanbul and Bahrain. In Shanghai, the Governments of India and China are negotiating a long term lease for a plot of land offered by the Chinese

side for the Indian Consulate. However, no purchases in these stations could materialize in the financial year 2004-05.

Pre-construction activities will be initiated to construct the Chancery building in Bahrain in the plot of land that has been purchased, after the receipt of the title deed. Three built-up properties each for the Chancery and Embassy residence in Tehran and four built-up properties for Consulate and three built-up properties for CG's residence in Istanbul have been shortlisted and a visit of Ministry's property team to these stations for an on-the-spot assessment of the properties is under consideration."

103. Explaining further it was submitted before the Committee:

"It has been the endeavour of the Ministry as far as possible to acquire properties abroad for housing the chanceries of Indian Missions abroad and residential accommodation for the officials of the Mission /Posts and with a view to giving a greater impetus to construction projects and acquisition of property, a separate Projects Division headed by a Joint Secretary has been created in the Ministry with effect from 15 February 2005.


104. On being questioned by the Committee in unison regarding the acquisition of properties, the Foreign Secretary during the evidence submitted before the Committee:

"As far as acquisition of properties is concerned, we are paying high rent in some places. Let me assure you that every effort is being made to acquire properties wherever we can for the Ministry of External Affairs. Without presenting this as an excuse to you, I would like to mention that in acquiring property there is a certain amount of financial propriety that we have to maintain. Since, we are going to buy properties which are going

to be with the Government of India for a very long time, we have to be very careful in choosing right kind of properties so that we do not get into difficulties later on. In some cases, we have come very close to actually purchasing the property. Then, at the last moment, sometimes the person who is selling property wants some part of the money in a different country or under different arrangements. Those kinds of things as a Government we cannot do. There are those kinds of constraints for which we will like to seek your understanding. Let me tell you that during the last several months, I myself have been, on a regular basis reviewing the projects that we are undertaking abroad and we wish to undertake abroad.

I want to bring to your notice that we were able to manage, in a very short period of time, to get the project. For example, for Nepal, it has been pending since last more than thirty years. We were able to get the plans approved and we were able to go to the Committee on Non-Plan Expenditure and get the project approved. We have now got it to the point where it is going to the Cabinet for approval. Similarly for two or three projects, which have been pending for a very long time, we sat together with the Secretary (Expenditure) and were able to sort out some of the clarifications on the spot itself. We were able to get that through.

105. During the evidence, on the Videsh Bhawan Project, the Foreign Secretary informed the Committee:

“One very major project which has been again pending for several years is the project for Videsh Bhawan, that is, Ministry of External Affairs’ own offices. It is because over the years, we have become more and more congested in South Block. Akbar Bhawan is not really a suitable place for having office of Ministry of External Affairs. So, there also the project has been thought of and the project has been talked about for many years. I would like to inform you that for that project also, with a great deal of concentrated effort on our part, on the part of my colleagues and also in collaboration with the Ministry of Urban Development, that project also we have got through the Committee on Non-Plan Expenditure 

In the next few days, it will be going to the Cabinet for approval. Now, that may not show up immediately here as project which has been realised. But I want to assure you, Sir, that a very major effort has underway to try and get as many of these projects off the ground as we can. We are very conscious of the fact that we have not done a good job on this in the last several years. We take the criticism very humbly that has been made by you. I can only assure you that the effort, we are making, will continue, and we will try to get as many of those projects through as possible. That is an assurance.”

STATEMENT OF RECOMMENDATIONS/OBSERVATIONS OF THE COMMITTEE

A. GENERAL OBSERVATIONS

1. India's foreign policy faced many challenges in the past, but there is a certain resilience in it which steered India clear through such challenges. The Committee are of the view that our foreign policy should retain this resilience and we should calibrate our responses to events of significance taking place far and near keeping in view India's geo-political interests.
2. The foreign policy of India is based on a broad national consensus and, therefore, the basic orientation of this policy do not change. The unipolar world which emerged after the end of the cold war era and the globalisation of the economy created radically new situations requiring new responses. The Committee feel that the successive governments which took office during this period have conducted the foreign policy with a proper understanding of the post cold war world and the political realities which it brought about.
3. The Committee consider that the decisive and bold moves made by the Government of India over the past five years to improve its relation with its neighbours are praiseworthy. The confidence building measures taken by India at different times to improve its relation with Pakistan culminating in the Srinagar-Muzaffarabad bus service, are borne out of a genuine conviction that the relationship between India and Pakistan can be improved. The Committee also appreciate the steps taken by the Government to relax visa regulations to enable the people of Pakistan from different walks of life to visit India and interact with the Indian people. The people-to-people contacts at different levels with greater frequency, the Committee believe, will bring about better understanding of the sensitivities of each other as well as of the commonality of perceptions of both the people.
4. However, the Committee feel that the Government should prepare the roadmap for improving its relations with Pakistan with the greatest care. The compulsions generated by the concerns of the international community over the perpetual tension prevailing between two nuclear powers should not force the Government into hastening

the pace in an unrealistic manner. Every care should be taken to protect the vital interests of the nation. The fact that the terrorist training camps inside Pakistan's territory are still operating, though infiltration into Jammu & Kashmir has come down considerably, points to the grave danger inherent in the situation. The Government of India should not allow itself to be taken by surprise at any stage.

5. The Committee appreciate the steps taken by the Government to improve our relations with China. The serious attempts being made by both countries to address the boundary disputes should succeed. High level political visits, the Committee believe, will generate the required momentum in the ongoing efforts to settle the disputes. The Committee are of the view that permanent settlement of the major disputes between India and China in a spirit of mutual accommodation will bring about a qualitative change in the geo-political situation in the South Asian region which will help to accelerate India's economic growth. The Committee would like to be apprised of the steps being taken in this regard. Keeping in view our age old traditional relations, the Committee would urge the Government to take steps to further improve our relations with neighbouring countries particularly Bangladesh and Nepal.

