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**STANDING COMMITTEE
ON EXTERNAL AFFAIRS**

(2009-2010)

FIFTEENTH LOK SABHA

MINISTRY OF EXTERNAL AFFAIRS

**DEMANDS FOR GRANTS
(2009-2010)**

SECOND REPORT



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

November, 2009/Agrahayana, 1931 (Saka)

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Presented to Lok Sabha on 3rd December, 2009
Laid in Rajya Sabha on 3rd December, 2009



LOK SABHA SECRETARIAT
NEW DELHI

November, 2009/ Agrahayana, 1931 (Saka)

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**STANDING COMMITTEE ON EXTERNAL AFFAIRS
(2009-2010)**

Smt. Sushma Swaraj – Chairperson

MEMBERS

Lok Sabha

2. Shri S. Alagiri (Cuddalore)
3. Shri Anto Antony
4. Shri Devidhan Besra
5. Shri T.K.S. Elangovan
6. Shri Vishwa Mohan Kumar
7. Shri Pradeep Majhi
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13. Smt. Supriya Sule
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16. Shri Bhisma Shankar alias Kushal Tiwari
17. Shri Shivkumar Udasi
18. Vacant
19. Vacant
20. Vacant
21. Vacant

Rajya Sabha

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28. Shri Shivanand Tiwari
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30. Shri Arjun Kumar Sengupta
31. Dr. (Smt.) Kapila Vatsyayan

SECRETARIAT

1. Shri U.S. Saxena - Joint Secretary
2. Shri R.K. Jain - Director
3. Shri Hoti Lal - Deputy Secretary
4. Shri K.C. Pandey - Executive Officer
5. Ms. Kiran Bhargava - Executive Assistant

INTRODUCTION

I, the Chairperson of the Standing Committee on External Affairs, having been authorized by the Committee to present the Report on their behalf, present this Second Report of the Standing Committee on External Affairs (2009-2010) on Demands for Grants (2009-2010) of the Ministry of External Affairs.

2. The Committee took oral evidence of the representatives of the Ministry of External Affairs on 23rd October, 2009.

3. The Committee considered and adopted this report at their sitting held on 30th November, 2009. Minutes of the sittings of the Committee held on 23rd October, 2009 and 30th November, 2009 are given in Annexure I and II to the Report.

4. The Committee wish to express their thanks to the Ministry of External Affairs for placing before them the material and information which they desired in connection with examination of the Demands for Grants (2009-2010). The Committee also wish to express their thanks in particular to the representatives of the Ministry of External Affairs for appearing before the Committee and placing their considered views before them.

NEW DELHI
30th November, 2009
9 Agrahayana, 1931 (Saka)

SMT. SUSHMA SWARAJ,
Chairperson,
Standing Committee on External Affairs

CHAPTER I

IMPLEMENTATION OF THE COMMITTEE'S RECOMMENDATIONS

The 20th Report of the Standing Committee on External Affairs on Demands for Grants of Ministry of External Affairs for the year 2008-2009 was presented to Lok Sabha on 16.04.2008 and laid in Rajya Sabha on 15.04.2008. The Report contained 15 recommendations/ observations.

1.2 In compliance of Direction 73-A of the Directions by the Speaker, the Minister of State for External Affairs made a statement in Lok Sabha on 17th December, 2008 giving the status of implementation of the recommendations made by the Committee in their 20th Report (14th L.S.). An analysis of the Ministry's statement showed that the Government had accepted all the 15 recommendations. Out of these, 09 recommendations were implemented by the Government, 05 recommendations were under process of implementation and one recommendation was to be implemented.

1.3 On the basis of Action Taken replies received from the Ministry of External Affairs on the above mentioned Report, the Committee presented their 22nd Action Taken Report to the Houses on 18th December, 2008. The Committee in their 22nd Action Taken Report have commented on the Action Taken reply furnished by the Ministry in respect of recommendation No. 4, 6, 9,10,11,15 contained in the 20th Report. Final Action Taken Statement on the comments contained in the 22nd Action Taken Report has been received from the Ministry and will be laid in the Parliament.

1.4 Regarding the status of implementation of the recommendation the Foreign Secretary during the course of evidence informed the Committee that:

“We have taken note of all the previous recommendations and observations made by the Standing Committee on External Affairs and it gives me great pleasure to report to you that the Government has taken steps to implement most of these recommendations. They have also formed an important element in the formation of our budget.”

CHAPTER II

BUDGETARY ALLOCATION

The Foreign Policy of India aims at establishing a peaceful extended neighborhood and a supportive international environment. Such an environment can ensure accelerated economic development of India and help in safeguarding India's national security. The function of the Ministry of External Affairs is to execute this Foreign Policy of India to ensure that the designated objectives are achieved.

2.2 The budget of the Ministry has traditionally been a Non - Plan one. The Plan component has generally been small, however, it has been increasing over the years.

2.3 The total Demands for Grants of the Ministry of External Affairs for the year 2009-10 are for 6293.00 crore which is 24.31% more than BE 2008-09 and 8.38% less than RE 2008-09. Out of the BE 2009-10 of Rs. 6293.00 crore, Rs. 5664.00 crore is under Non-plan and Rs. 629.00 core is under Plan.

2.4 The Non-plan component of the BE 2009-10 is Rs. 5664.00 which is more than BE 2008-09, Rs. 4483.00 crore and less than RE 2008-09, Rs. 6418.42 crore.