6. The post cold war power equations seem to be slowly changing with China and India emerging as significant players on the world scene. The military and economic might India has acquired places it in a position of strength from where it can influence the world events in a significant way. The Indian nation has a civilizational dimension and it is poised to play a big role in the shaping of the future world. The Committee are of the firm view that India needs to grow into an economic superpower and considerably strengthen its military prowess in order to be able to play that role effectively. The Government should grasp the dynamics of power equations in the present day world and re-orient our approaches and attitudes in such a way that India always remains an indispensable participant in the shaping of the world's future. Peace and harmony in the world and peaceful co-existence among nations are the cornerstones of India's foreign policy. But India can talk of peace and harmony effectively and convincingly only from a position of strength. The Committee hope that this cardinal principle of international politics will be internalised by the Government and its foreign policy will truly reflect this principle.

B. OVERALL BUDGETARY PROPOSALS

7. The Committee note that the projected Actual Expenditure for the year 2004-2005 is 3758.85 crore against Rs. 3885.00 crore at RE. It means that Rs. 126.15 crore again remained unspent during the year 2004-2005, while, Rs. 65.47 crore was unspent during the year 2003-2004 which had been the case earlier also in the years 2000-2001 and in 2001-2002. As per the Ministry's own admission the projection under the Head "Capital Outlay" had been based on the plans for purchases of property and construction projects, some of which could not reach the anticipated stage of making payments due to unforeseen local developments. The Committee are of the view that Budget remained unspent only due to non-materialisation of schemes/projects envisaged at the time of making the budgetary provisions. The Committee, therefore, recommend that Ministry should initiate remedial measures with stringent and regular review for timely completion of projects/schemes to avoid the non-utilisation of funds, so that the large unspent provisions can be eliminated.

8. The Committee note that large savings accrued during the year 2004-2005 under the Heads "Special Diplomatic Expenditure" (Rs. 145.43 crore), "Aid to African countries" (Rs. 25.95 crore) and Capital Outlay (Rs. 62.17 crore). According to the Ministry these savings were re-appropriated to other Heads, where there was a requirement of more funds for ongoing programmes/schemes and other commitments and thus the overall savings from MEA's allocation got reduced to Rs. 126.15 crore. It means that total projected saving was Rs. 233.55 crore out of which Rs. 107.40 crore was allocated to those Heads under which allocated funds were lesser than their requirements. In view of the explanation tendered before the Committee, they desire that they may be apprised of those ongoing programmes/schemes – where additional funds were provided by way of re-appropriations which consequently reduced the overall savings to the tune of Rs. 126.15 crore.

9. The Committee note that the BE projection in 2005-2006 is 7.89% higher than BE 2004-2005 while it is 1.11 % over RE 2004-2005. Going by the Ministry's version, taking into account the anticipated inflation of only of 5% in the Financial Year 2005-2006, the increase in real terms – in the BE 2005-2006 allocation – will be only by 2.89%, while it will be less than RE 2004-2005 by 3.89%. The Committee find it quite

strange that the anticipated inflation or other factors like dearness, exchange rates, etc. which obviously affect the value of money had not been given due consideration while formulating the Budget Estimates and as a result thereof, 3.89% lesser amount against RE 2004-2005 has been allocated in BE 2005-2006 in real terms. The Committee are not able to understand as to how the Ministry will, thus, be in a position to do justice to its stated objectives and reinforce the positive image of the country abroad. Therefore, the Committee recommend that the Ministry should keep all these factors in view at the time of formulation of budget estimates and projection thereof.

10. The Ministry has informed the Committee that in order to manage expenditure within the allocation for BE 2005-2006, they have to carry out a review of its various commitments and prioritize them to meet expenditure within the given allocation. The Ministry has also requested the Ministry of Finance to allocate an additional amount of Rs. 432.00 crore for 2005-2006 to enable it to meet the bilateral commitments which cannot be delayed. The Committee recommend that at the time of forwarding Demands of Ministry, it should in the first instance have been well explained to the fund allocating Agency (i.e. MoF), so that the funds could be obtained as per requirements of the Ministry to enable it to meet bilateral commitments of the country in a satisfactory manner.

11. The Committee note that the Ministry of External Affairs has constituted an expenditure monitoring committee to regularly review the overall programme expenditure of the various Divisions of the Ministry. Through this monitoring, the Ministry has been able to ensure better phasing of expenditure on various projects/schemes and was able to utilise about 71.23% of its BE allocation by December, 2004. With this, the rush of expenditure in the last quarter of the Financial Year 2004-2005 has been avoided. The Committee hope that this trend will continue in the years to come by better phasing of expenditure on various projects/schemes. The Committee also feel that the better utilisation of funds in a phased manner will ensure the timely completion of projects/schemes. Thus, the problem of non-utilisation of funds can be rectified automatically.

C. RENTS, RATES, TAXES

12. The Committee observe that the Actual Expenditure on account of “Rent, Rates, Taxes” under the Heads “Secretariat” and “External Affairs: Passport and Emigration”, has been less than BEs/REs from the year 2000-2001 onwards. The Committee feel that the Ministry has failed in making accurate estimation of requirement of funds under these Heads even at the RE stage. They note with concern that the unrealistic projection of Budget Estimates has become a routine in the Ministry. The assurances given by the Ministry in the last two years to this effect have not yielded the desired results as huge variations continue to exist. The Committee, therefore, recommend the Ministry to tighten the existing mechanisms to avoid such variations and ensure accurate estimation of requirement of funds to the maximum extent possible at the BE stage itself.