A. Overall Budgetary Proposals

2.5 The Total Budgetary Allocation for the MEA during the last 4 years along with RE for the respective years including Actual & shortfall in utilization of RE is as follows:

(Rs. in crore)					
Year	BE	RE	Actual	Increase at RE Stage	Shortfall in Utilization of RE
2005-06	3928.00	4182.00	4089.00	254.00	93.00
2006-07	3695.00	4095.00	3949.00	400.00	146.00
2007-08	4433.00	4783.00	4572.39	350.00	210.61
2008-09	5062.00	6868.42	-	1806.42	-
2009-10	6293.00				

2.6 It is evident from the table above that the initial budgetary allocations during the last 4 budget years were raised at RE stage. The actual utilization were, however, less than the increased allocation made at RE stage resulting in shortfall in utilization of funds every year. The revised allocation made during 2008-09 is Rs.

1806.42 crore more than the allocation made at BE stage. When asked to categorically explain the shortfall in utilization of the Revised Estimates (RE) over the years and the steps that have been/ are being undertaken by Ministry of External Affairs to arrest this trend, the Ministry in written reply has stated that:

“Efforts have always been made to ask for budget allocations based on realistic assessment of the requirement of funds. In order to ensure full utilization of the funds allocated for various activities/projects, an Expenditure Monitoring Committee (EMC) under the Chairmanship of the Foreign Secretary has been set-up for regular monitoring of expenditure and utilisation of the budget allocation of the Ministry. The EMC reviews expenditure plans of all concerned Divisions of the Ministry each quarter on regular basis for all the ongoing Plan and Non-Plan schemes / programmes to examine the expenditure pattern of the Ministry at the end of each quarter to oversee whether targets set in percentage for each quarter was being utilized as planned. During the year 2008-09, the EMC has regularly reviewed the expenditure pattern of the Ministry. Spending Units found lagging behind in the utilisation of their budget allocation were requested to increase their pace of expenditure”.

2.7 On being asked as to when the Expenditure Monitoring Committee (EMC) was set up and the number of times the Committee has met and its recommendation and impact in respect of proper utilization of budgetary allocation, the Ministry in post-evidence reply has stated as under:

“The Expenditure Monitoring Committee (EMC) was set up in August 2003 as an institutional mechanism for regular monitoring of the utilization of budgetary allocations of the Ministry.

The EMC meets every quarter of the financial year to review the actual utilization of funds by various spending Divisions of the Ministry during the preceding quarter vis-a-vis their approved budgetary allocation. The recommendations/suggestions of the EMC for various spending Divisions include (a) Need for evenly spreading of expenditure throughout the year, (b) Need to anticipate excess/savings in a time-bound manner. The identified savings under various heads of account are re-appropriated and utilized for augmentation of those in need of additional funds so as to avoid any surrender of funds. In case the utilization of budgetary allocations by the concerned Divisions is below the target, the reasons are examined in detail with a focus on the feasibility of increasing the pace of expenditure to achieve the desired target.”

2.8 When asked about the expenditure as on 31.3.2009 for the year 2008-09, the Ministry stated that:

“The total expenditure as on 31.01.2009 for the year 2008-09 was Rs. 6,745.90 crore, which was 98.21% of RE 2008-09 of Rs. 6,868.42 crore”.

2.9 Over the years, it is observed that inspite of being unable to fully utilise the revised allocation, huge enhancement is sought at RE stage. In its justification, the Ministry stated that:

“A unique feature of this Ministry is that the bulk of its outlays are on projects and programmes which are to be implemented in foreign countries. The BE and RE are framed on the basis of the various commitments made at the political level. It is often found that political and security developments in the recipient state influence the progress of our proposed projects. This makes it imperative that there is consultation with the sovereign government on the other side to reach mutually acceptable agreement...It has to be noted that the Ministry has to deal with sovereign governments and operate in foreign environments where our effective control is limited. While every attempt is made to negotiate the terms of the project and obtain agreement between the parties, because of the very nature of operating in foreign environments where the effective control of the Indian side is limited, there exists the potential for time and cost overruns as well as unspent provision made in the budget.”

2.10 The Ministry was also asked about the reasons that necessitated considerable enhancement of 35.68% of budgetary allocation for the year 2008-09 at RE stage and its justifications thereof. The Ministry in their written reply has stated that:

“The main reasons for seeking an increase in RE 08-09 were the following:

- Payment of India’s Assessed Contribution of US\$ 95.6 million and India’s Voluntary Contribution of US \$ 100 million to SAARC Development Fund (SDF) offered by our Prime Minister during the 12th SAARC Summit in Islamabad in January 2004 and approved by the Cabinet subsequently.
- Standby Credit Facility of Rs. 300 crore extended to Bhutan.
- Standby Credit Facility of Rs. 500 crore extended to Maldives.
- Implementation of recommendations of 6th Pay Commission, anticipated increase in Foreign Allowance, opening of new Posts, increase in tuition fees, cost of travel, cost of goods and services, cost of medical treatment and hospitalization and depreciation in the value of the INR vis-a-vis US Dollar.”

2.11 The Ministry was asked to explain the reasons for considerable reduction at RE stage in Plan allocation and substantial enhancement under the Non-Plan Allocation at RE stage. The Ministry in their written reply has stated that:

“The reason for considerable reduction at RE stage in Plan allocation was the reduced requirement of funds for various projects being implemented in neighbouring countries particularly in Nepal and Myanmar. The off-take of Loans to Bhutan was also at a lesser level than projected at BE level.”