13. The Committee note that despite constructing/acquiring buildings for chanceries at 77 stations, residences for Head of Missions at 83 stations and acquiring 610 residential apartments for other officials at 44 stations, the Ministry has not been able to reduce the rental liabilities so far. Taking into account the fact that a large number of buildings have been hired by the Ministry in India and abroad, the Committee wonder as to how the Ministry would be able to reduce the rental liability in a substantial way – with limited plans of construction/acquisition. While deploring lackadaisical approach of the Ministry towards acquisition of properties/construction of buildings, the Committee strongly recommend the Ministry to draw a comprehensive and time-bound long term plan with adequate budgetary support and regular monitoring mechanism in place to gradually accommodate all their offices, Missions, residences in their own buildings to be acquired/constructed. The Committee are of the firm view that this will not only save huge rental outgo in the short run but also create assets for the country in the long run with the advantage of capital gains.

D. ADVERTISING AND PUBLICITY

14. The Committee find that the reasons advanced by the Ministry for under utilization of funds under the Head Advertising and Publicity are too general, not properly analysed and repetitive in nature. The Committee are constrained to point out that at the time of examination of Demands for Grants of the Ministry for the year 2003-

2004, the Ministry had cited somewhat similar reasons; stating that the expenditure on Advertising and Publicity could not be fully made due to India's nuclear tests, the Kargil incursion, IAC hijacking, Gujarat earthquake, World Trade Center attacks on September 11 and terrorists attack on Parliament. The continuous variations in Actual Expenditure vis-à-vis BE/RE over the past years establishes the faulty budget estimation and more so, its execution by the Ministry. The Committee further find that though the Ministry has stated that it has been working in a coordinated manner with various Missions in drawing up their publicity plans and regular review is also undertaken to ensure better utilization of publicity budget, yet these efforts have failed to yield the desired results; as a result thereof, Ministry's publicity plans and budget are going haywire. The Committee, therefore, would like to recommend the Ministry to totally re-orientate its XP Division in prudently projecting and ensuring utilization of the funds allocated to it, so that the External Publicity, which is the most important area of Ministry's functioning and can be largely instrumental in projecting the opportunities available in the country in diverse fields to the outside world and in pursuing economic diplomacy, is handled professionally. The Committee hope that the Lobbying Firm in United States is functioning satisfactorily. They would like to be assured of the same.

15. The Committee had desired to know as to whether the Indian Missions abroad have drawn up any action plans for intensive publicity campaign during the year 2005-2006. In response, the Ministry has given information in respect of merely eight Missions only. While going through the specific publicity initiatives mentioned in respect of these eight Missions, the Committee have felt that none of these Missions have proposed anything specific and different in their initiatives. The usual publicity measures have only been projected before the Committee as specific publicity initiatives – which, in the opinion of the Committee, might not have any significant impact in their publicity drives or show case India's interests or achievements to the outside world. The Committee are also concerned to note that only a small number of Missions are taking some initiatives in the matter.

16. The Committee, therefore, desire that the Ministry may obtain information regarding specific publicity initiatives from all our Missions for the current fiscal. The Committee would like to be informed about details of specific publicity action plans, if

any, drawn up by our Missions in the economically and strategically important countries for India and also funds earmarked for such publicity drives.

E. PROFESSIONAL SERVICES

17. The Committee note that the Ministry of Law and Justice have furnished a list of advocates for the formation of a panel of advocates for handling extradition cases and the Ministry in consultation with Legal and Treaties Division and the Additional Solicitor General of India has prepared a list of six advocates for various extradition cases and forwarded the same to Ministry of Law and Justice for their concurrence. In view of the urgent need and desirability of having best counsels of proven professional competence to deal with extradition cases, the Committee would urge upon the Ministry to pursue vigorously the matter with the Ministry of Law and Justice to have the matter regarding formation of panel expedited on top priority. The Committee recommend that the decision in the matter may be taken at the earliest so that the realistic Budget Estimates could be made under this Head and the funds are not kept blocked in anticipation – without making any headway in achieving the desired objectives. The Committee further desire that utmost care should be taken to include in the panel of advocates top legal luminaries having expertise in the local criminal laws of foreign countries.

F. FOREIGN SERVICE TRAINING INSTITUTE

18. The Committee note that the construction of Foreign Service institute building as of now is not complete and as such it is not possible for the FSI to start functioning from there. The Dean FSI has instructed the Additional Director General (TD) CPWD, the consultant, the representative of the contractor that even if the whole building is not completed, the FSI wants that the office rooms and the Lecture Halls be completed in the next 3-6 months so that the FSI moves in the premises. The remaining part of the building i.e. Hostel, auditorium etc. can be completed subsequently. The Dean has been assured that every efforts will be made to comply with his instructions. The Committee recommend that a final time schedule should be firmed up at least now for

the completion of construction works of the FSI Building so that the Institute starts functioning from its own premises at the earliest.

19. The Committee are happy to note that the FSI is continuing its endeavour to make the training-cum-familiarization courses more dynamic, inter-active and result-oriented so as to make it on par with the best Diplomatic Institutes of the world. The Institute engages Guest Speakers who have achieved excellence in the academic and their professional fields, who impart knowledge and information to the participants on various issues like India's Foreign and Security Policy, International Relations, International Law, matters concerning terrorism, India's economic policy, multilateral and bilateral negotiations, protocol and so on. The Foreign Service Institute has entered into Memorandum of Understanding with the Foreign Service Institutes of several other countries. To date, such Agreements have been concluded with 22 countries in order to facilitate mutual cooperation and improve bilateral relationships. The Committee hope that the Foreign Service Institute will successfully meet the professional training requirements of the officers from Indian Foreign Services, Ministries as well as foreign diplomats. The committee, therefore, recommend that the required funds should not be a constraint for the effective functioning of FSI and Memorandum of Understanding should be negotiated by the Institute with more countries.