2.12 Under the Sub-head ‘Plan’, Rs.629.00 crore have been allocated under the Revenue Section. However, Zero allocation is made under Capital Section under the Sub-head ‘Plan’. While furnishing the reasons for zero allocation, the Ministry replied as under:

“The Capital Section under the Head Plan mainly caters to the Loans/Advances being extended to the neighbouring countries. During the time of preparation of BE 2009-10, no proposal for payment of Loan was under consideration and therefore the allocation under this Head is zero”.

2.13 On being enquired about total projected Demands for Grants for the year 2009-10 of the Ministry, the representative of the Ministry informed during the evidence, as under:

“We had projected a Demand for about Rs. 7,400.00 crore, but what we got was slightly less (Rs. 6,293 crore), but there is not too much gap in it.”

2.14 The total proposed outlay under Plan head for the year 2009-10 is stated to be Rs.1,274.70 crore but only Rs. 629.00 crore has reportedly been approved. In this context, the Committee desired to know whether it will be feasible for the Ministry to fulfill all its commitments/ targets with lesser allocation, the Ministry replied as under:

“As of now, it appears that the Ministry will be able to fulfill its commitments with the Plan funds allocated in BE 2009-10. In case it is felt that additional funds would be required, the Planning Commission would be approached at the RE stage for higher allocation and it seems that none of the planned projects would be affected due to lower allocation”.

2.15 On being enquired about the effect of Government of India’s austerity drive on the Ministry, the representative from the Ministry of External Affairs, during the

evidence submitted that there has been a 10 percent and 5 percent cut on the Non-Plan. While elaborating on the issue, it was further stated that:

“(We) soon will be having our Revised Estimate meeting in the first week of November. There we will come to know whether this 5 percent cut has been absorbed and then we are given a higher requirement at the RE stage or not. Every year the Finance Ministry announces this cut. At the RE stage sometimes it is absorbed and sometimes it is not. So, we live with that once we come to know how much they are going to give us at RE stage.”

2.16 During the course of evidence, Members of the Committee deliberated upon the current contours of Indian Foreign Policy and reflected upon the need to re-orient India’s foreign policy and adoption of new ideas in its conduct, in light of the global scenario and new challenges in the immediate neighborhood.

2.17 To project India abroad, audio-visual media is a very effective medium. However, as per Outcome Budget 2009-10, under the Head ‘Schemes/Programme’ and Sub head ‘Advertising & Publicity’, no provision has been made for ‘documentary films made on Missions’ request for effective projection of India among International Media’. While dwelling upon the reasons thereof, the Ministry stated as under:

“PD Division has been regularly making documentary films on requests from and in coordination with our missions. Provision for making such documentaries is included within the overall budget of PD Division. [PD Division’s budget is included under Advertising and Publicity]. An allocation of Rs.17.25 crores in the Current Financial Year has been made for effective projection of India abroad through audio-visual publicity, which includes making of documentaries.”

2.18 During the course of the evidence, while further replying to Members query on Ministry’s budget on International Publicity, the Foreign Secretary informed the Committee that:

“In terms of publicity budget of the Foreign Ministry, I could concede that the amount that we have for publicity is far too less in terms of what we should be doing on the ground in the projection of our public diplomacy, for our cultural projections. We have only Rs. 22 crore for advertising and external publicity out of our total budget of Rs. 6200 crore.”

2.19 The Foreign Secretary further submitted that:

“...In addition to that, when every Mission makes their annual budgetary plan, they are given an allocation for publicity which is Rs. 31 crore. If you add Rs. 22 crore to this, it will make Rs. 53 crore.”

CHAPTER III

ESTABLISHMENT STRENGTH

The Committee in its 20th Report on Demands for Grants for the year 2008-09 during 14th Lok Sabha had urged the Ministry that there should be no further delay in deciding the proposed expansion of the cadre strength, keeping in view Ministry of External Affairs' enlarged role and responsibilities brought about by India's increasing international engagements.

3.2 While dwelling upon the issue during the evidence, the Foreign Secretary stated that:

“...The issue of expansion of the Indian Foreign Service in terms of augmentation of the Officers and Staff strength is very much a point of concern for us and we have, infact, obtained Cabinet approval for the expansion of the service both in terms of the numbers of officers being inducted into the service as also provision for some lateral entry because at the middle to little beyond middle level we do have a shortage of officers to man the various positions.”

3.3 During the evidence, representative from the Ministry informed that the present officer strength is around 628 and after the approval given by the Cabinet, it would go up to 1,014 over a period of 10 years. While further elaborating on the issue, the representative of Ministry of External Affairs stated that:

“It is not really possible to add them at one go. We also have a structure into the cadre. There will be recruitment. Our recruitment is going up to 30 Indian Foreign Service probationers whom we will be taking now through the UPSC system. That in itself involves an increase of over 150, over ten years because you cannot take them all at one go. Similarly, the total expansion involved is 314 posts of officers and 200 posts of staff and we are concentrating between the levels of Under Secretary and Director which is the key level at which we have missing people.”

3.4 During the evidence, it was further stated that most shortage is there in terms of the junior level - Under Secretary, Deputy Secretary and Director and same applies in the Mission at that level and although the Ministry is expanding, the Heads of Mission are going to be limited.

3.5 In the process of expansion of IFS cadre, the importance of training in view of the evolving international scenario and the diversification in the work profile of the Ministry cannot be undermined. In its reply regarding sectoral allocations under the Head - 'Training', the Ministry stated as follows:

“Under this head of account provision is made for anticipated expenditure on the activities of the Foreign Service Institute (FSI) which includes Professional Courses for Foreign Diplomats (PCFD), basic professional training courses and in-service training programmes for Foreign Service officers etc.

Funds amounting to Rs. 2.33 crore were surrendered in RE 08-09 as some of the courses planned were deferred till the financial year 2009-10. BE 2009-10 has been fixed at Rs. 9.82 crore to take care of the regular activities and the deferred ones.”

3.6 In this context, the Ministry was asked to provide details of courses deferred and the reasons therefore, the Ministry in its post-evidence reply has furnished as under:

“The 45th Professional Course for Foreign Diplomats (PCFD), which was scheduled to be held in April-May, 2008 had to be advanced to January-February, 2008 (during financial year 2007-08). Part payment pertaining to expenditure on 45th PCFD was made in 2007-08 and the rest of the payments were made in the financial year 2008-09.

In addition, provision of Rs. 1.75 to 2.00 crore was kept for Mid-Career training programme for Joint Secretary level officers, which was scheduled to be held in January-February, 2009 (during financial year 2008-09) was deferred to April, 2009 (during the current financial year 2009-10) due to administrative reasons.”

3.7 During the evidence the Committee raised their concerns regarding non-availability of interpreters from Hindi to various foreign languages and *vice versa*. Dwelling upon the issue, the Foreign Secretary acknowledged that:

“We need to develop that cadre of interpreters in Hindi who can do this because diplomatic terminology and languages is such....We have developed the skill of interpreting in other foreign languages. In fact, we have one Chinese language Interpreter in the Ministry, who is equally proficient in Hindi. So, he is doing it from Hindi to Chinese and Chinese to Hindi.”

3.8 While further responding to queries raised by the Committee, the Foreign Secretary added that:

“...The propagation of Hindi and the level of usage of Hindi in the Ministry, we are constantly stressing and also propagation of Hindi abroad, as part of what the ICCR does through its cultural centres is very important. The publication of the material is done in Hindi...But interpreting in Hindi requires higher skill and we need to develop that level of skill. We will pay special attention to it by putting it on the agenda.”

3.9 In light of long pending proposal with the Ministry to appoint interpreters from Hindi language to foreign languages instead of English language to foreign languages at present, the Ministry was asked to elaborate upon the steps that have been taken to appoint interpreters from Hindi language to foreign languages and the development made so far in this regard. The Ministry in post-evidence reply has stated as under:

“In 2003, following instructions from the PMO and EAM, the Ministry has undertaken a major exercise to assess the availability of interpreters from Hindi to foreign languages. In this context, Territorial Divisions as well as Hindi Section in the Ministry were asked to compile lists of private interpreters from Hindi to different foreign languages, and vice versa, who could be used during incoming visits of foreign dignitaries. Similarly, Missions abroad were also asked to identify the availability of individuals who could be used for interpretation between Hindi and the local languages. Many of the Missions were able to identify private individuals with such bilingual ability, even if they did not have formal training in interpretation. As a result of this exercise, the Ministry has been able to build up a fairly comprehensive database of individuals who can be used for such interpretation, both in India and abroad.

In addition to the above, MEA also has a small in-house cadre of Interpreters, who are recruited through the UPSC. These interpreters serve both at headquarters of the Ministry, as well as in some of the Missions and Posts abroad. Due to the limited number of posts available in the cadre, only the major international languages are represented in the cadre. However, almost all of the internal interpreters of the Ministry have a working knowledge of Hindi, and they can be used for interpretation between Hindi and the foreign language they have learnt.

As such, there are no educational or training facilities in India that specifically teach interpretation between Hindi and foreign languages. Such interpretation/translation courses that exist are only between English and other foreign languages. In order to formally recruit individuals with academic qualifications for interpretation between Hindi and foreign languages, the existence of such educational facilities is a pre-requisite.”

3.10 While taking note of overall state of affairs, the Ministry was asked that in the era of globalization does the Ministry feel the need to redefine the role of the Ministry of External Affairs with a view to provide new look to every aspect being dealt by the Ministry especially in the field of manpower and resources, including proper infrastructure so as to ensure quick disbursement of humanitarian aid etc. and if so, can the Ministry set a time-frame within which this could be made possible while underlining the need for carrying out such drastic change in the system.

3.11 The Ministry in its post-evidence reply furnished as under:

“Ministry has been making all possible efforts to improve infrastructure facilities both at the Headquarters as also in Indian Missions abroad. During the recent past, several steps have been taken for better upkeep of office space and to provide modern furniture to offices of the Ministry. Some offices have been completely remodeled on modern lines. Efforts are also underway to upgrade the equipment in all offices subject to budgetary constraints. During the last financial year, special allocation of Rs.39 crores was made for improvement of infrastructure facilities in consular and visa wings in our Missions abroad. Taking advantage of this allocation, a large number of our missions have taken steps to upgrade infrastructure facilities wherever possible. Steps were also taken to relocate some of our missions to better premises keeping in view their space and functional requirements.”

CHAPTER IV

INTERNATIONAL COOPERATION

Promoting economic and technical cooperation with other developing countries has acquired a new dimension in India's relationship with other countries and regional groupings. This has acquired greater importance in India's Foreign Policy particularly due to the strong economic growth process at home that has made it more viable and also provided India's emerging sectors an opportunity to enter markets hitherto unexplored. Increased budgetary allocation to financial and economic cooperation is thus a reflection of this aspect.

4.2 An important feature of the sizeable chunk of the Ministry's outlay is in designing and implementation of projects and programmes in other countries. However, the progress of such projects is conditioned by the internal political and security developments in the recipient countries. It needs to be noted that the Ministry has to deal with Sovereign Governments and operate in an external environment where Ministry's effective control is limited.