G. EMBASSIES AND MISSIONS

20. The Committee note with concern that the Actual Expenditure under the Head "Embassies and Missions" has been increasing sharply since 2000-2001. The Actual Expenditure 2000-2001 was Rs. 691.61 crore which has increased to Rs. 855.00 crore in 2004-2005. The Committee find that the increase has been attributed to increase in rates of Foreign Allowance, normal inflationary trends, increase in costs of goods and services which occurred after the computation of projections under this Head. The Committee has time and again, recommended for reduction of Administrative expenditure on Missions/Posts abroad. The Committee desire that the avoidable Administrative expenditure on Embassies and Missions be pruned suitably so as to meet the expenses for other important activities and new initiatives of the Missions

abroad. The Committee, further, recommend that the re-appropriation of savings from other Heads should be resorted to sparingly.

21. The Committee also observe that a number of vacancies are lying vacant in various Indian Missions/Posts abroad which in turn affect their day-to-day functioning. The Committee recommend the Ministry to take immediate steps for filling up the required number of vacancies in Missions/Posts.

H. PASSPORT AND EMIGRATION

22. The Committee observe that an amount of Rs. 121.86 crore was allocated to the Ministry at BE stage in the year 2004-2005 and the Ministry enhanced the amount to Rs. 159.98 at RE stage. The reason stated by the Ministry for enhancement of requirements at RE stage is that the hike in RE for 2004-2005 is primarily on account of payment towards various travel documents to India Security Press, Nasik. The higher BE projection of Rs. 140.55 crore for the year 2005-2006 is stated to have been made to meet the expenditure on travel documents, scanning of passport documents, machine-writing of passports, salaries, administration, payments to State Govts. and Union Territories for their Passport related services, verifications etc. While emphasizing the need for full utilization of the budgetary allocations during the financial year, the Committee trust that the enhanced BE of Rs. 140.55 crore for the year 2005-2006 will be fully utilised so as to avoid variation between BE/RE and the Actuals.

23. The Committee express their concern over the fact that 16 Passport Offices namely Bhubaneswar, Bangalore, Bhopal, Guwahati, Jalandhar, Jammu, Jaipur, Lucknow, Mumbai, Pune, Ranchi, Trichy, Surat, Thiruvananthapuram, Thane and Vishakapatnam, are still functioning in the rented buildings involving annual rental outgo of Rs. 3.60 crore. The Committee, therefore, recommend the Ministry to chalk out a comprehensive plan to either acquire suitable properties or to take up the matter with the respective State Governments for early allotment of suitable land for the construction of remaining passport offices as well as the residential complexes on priority basis.

24. The Committee had expressed their unhappiness over the fact that although the Chief Minister, Assam had offered a plot of land free of cost to construct the building for

the Passport Office, Guwahati but nothing has been done so far and the Passport Office, Guwahati is still functioning in a rented building. The Committee feel that the Ministry should have pursued the matter at the highest level in right earnest which in their considered opinion has not been done. The Committee would like to stress upon the fact that since the Passport Office, Guwahati, which is catering to the need of all seven North-Eastern States, is facing extreme space shortage, urgent action is required to construct a new building for it. The Committee, therefore, urge upon the Ministry to expedite the examination of the proposal in hand for an early action in the matter.

25. The Committee are surprised to find that in spite of their earlier recommendation regarding sending of proposal for acquiring land for construction of buildings for the Passport Offices, which are still functioning in rented buildings, the proposals have been received from Mumbai and Jalandhar only. The Committee find that the Ministry are not serious enough in the matter. The Committee, therefore, once again strongly recommend that the proposals for the construction of building/acquisition of built up properties may be obtained from the remaining Passport Offices without any further delay and the proposals so received be cleared and completed expeditiously.

26. As regards the inadequacy of staff, the Committee urge upon the Central Passport Organisation to fill up the vacant posts immediately particularly those at the operational and first supervisory levels. The Committee also suggest that pending formal selection of staff and also to meet sudden increase in the workload, the RPOs/POs may be vested with necessary administrative and financial powers to recruit qualified temporary staff in clerical and messengerial grades on daily wages through the local employment exchanges. The Committee recommend the Ministry to have a fresh look at the Cadre of the CPO in view of the increase in the workload in various RPOs across the country. However, as a temporary measure, the Committee would suggest that the Ministry should firm up a transfer policy for utilizing the existing staff whereby the surplus staff in certain RPOs can be transferred to those RPOs where there is shortage.

27. The Committee also observed that a number of posts are lying vacant in various Passport Offices. Also, Passport Offices at least in Capital Cities of Uttranchal, Chattisgarh and Himachal Pradesh could not be opened due to shortage of staff.

Keeping in view the increasing work load in various Passport Offices, the Committee desire that necessary steps be taken to fill up the vacant posts and also to create new posts at supervisory levels at the earliest so that the new Passport Offices could become operational soon and the increased work load could be reduced. The Committee also desire that the Ministry may consider the feasibility of opening of Passport Office at Agra also for the convenience of applicants from various districts of U.P. such as Firozabad, Etah, Mathura, Aligarh, Hathras, Jhansi, Lalitpur, Mohaba, Hamirpur and Banda.

28. The Committee recommend that the premises of the Passport Offices, should be renovated and maintained properly and while doing so, facilities for the general public/applicants visiting these offices be increased to the best possible extent till they move to more spacious premises where adequate facilities are available for the applicants and the staff. The Committee also suggest that the Ministry should lay down some standard parameters for future expansion of the Passport Offices. Since Passport Offices are earning a substantial revenue for the Government, adequate funds may be allocated for renovation and upgradation of public facilities.