4.3 The Ministry was asked to furnish a detailed note on the role and responsibility of the Ministry in identification and execution of the Projects in various countries. The Ministry in its written reply has informed as under:

"The nature, requirement and purpose of each project being varied, the process of their identification and execution also varies. Some projects are executed on humanitarian grounds and, in order to promote goodwill for India, some may be identified on strategic considerations and accordingly executed. Many projects are also selected by the Ministry based on the value addition they bring to the community where the projects are being executed, which also provide India an opportunity to showcase its skills, technology and human resource capacities that she has developed over the course of years.

The projects are identified in consultation with the Missions and the host government, where required. Thereafter the process of their execution also varies depending on the nature of project. In most cases, they are executed through Indian companies and in some

cases, under the supervision of the Indian consultant, through local companies.

It has been India's endeavour to act in conformity with the best aid-effectiveness principles, taking fully into account the local government priorities, in co-ordination with other donors, using local sub-contactors and material as practical, and with miniscule proportion of budget on security and salaries (unlike the case of other donor countries i.e. USAID, DFID, EC, WB, ADB, etc. where these components constitute as high as 65% of the overall budget)."

4.4 The proposed outlays and approved outlays for Annual Plan 2009-10 for various schemes of Ministry of External Affairs are as under:

Name of the Scheme	(Rs. Crore)	(Rs. Crore)
	Annual Plan (2009-10) Proposed outlay	Annual Plan (2009-10) Approved outlay
Punatsangchu-I Hydro electric Project (Bhutan)	500.00	239.00
Construction of four Integrated check posts along selected India-Nepal Border (Nepal)	30.00	15.00
Five cross border rail link between India and Nepal	14.00	8.00
Development of Road infrastructure in the Terai Region of Nepal	100.00	40.00
Naumere Hydro electric Project in Nepal	9.00	5.00
Transmission Line Project from Pul-e- Khumi to Kabul (Afghanistan)	70.00	35.00
Kaladan Multimodal Transit Project (Myanmar)	137.00	25.00
Mangdhechu HEP (Myanmar)	170.00	80.00
Punatsangchhu-II HEP(Myanmar)	90.00	40.00

4.5 The table indicates that there has been substantial difference between the amount of Proposed outlays and Approved outlays. On being asked about the reasons for lesser allocations in Approved outlay during the year 2009-10 for the projects in the above mentioned countries and its impact on these international projects being executed by Ministry of External Affairs, the Ministry in its reply has stated that:

“Bhutan

Punatsangchhu-I HEP is being implemented under the Plan budget of the Ministry of External Affairs for which funds are allocated by the Planning Commission. This Ministry had projected requirement of Rs. 500 crores (Plan Loan of Rs. 300 crores and Plan Grant of Rs. 200 crores) for 2009-10 based on the recommendation of the Punatsangchhu-I Hydropower Authority (PHPA). Planning Commission has allocated Rs. 239 crores as Plan Grant and no fund under Plan Loan for the project.

PHPA has now revised the requirement of funds for the project for this financial year to Rs. 548.90 crores. Therefore, an amount of 60% (Percentage of Plan (Loan) for the project) of Rs. 548.90 crores = Rs. 329.34 crore has been requested from the Planning Commission for CFY to meet the fund requirement for the project.

Nepal

Pursuant to CCS's decision, all the Plan expenditure on the border infrastructure have been put in the Non plan category. There is no expenditure envisaged on these projects under the Plan.

In year 2008-09, an amount of Rs. 7.71 crores was spent towards the cost of the Detailed Engineering Survey (DES) of the Jogbani – Biratnagar (2.25 Cr) and the Jayanagar – Bardibas (4.4 Cr) Rail links.

Afghanistan

The approved project cost for the Transmission Line Project from Pul-e-Khumri to Kabul and a sub station at Kabul is Rs.478.72 Crore. The original project has been completed in February 2009 and commissioned in May 2009. As per final expenditure projection by PGCIL, the executing agency, a savings of Rs.73 Crore was expected.

A proposal for setting up of two additional sub-stations as add-on to the original project is under consideration of the Expenditure Finance Committee (EFC). The revised project cost including fresh proposals would be Rs.504.76 Crore. The savings out of the present project was proposed to be utilized for the construction of two additional sub-stations.

Accordingly, MEA has proposed for making provisions of Rs.70 Crore and Rs.79 Crore under BE 2009-10 and 2010-11 respectively.

As the proposal on revised project cost was under submission to EFC, the approved BE 2009-10 has been curtailed by the competent authority, with the understanding that it would be augmented at RE stage, if required.

The construction of two additional substations (at Charikar and Doshi) would be completed in two years and Ministry proposes to augment the approved outlay during 2009-10 at RE stage so that implementation of the project is not affected.

Myanmar

As the Agreement between MEA and IWAI, the Project Development Consultant was signed on 19 March 2009, payment of Rs 2.945 Cr was made to IWAI as first installment of 10% of Project Development Consultant fees in 2008-09.

During the current financial year 2009-10 the BE for the Kaladan Multimodal Transit Transport Project is Rs. 25 Cr against the proposed outlay of Rs. 137 Cr. The Project Development Consultant Inland Waterways Authority of India (IWAI), has intimated that it has anticipated following expenditure for year 2009-10.

(i) Upgrading of Inland Waterways Transport (IWT)	= Rs. 28.59 Cr.
(ii) Project Development Charges to IWAI	= Rs. 8.85 Cr.