29. The Committee have noticed that in some Passport Offices touts operate in collusion with officials working in the Passport Offices. The Committee, therefore, desire that no effort should be spared to identify such linkages and nexus with unscrupulous elements who are out to subvert the procedure and exploit the public. The Committee would recommend that strict legal action be taken against the guilty in the matter.

30. The Committee note with satisfaction the efforts of the Government to expedite the issue of passports to applicants in certain categories through the Tatkaal Scheme. The Committee desire that the Ministry should issue necessary instructions to all the Passport Offices by setting clear cut guidelines for making available passports to the applicants under this Scheme. The success of Tatkaal Scheme apart, the Committee would recommend that the entire procedure of issuing passports ought to be made very simple and transparent so that the common man, who generally does not have access to the Scheme, is also able to secure a passport without much hassles and running around.

31. The Committee, during their study visits to various Passport Offices, have noted with concern the plight of a large number of casual labourers employed there. The casual labourers working there for the last several years have been entrusted with various kinds of jobs but their requests for the regularization of their services have not been considered favourably so far. The Committee, however, find that the Ministry had regularized the services of 34 casual labourers and 139 casual labourers were given temporary status but about 200 casual labourers still remain to be regularized. The Committee, therefore, urge the Government that priority may be given to regularize the services of remaining 200 casual labourers as and when the permanent vacancies under Group 'C' and Group 'D' fall vacant.

I. INDIAN COUNCIL FOR CULTURAL RELATIONS (ICCR)

32. The Committee note that the same amount has been allocated in BE 2005-2006 to ICCR which was allocated at RE 2004-2005 stage. The Ministry itself has submitted that the amount of Rs. 57.50 crore allocated to ICCR in BE 2005-2006 will not be sufficient to meet all the proposed/projected activities of ICCR. The ICCR projected an amount of Rs. 68.00 crore for BE 2005-2006. During the course of evidence, the Ministry has stated that 'efforts will be made at RE stage to seek additional funds to bridge the short fall'. The Committee recommend that the budget of ICCR may be supplemented properly to take up critical activities as per the plan of action. The Committee also recommend ICCR that when their Budget is also being supplemented from the capital Budget of the Ministry of External Affairs, they should avail of the opportunity positively and the projects pending since long should be initiated immediately.

33. The Committee note that "Advisory Committees" for Regional offices in Jaipur and Mumbai have been constituted and first meeting of these Advisory Committees will be held soon. The Committee are not satisfied with the constitution of only two Advisory Committees and hope that similar Committees for the remaining Regional offices will be constituted shortly. The Committee recommend that the creation of posts, which is necessary for opening of New Regional offices should be processed without losing any further time and Regional centers at Bhopal, Bhubaneswar and

North-eastern Region, which had already been proposed to be opened, should be opened on top priority basis in order to remove the regional imbalances.

34. So far as the question of setting up of a Cultural Centre in Washington is concerned, the Committee express its unhappiness over the fact that at least on five occasions in the past, opportunities have been allowed to slip out of hands due to lack of will on the part of Ministry. Now, as a new proposal has since emerged, the Ministry should seize this opportunity firmly so that the project regarding the opening of Cultural Centre can be realized.

35. The Committee note that with joining of kathak and Tabla Teacher, the Cultural Center Suva has started functioning from the Embassy Premises in Feb. 2005. The Committee also note that, classes are being conducted at the Fiji India Cultural Centre, Indian College and the MGM High School and the Yoga Teacher designate for the sub-center at Lautoka is expected to join in May 2005. The Committee feel that the progress made so far is not sufficient. Even after taking such a long time the Ministry is not in a position to say till date that task has been accomplished. Therefore, the Committee recommend that remaining formalities regarding Cultural Centres Suva and Lautoka should be completed in a fixed time schedule. The Committee also recommend that the Ministry should process the already pending proposals with it to open up Cultural Centers in Bieijing, Tokyo, Tehran and Kathmandu at the earliest.

36. The Committee note that the ICCR has undertaken four new initiatives such as the task of digitizing the CDS of artists and putting them in a digital format, designing of website to make it more attractive and more user-friendly, initiative to cut the cost on the scheme to have our chairs abroad and sending cultural delegations to take part in major Cultural Festivals. The Committee also note that the ICCR has evolved a system called "Performance Audit" to assess their activities like performances of outgoing and incoming cultural troupes or the distinguished visitors whom ICCR invites. According to the Ministry, for this purpose, ICCR has evolved a simple questionnaire with 'yes' or 'no' questions for which audience, Artist as well as visiting dignitaries can give their comments very briefly. The Committee while appreciating the few initiatives taken by the ICCR recommend that ICCR should evolve more broad-based and effective mechanisms to assess quality and performance of all their major activities so that the

efficacy of certain existing activities can be gauged and improved as also more effective and practical schemes/projects in pursuit of cultural diplomacy can be put in place.

J. SOCIETY FOR RESEARCH AND INFORMATION SYSTEM FOR NON-ALIGNED AND OTHER DEVELOPING COUNTRIES (RIS)

37. In reply to a recommendation (1st Report, 14th Lok Sabha), the Ministry had informed the Committee that multilateral Economic Relation Division of Ministry of External Affairs has projected Rs. 1.50 crore at BE stage for RIS for Financial Year 2005-2006. The committee find that the proposed enhanced allocation could not be made in BE 2005-2006 – despite a solemn commitment by the Government in this regard to the Committee. Viewing this seriously, the Committee recommend that RIS should be encouraged wholeheartedly and paucity of funds should not be allowed to come in its way.