Total	= Rs. 37.44 Cr”

A. Myanmar

4.6 The Ministry of External Affairs had informed the Committee that under ‘Aid to Myanmar’ in BE 2008-09, Rs. 41.00 crore was earmarked. However, it was substantially reduced to 5.00 crore at RE 2008-2009 stage. In BE 2009-10, Rs. 25 crore is earmarked, due to substantial reduction in the requirement for meeting the expenditure on Kaladan Multimodal Transit Transport Project in Myanmar in the current financial year. On being asked to furnish the details regarding its current status and anticipated timeframe for its completion, the Ministry stated that:

“BE of Rs.41 Cr earmarked in 2008-09 for the Project could not be utilized, as the Agreement between MEA and Inland Waterways Authority of India (IWAI), the Project Development Consultant was signed on 19 March, 2009. Subsequently, the RE was reduced to Rs. 5 Crore. The payment of Rs 2.945 Cr was made to IWAI as first installment of 10% of Project Development Consultant fees in 2008-09.”

4.7 While further elaborating upon the current status of the Kaladan Multimodal Transit Transport Project, the Ministry stated as under:

“IWAI along with the potential contractors have visited site in Myanmar. The detailed survey and the assessment of DPR have been conducted in collaboration with the Myanmar Survey Department. The actual work is expected to start by end of the financial year 2009-10.”

Time Frame for Kaladan Multi Modal Transit Transport Project

Project Activity	2009-10	2010-11	2011-12	2012-13	2013-14
Upgradation of Port and Waterway	Projected year of starting of the project	Project under implementation	Project under implementation	Projected year of the completion of the project	--
Construction of Road from Kaletwa to India-Myanmar Border			Projected year for starting of the project.	Project under implementation	Projected year of the completion of the project.

The upgradation of port and waterway will span over four years. The activities of mobilization of dredgers, sea dredging will start in 2009-10. River dredging soft material will take place in 2010-11 & 2011-12. The actual construction of port and IWT terminals at Sittwe and Construction of IWT terminal at Setpyitpyin (Kaletwa) will start in 2009-10 and will be over by 2012-13.

Construction of Road from Kaletwa to India-Myanmar border will start from the year 2011-12, as the first two years will be utilized for the construction of road in Indian Territory. The project will be completed in three years”.

B. Bhutan

4.8 The Committee observed that under the new schemes, the Approved Outlays for Mangdhechu Hydroelectric Project and Punatsangchu-II Hydroelectric Project in Bhutan is Rs. 80 crore and Rs. 40 crore respectively. The Ministry was asked to furnish the details of these projects viz total cost, timeframe etc. While elaborating upon the current status of the projects and whether schedule for completion of these

projects have been prepared and adhered, the Ministry in its written reply stated as under:

“The DPR of Mangadechu is under submission to the Ministry of Power for its approval by National Hydroelectric Power Corporation Limited (NHPC). The Royal Government of Bhutan has already approved the DPR. As per the DPR, the total cost of the project is Rs. 3111.55 crores and is expected to be completed by 2016.

The schedule for the completion of the project is 2010-16. Work on the project is expected to commence in January 2010 following Cabinet approval.”

4.9 While in case of Punatsangchhu-II HEP, the Ministry stated that:

“The DPR of Punatsangchhu-II is being finalized by Water and Power Consultancy Services (WAPCOS) Ltd. in consultation with the RGOB and is expected to be submitted for approval to MoP in September 2009. As per the DPR, the total cost of the project is Rs. 4230 crores and is expected to be completed in 2016.

The schedule for the completion of the project is 2010-16. Work on the project is expected to commence in January 2010 following Cabinet approval”.

4.10 The Committee further enquired about the steps taken to ensure timely completion of the above-said projects. The Ministry in post-evidence reply has stated as under:

“The Royal Government of Bhutan (RGoB) have approved the Detailed Project Report (DPR) of Mangadecchu Hydro-electric Power project, which is now being examined by GOI. As per the DPR, the total cost of the project is Rs.3,111.55 crores and is expected to be completed by 2016. Pre-construction activity on the project is expected to commence in January 2010. The project would be implemented under the Inter-Governmental Authority model. The implementation Agreement for the project will be initialized with the RGoB after the DPR is approved.

The schedule for the completion of the project is 2010-16.

The DPR of Punatsangchhu-II has been prepared by WAPCOS Ltd. in consultation with the RGoB and has been submitted for approval to the Ministry of Power, Government of India in October 2009. As per the DPR, the total cost of the project is Rs.4,230.00 crores and is expected to be completed in 2016. Pre-construction activity on the project is expected to commence in January 2010. The project would be implemented under the

Inter-Governmental Authority model. The Implementation Agreement for the project would be initialized with the RGoB after the DPR is approved by both sides.”

4.11 According to Annual Report 2008-09, the Government of India has extended a standby credit facility of Rs. 300 crore to the Government of Bhutan this year. The Ministry was asked to elaborate upon the reasons therefor, besides stating the number of countries that have received such treatment in the last three years. The Ministry informed that:

“The Prime Minister of Bhutan, during his visit to India in July 2008, had requested for grant of Standby Credit Facility (SCF) by Gol to overcome its balance of payment (BOP) problems and to meet its outstanding Rupee payments...

Given the small size of Bhutan’s economy, the Rupee outflow from Bhutan is substantial. In addition, Bhutan has commenced loan repayments for Tala hydropower project since January 2008 at the rate of Rs. 263 crores per year which has also reduced the rupee reserves otherwise held by RGoB.