K. INDIAN COUNCIL OF WORLD AFFAIRS

38. The Committee note that the Ministry had earlier stated that the works related to Sapru House will be completed in financial year 2004-2005, but the same has not been completed so far. On the question of formation of “Governing Body” of the Council, the Ministry informed the Committee that the activities of ICWA have not been affected adversely but the formation of Governing Body could facilitate the demands for enhanced funding of ICWA activities and research. The Committee are of the view that without the Governing Body, no institution can function effectively for want of proper direction. The Committee, therefore, recommend that the Governing Body of the Council should be constituted without further delay, so that the responsibilities entrusted upon the Council can be fulfilled without any constraints. The Committee also recommend that necessary renovation work in Sapru House should be completed by the end of May, 2005.

L. PROPAGATION OF HINDI

39. The Committee note that the Ministry is making efforts to make Hindi an official language of the UN since quite long time, but no headway has been made in this regard so far. The Ministry is furnishing only stereo-type replies to this effect. The Ministry has

again informed that a High Level Committee to seek the direction in this regard has been formed. Three meetings of that Committee have since been held. Subsequently the Ministry has taken some follow-up action as an assessment report on the procedure, requirement and impediments for making Hindi an official language of the UN have been obtained. Financial implications as well as political and diplomatic efforts required are being assessed, "Advocacy paper" to present India's case to the Indian diaspora is also being prepared. The Committee are of the view that these exercises should be undertaken in a focussed manner and a time frame should be fixed to achieve this goal. The Ministry should not leave this matter on its fate.

40. The Committee note that the Indian Missions/Posts abroad promote and assist in the learning Hindi through correspondence courses conducted by Central Hindi Directorate. In 2004-2005, out of 100 slots, only 43 students could be admitted from 18 countries to learn Hindi at Kendriya Hindi Sansthan, Agra. The Ministry informed that 115 applications were received in all and 43 students out of those were given admissions by the Kendriya Hindi Sansthan, Agra. Admissions are allowed by the Sansthan keeping various factors such as suitability of the candidates, number of applications received from a particular country in comparison to number of slots allotted to it. Final decision regarding admissions is taken only by Kendriya Hindi Sansthan, Agra. The Missions have been advised to carefully scrutinise the nominations and forward the applications of the candidates who fulfill the criteria so that the available slots can be utilized to the maximum extent. Facilities for foreign students at the Central Hindi Institute, Agra also need to be improved to attract more students from abroad. The Committee would like to suggest that the Ministry can request Kendriya Hindi Sansthan, Agra to give more admissions against the available slots, even if, it involves fixing a bit liberal criteria for the selection of foreign students and at the same time, the improvement of facilities to attract more students from abroad is also suggested so that the available slots can be utilized to the maximum extent .

M. FOREIGN ECONOMIC RELATIONS

TECHNICAL & ECONOMIC CO-OPERATION WITH OTHER COUNTRIES

41. The Committee note that the allocation under this head shows steep increasing trend over the years as Rs. 886.73 (BE 2002-2003), Rs. 982.07 (BE 2003-2004), Rs. 1158.39 (BE 2004-2005) and Rs. 1432.79 crore is allocated in BE 2005-2006, which shows the increase of 10.75%, 19.95% and 23.69%, respectively. The reasons furnished by the Ministry for such enhancement are increase in training slots and better utilisation and higher anticipated expenditure on projects in Indonesia, Cambodia and Yemen. The Ministry has stated that these programmes generate tremendous amount of goodwill in friendly developing countries also further promote India's political interests in these countries thereby strengthening bilateral relations. The popularity of the training projects can be gauged from the fact that the number of the foreign nominees attending these courses has gone up by nearly 22% in the past two years. The Ministry has also stated that some new projects will be undertaken during the year 2005-2006. The Committee are of the considered opinion that if these programmes generate considerable amount of goodwill in friendly developing countries and also further promote India's political and economic interests in these countries and strengthen bilateral relations then enhanced allocations under the Head are quite justified and the shortage of funds should not be allowed to come in the way.

(a) FINANCIAL ALLOCATIONS FOR BHUTAN

42. The Committee note that in the five audit exercises conducted jointly by CAG's office and Royal audit authorities of Bhutan some discrepancies/misappropriations of funds were detected. The Committee would like to be apprised of those discrepancies/misappropriations and the remedial measures that have been taken by the both Governments in this regard. The Committee recommend that the updating of detailed project report should be completed within a time frame and the modalities of revival of Dungsum Cement Plant should be finalised without any further loss of precious time so that the plant is reactivated at the earliest. The Committee also recommend that major Hydro-power Projects in Bhutan should be completed expeditiously.

(b) ITEC AND SCAAP PROGRAMMES

43. During examination of Annual Report (2004-2005) of the Ministry, the Committee find that 2826 slots under ITEC and 716 slots and SCAAP programme were allotted in 2004-2005, but only 1819 and 494 trainees respectively availed of the slots, which, according to the Ministry, is due to unforeseen reasons such as administrative requirements, personal requirements (as ill health, death in family and other urgent reasons) some of the nominated candidates do not utilise the offer resulting in under utilisation of slots. Some of the candidates who have option to choose between the offers from India and other countries do not avail the offer from India. This results in cancellation in the eleventh hour and under-utilization. It was also mentioned before the Committee that the number of slots utilized up to end of March 2005 was 1886 under ITEC and 535 under SCAAP. The Ministry also informed that efforts are being made to ensure better utilisation of allotted slots in the coming year by upgrading the scale of accommodation for the trainees as well as increasing the amount of living allowance payable to them during the period of training in India. The Committee are concerned to note that about 30 per cent slots remained unutilised under both the schemes. The Committee feel that the Ministry have not able to find out any suitable remedy to cope up with this problem. The Committee, therefore, recommend that the Ministry should explore an effective mechanism so that the full utilisation of the allotted slots under these schemes is achieved.