An Intergovernmental Agreement for implementation of the SCF was negotiated in New Delhi on October 22, 2008 whereby Gol agreed to extend Rs. 300 crores SCF to RGoB through the State Bank of India. It was mutually agreed to charge 5% interest on the outstanding credit and a commitment charge at the rate of 0.25% per annum on the unutilized amount. The interest and commitment charge shall be recovered from or debited to the account of the RGoB at the end of every quarter. The amount of the credit shall be utilised only for making payments within India. The amount advanced on account of the SCF shall be repaid within a period of six months from the date on which the amount or the first installment thereof is drawn and credited. The credit arrangement shall be extended automatically for a period of six months each time and will remain in force for a total period of sixty months.

Besides Bhutan, a Stand-by Credit Facility (SCF) of Rs. 500 crore was extended to Maldives during the financial year 2008-09. In the last three years, SCF was not extended to any other country”.

C. Sri Lanka

4.12 The Ministry was asked to furnish a detailed note on the efforts being made by Government of India for extending humanitarian assistance and reaching political

solution to evolve a stable political system in Sri Lanka. In its written reply the Ministry stated as follows:

“The Government of India has emphasized that with the end of military operations, the time has come to focus attention on issues of relief, rehabilitation, resettlement and re-conciliation including a lasting political settlement. India has expressed readiness to work with the Sri Lankan Government to participate in the rehabilitation and reconstruction of northern Sri Lanka and in restoring normalcy in Sri Lanka. We have pressed Sri Lanka to speed up the process of rehabilitation of displaced civilians to their original areas of habitation. Government of Sri Lanka has committed to resettling the bulk of the IDPs to their original homes within 6 months.

India has also offered to assist in the reconstruction and rehabilitation phase. An amount of Rs. 500 crores has been allocated in the Union Budget”.

4.13 The Committee further desired the Ministry to specify the total amount of humanitarian assistance been provided by Government of India to the Government of Sri Lanka so far and to elaborate upon the monitoring mechanism to ensure its optimal utilization. The Committee further desired to know about the efforts that are being made by Government of India to ensure the wellbeing and rehabilitation of Internally Displaced People in Sri Lanka. The Ministry in post-evidence reply has stated as under:

“The projects are dully vetted and approved by the competent Authority. Project Monitoring Committees have been setup which also includes representatives from Finance Division amongst others. Our High Commission at Colombo also closely monitors the projects and bills are vetted to ensure that proper mile stones are achieved before passing of the bills.

Government of India has emphasized that with the end of military operations, the time has come to focus attention on issues of relief, rehabilitation, resettlement and re-conciliation in Northern Sri Lanka. India has expressed readiness to work with the Sri Lankan Government to participate in the rehabilitation and reconstruction of Northern Sri Lanka, ensuring the well being and rehabilitation of IDPs and in restoring normalcy in Sri Lanka.

India has been providing urgent relief assistance to civilians affected by the conflict in Northern Sri Lanka... Today, our humanitarian effort is transitioning from a predominantly relief initiative to a broader focus involving rehabilitation and

reconstruction of the North and East. A full range of projects including in infrastructure development are currently under consideration and in varying stages of planning and finalisation. These include areas like local infrastructure, transport sector, livelihood schemes, education, agriculture etc.

A 10-member delegation comprising DMK, Congress and VCK Parliamentarians from Tamil Nadu visited Sri Lanka from 10-14 October 2009, when they also visited IDP camps in Vavunia. India has strongly urged the Government of Sri Lanka to quicken the pace of resettlement and adhere to identified time frames. Resettlement started on 5th August, 09 and as on 3rd November, 09 about 100,000 people are reported to have been resettled.

India is committed to assisting the process of rehabilitating the IDP population in Northern Sri Lanka and reconstructing the war-ravaged areas to facilitate a return to normalcy and a stable peace.”

D. Bangladesh

4.14 The Annual Report of Ministry of External Affairs states that India took several initiatives, many unilaterally in order to bring India and Bangladesh closer. The Ministry stated that:

“.. recent initiatives, along with our efforts to increase connectivity within the SAARC region, while reiterating our commitment to promoting our relations and supporting Bangladesh economically, give considerable opportunity to business community from Bangladesh in the Indian market. These unilateral gestures have been welcomed by Bangladesh and have helped India to strengthen ties with Bangladesh. Both the Government and the business community have appreciated them as the trade balance was heavily in India’s favour.”

4.15 The Ministry informed that the extensive disaster relief assistance provided by India to Bangladesh have been welcomed and appreciated by the government and the people of Bangladesh and has helped to reinforce the traditional bonds of friendship and strengthen the ties between the People of India and Bangladesh. While further elaborating upon the projects being undertaken by India in Bangladesh, the Ministry stated that:

“India is undertaking the following projects:

- Rehabilitation of 11 cyclone affected villages in Bangladesh at a cost of Rs 26,41,80,128/-
- Construction of Kalbhaban for faculty of Music and Theatre University of Dhaka

- Construction of new Rath for the Dhamrai temple for the annual rath yatra
 - Higher Secondary and Under-graduate Scholarships for wards of muktijodhas (annually approx Taka 2 crore)
- The above mentioned projects while promoting the traditional bonds of friendship between the People of India and Bangladesh also reinforce the cultural linkages that has been another cornerstone of our bilateral ties.”