44. The Committee note that under ITEC and SCAAP programmes Rs. 35.5 crore was allocated at BE 2004-2005 stage, which was raised to Rs. 50.50 crore at RE stage. However, expenditure incurred up to 31 January, 2005 under this Head was Rs. 38.86 crore, while the utilisation of allotted slots was a little more than half of the total allotted slots. Thus, the expenditure incurred as on 31st January, 2005 was much higher than the amount allocated at BE stage. The Committee find that there was gross under-estimation of the expenditure for these programmes at the BE 2004-2005 stage and the allocation of Rs. 50.50 crore at RE stage was not sufficient had there been full utilization of the allotted slots. The Committee do not agree with the reply furnished by the Ministry that the estimates more or less correspond to the expenditure that has been

incurred during the year. From this, the Committee feel that the Ministry is only trying to justify its under-estimation of funds under this Head. Accordingly, the Committee conclude that the Ministry are presuming that slots will remain unutilised, hence enhancement in allocation is not required as such. The Committee recommend the Ministry to make all the possible efforts for full utilization of slots and allocating sufficient funds for that purpose.

N. CAPITAL SECTION

45. The Committee going by the percentage variation figure over the last three years, note that there is a steep negative variation i.e. to the tune of Rs. 26.56% and 40% respectively under the Major Heads 4059 and 4216. The Ministry has informed the Committee that based on the progress of various ongoing construction projects and likely acquisition of properties abroad, Ministry had sought an allocation of Rs 80 crore under MH 4059 and Rs. 30 crore under MH 4216 in its proposal to Ministry of Finance for BE 2005-2006. In view of the budgetary allocation agreed to by the Ministry of Finance being less than what was projected by MEA and taking note of other pressing requirements, capital outlay for public works (Major Head 4059) was kept at Rs 51.41 crore and Capital Outlay for Housing (Major Head 4216) at Rs.15 crore. In fact, the projected BE 2005-2006 figures of the Ministry represented a positive variation of 14.29% under MH 4059 and of 20% under Major Head 4216 vis-à-vis BE 2004-2005 allocation. The Committee are not convinced with the reply furnished by the Ministry that projected BE 2005-2006 figures of Ministry represented variation of 14.29% under Major Head 4059 and of 20% under Major Head 4216 vis-à-vis BE 2004-2005 allocation. In the opinion of the Committee, if projected amount could not be obtained, it serves no purpose just to say that there was a positive variation under these Heads. The Committee feel that the Ministry perhaps could not project their requirements properly, as a result of which, the required amount could not be obtained. The Committee, therefore, desire that while securing funds under particular Heads, proper justification should be given before the fund allocating authority so that the desired funds can be obtained at a right time.

46. The setting up Embassy Complex in Brazil is one of the conspicuous cases by itself, where in spite of repeated recommendations by the Committee for prioritising the

Brazil project and expediting the construction of the Embassy premises, the Ministry has not been able to make any headway and as such the idea of having a Embassy Complex in Brazil has not been fructified as yet. The project has been hanging fire for the last 40 years or so resulting in cost escalation from an estimated US \$ 3.37 lakh in 1971 to an estimated US \$ 30 lakh in 2004. Besides, huge expenditure was incurred during all these years on payment of rent, which could have been utilized for construction project in Brazil. However, the Ministry, in its reply, have once again simply stated in quite a routine manner that the language barrier in Brazil has been contributing to the delay. The Committee are totally dissatisfied by the reasons advanced by the Ministry in this regard. They are of the firm opinion that no logical reason could stall the project for such a long period, particularly when the land gifted for the project was free from all encumbrances. The Committee would now desire the Ministry to prepare a time schedule for different stages involved in the construction of Embassy building on this plot of land, initiate all necessary steps to complete the project accordingly and keep the Committee apprised of the progress made in this regard from time to time.

47. According to the Ministry Doha Construction Project could not take off because the local government has decided to shift the site of the plot allocated to India to the new diplomatic enclave. The Head of Mission has taken up the matter of allotment of an alternate plot with the Qatar Government at the highest level. The Qatar government has informed that a fresh plot in the new diplomatic enclave is likely to be allotted to us by mid-2005. The Committee hope that after allotment of fresh plot in new diplomatic enclave, the project will be taken up on urgent basis and the Ministry will prepare a comprehensive plan of action for its timely completion. The Committee would also like to be apprised of the developments taking place from time to time in this regard.

48. The Committee are constrained to note that the construction of Chancery, Embassy residences in Tashkent, Muscat, Tehran, Buenos Aires, Istanbul and Bahrain are pending since long. The Committee expect that with the creation of a separate Projects Division headed by a J.S., greater impetus would be provided to the construction and acquisition of properties. The Committee recommend that the Projects

Division of the Ministry should sincerely focus their efforts on all the pending projects and workout a fixed time schedule for the start and completion thereof.

49. The Committee note that the Videsh Bhavan (now known as the Jawaharlal Nehru Bhavan) is proposed to be constructed on a plot of land measuring 7.785 acres at the junction of Janpath and Maulana Azad Road as headquarters of Ministry of External Affairs. In November 2003, it was decided to entrust the project to CPWD for design and execution. The concept design prepared by CPWD had been approved by the Delhi Urban Arts Commission and the Central Vista Committee at the conceptual stage with some observation. Simultaneously, the project had been approved from financial angle by the Committee for non-plan expenditure at cost of Rs. 175.57 crore. Financial approval of the Cabinet was being sought. CPWD had indicated that the construction of the building will take forty months after receipt of the approvals. The Committee are of the view that the construction of Videsh Bhavan seems to be inordinately delayed. The Committee would like that this should be expedited and the Committee may be apprised of the progress made in this regard.

50. As far as the matter of Second Diplomatic enclave is concerned, the Committee note that nothing has materialised so far in this regard. As the Ministry is saying repeatedly that, despite its best intentions of meeting requirements of diplomatic Missions in New Delhi, it can only recommend allotment of land to Missions, the decision on the allotment of land for the second diplomatic enclave rests entirely with the Ministry of Urban Development and Poverty Alleviation – the sole decision making authority in this regard. The Committee believe that both the Ministries are the arms of the Government. While they can understand that both these Ministries might have their own rules and regulations but when the matter is pending between two Ministries of the Government, such a long delay cannot be justified. The Committee, therefore, recommend that both the Ministries should place their respective cases before the Prime Minister and whatever the Prime Minister decides, should be acceptable and binding on both. However, the Committee desire that all these pending projects should gain momentum and be completed. The Committee would like to suggest that before

the beginning of each of these projects, comprehensive plan of action should be prepared and accordingly accomplished.

NEW DELHI
25th April, 2005
Vaisakha 05, 1927(Saka)

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

APPENDIX-I

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS HELD ON 8th April, 2005

The Committee met from 1130 hrs. to 1400 hrs. and 1445 to 1640 hrs.

Present

Dr. Laxminarayan Pandey – Chairman

Members

Lok Sabha

2. Prof. S.P. Singh Baghel
3. Shri Narayan Chandra Borkatakya
4. Shri Vinod Khanna
5. Shri S.K. Kharventhan
6. Shri Narendra Kushwaha
7. Shri Nikhil Kumar
8. Shri Somabhai Patel
9. Shri Sebastian Paul
10. Shri P.A. Sangma
11. Dr. (Col.) Dhani Ram Shandil

Rajya Sabha

12. Shri P.K. Maheshwari
13. Smt. Prema Cariappa
14. Dr. Karan Singh
15. Shri Jana Krishnamurthy K
16. Smt. S.G. Indira

Secretariat

1. Shri P.D.T. Achary - Secretary
2. Shri S.K. Sharma - Additional Secretary
3. Shri U.S. Saxena - Director
4. Shri Shiv Kumar - Under Secretary

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Witnesses (Ministry of External Affairs)

<u>Sl. No.</u>	<u>Name</u>	<u>Designation</u>
1.	Shri Shyam Saran	- Foreign Secretary
2.	Shri Rakesh Kumar	- DG (ICCR)
3.	Shri Pradeep Kumar	- Additional Secretary (FA)
4.	Shri J.S. Sapra	- Joint Secretary (FSI)
5.	Shri K.P. Ernest	- Joint Secretary (Coord)
6.	Smt. Neelam Deo	- Joint Secretary (BSM)
7.	Shri Lal Dingliana	- Joint Secretary (TC)
8.	Shri P.R. Chakravarty	- Joint Secretary (COP)
9.	Shri B.R. Muthu Kumar	- DDG (ICWA)
10.	Shri Dilip Sinha	- Joint Secretary (PAI)
11.	Shri Ranjit Rae	- Joint Secretary (North)
12.	Shri Navtej Sarna	- Joint Secretary (XP)
13.	Shri N. Parthasarathi	- Joint Secretary (AD)
14.	Dr. A.K. Amrohi	- Joint Secretary (CPV)
15.	Shri B.S. Bishnoi	- Joint Secretary (MER)
16.	Shri A.K. Mudgal	- Joint Secretary (Estt.)
17.	Shri C.R. Sundaramurthy	- Chief Controller of Accounts
18.	Shri Syed Akbaruddin	- Director (FSO)
19.	Smt. Gaitri I. Kumar	- Director (Finance)
20.	Smt. Reenat Sandhu	- Director (Projects)

2. At the outset, the Chairperson welcomed the Members of the Committee and representatives of the Ministry of External Affairs to the sitting of the Committee.

3. The Committee then took evidence of the representatives of the Ministry of External Affairs on the various points arising out of the Demands for Grants of the Ministry of External Affairs for the year 2005-2006 and the replies to the List of Points by the Ministry. The representatives of the Ministry of External Affairs replied to the queries made by the Members.

4. The issue of India's relation with neighbouring countries particularly Afganistan, Bangladesh, Nepal and Pakistan also came up discussion during examination of aid-in-grant these countries and the Foreign Secretary briefed the Committee.

The verbatim record of the proceedings has been kept.

The Committee then adjourned.

**MINUTES OF THE SITTING OF THE STANDING
COMMITTEE ON EXTERNAL AFFAIRS HELD ON 25th
APRIL, 2005**

The Committee met from 1500 hrs. to 1540 hrs.

Present

Dr. Laxminarayan Pandey – Chairman

Members

Lok Sabha

2. Prof. S.P.Singh Baghel
3. Shri Narayan Chandra Borkatakya
4. Shri Vinod Khanna
5. Shri Nikhil Kumar
6. Shri Somabhai Patel
7. Dr. (Col.) Dhani Ram Shandil
8. Shri Madhu Goud Yashki

Rajya Sabha

9. Smt. Prema Cariappa
10. Dr. Karan Singh
11. Shri Jana Krishnamurthy K.
12. Smt. Jaya Bachchan
13. Shri Fali S. Nariman

Secretariat

1. Shri P.D.T. Achary - Secretary
2. Shri S.K.Sharma - Additional Secretary
3. Shri U.S. Saxena - Director
4. Shri Shiv Kumar - Under Secretary

At the outset, the Chairman welcomed the Members to the sitting of the Committee. The Committee then took up for consideration the draft Seventh Report of the Committee on Demands for Grants of the Ministry of External Affairs for the year 2005-2006. The Chairman invited Members to offer their suggestions, if any, for incorporation in the draft Report.

2. The Members suggested certain modifications and desired that those be suitably incorporated into the body of the Report.

3. The Committee then authorized the Chairman to finalise the Report in the light of modifications suggested and consequential changes, if any, arising out of factual verification of the Report by the Ministry and thereafter, to present the Report to Parliament. The draft Report was then adopted.

The meeting then adjourned.