E. Nepal

4.16 India is a major ally of Nepal and provides all kind of aid to Nepal. In this context, the Ministry was asked to provide detailed information regarding financial aid being provided to Nepal and various Projects being executed. The Ministry stated as under:

“Government of India is currently undertaking about 343 projects in all the 75 districts of Nepal including 30 large projects/intermediate projects and 308 small projects (schools, hospitals, small roads etc.) with a total outlay of over NRs.2,500 crore (over INRs.1,550 crores) through our Embassy in Kathmandu.

A snapshot of the number of projects being handled by the EC wing is as follows:

No. of projects as on	Small	Large & intermediate	Total
31.3.04	16	10	26
31.3.05	56	22	78
31.3.06	100	24	124
31.3.07	174	26	196
31.3.08	247	28	275
31.8.09	285	29	314

Small Development Projects Scheme:

The projects are implemented through local bodies of GON viz. District Development Committee (DDC), Municipality, Divisional office of Department of Urban Development and Building Construction (DUDBC). Embassy of India does not release funds directly to the beneficiary organisation. Funds are released to the local body of GON in the district in four installments based on progress reports received from the local body. An overseeing committee consisting of executing agency (DDC etc.), concerned district office (education, health etc.), local community leaders, and beneficiary organisation is constituted to ensure quality and timely implementation of the project. Implementation of the project is closely monitored by Economic Cooperation Wing of the Embassy through on site inspection by the officials.”

The Ministry further furnished:

“Projects identified during Visit of Prime Minister of Nepal to India:

1	<i>MoU regarding continuation of Indian grant assistance for the Goitre control programme in Nepal</i>	The MoU was signed on 22 nd August 2009 during the visit of PM of Nepal to India. Discussions on modalities for the implementation of the grant assistance are being discussed with GON.
2	Bagmati Civilisation Project	A technical team would be visiting Nepal to study the Bagmati Civilisation Project.

Financial Status of River Training Projects/Embankments under Indian Grant Assistance:

S.No	Projects	Fund required in NRs crores in 2009-10
		NRs in crore
1	Bagmati (as per 2001)	
	Bagmati (as per 2008)	13.27
2	Lalbakeya-I(inclusive of NEC breach closure)	
	Lalbakeya-II(as proposed)	14.27
3	Kamala (as per 2006)	17.06
4	Khando (as proposed)	10
	Total	54.6
		(IRs. 34.12 crores)

Other Projects under Indian Grant Assistance

S. No.	Projects	Indian grant (Indian Rupees in crores)	Status
1.	Devighat Hydropower Project	15.00	Under implementation, scheduled to be completed by May,2010
2.	Central Depository System(CDS)	9.20	Announced during the visit of Prime Minister of Nepal to India from August 18-22,2009
3.	Gagan River Embankment Project	5.33	The implementation will be undertaken after the updated DPR is submitted by GoN.
	Total	29.53	

4.17 In the detailed break up of expenditure under the sub-head 'Aid to Nepal' the Ministry in its written reply has stated that:

“In Nepal, a steep rise in expenditure is anticipated during the current financial year on (i) Integrated Development of selected border check posts, (ii) Implementation of five cross border rail links between India and Nepal (iii) Development of road infrastructure in Terai region of Nepal (iv) construction of embankment on Kamla, Bagmati, Lalbakya and Khando River, and (v) Naumere Hydro Electric Project.”

4.18 In view of the anticipated steep rise in expenditure during the current financial year on various projects in Nepal the Ministry was asked to state whether the Ministry has chalked out any time bound plan to start and complete these projects. The Ministry in post-evidence reply has stated that:

“Government of India’s financial aid to Nepal is aimed at assisting a friendly neighbour in its socio-economic development and generating goodwill for India. We have undertaken projects in areas of infrastructure, health, water resources, rural and community development, education, etc.

During the visit of Prime Minister Madhav Kumar Nepal to India in August 2009 the two Governments agreed upon a number of projects with Government of India assistance covering interalia border infrastructure, vocational education training, health, etc.

For every project implemented in Nepal, the relevant authorities/Ministries in India are consulted. The projects are undertaken after preparation of a Detail Project Report (DPR), which is examined and approved by both countries. For each project, a Memorandum of Understanding (MoU) is signed between the two Governments. Timelines for implementation of projects are specified in the MoU and the DPR. Project Monitoring Committees with representatives of the Government of India and Government of Nepal are established to monitor the implementation of the project in accordance with the MoU and the DPR. Due to the fluid political situation in Nepal it is not always possible to strictly adhere to the given time frames. Nevertheless, all efforts are made to implement the project expeditiously.”

F. AFGHANISTAN

4.19 Notwithstanding a significant deterioration in the security situation, impinging directly on India with the attack on its Embassy in Kabul in July 2008, India has

remained at the forefront of international efforts to assist Afghanistan in building a stable, democratic and pluralistic society.

4.20 The Ministry in its Annual Report 2008-09 has stated that in implementation of India's pledged commitments in Afghanistan, progress has been made in a range of areas. In this context, the Ministry was asked to furnish a detailed note on the projects being carried out by India under 'Aid to Afghanistan'. The Ministry in written reply stated as under:

"Despite daunting logistical and security challenges, two major GOI-funded infrastructure projects – construction of 218 km road from Zaranj to Delaram in Nimroz province in Southern Afghanistan and the construction of 220 KV Transmission Line from Pul-e-Khumri to Kabul together with sub-station in Chimtala – have been completed. Construction of Afghanistan's new Parliament building, a symbol of the common commitment of both countries to pluralism and democracy, is also going on as per schedule.

Our assistance programme in Afghanistan is being substantially enhanced further by a 35% increase in scholarships for college students and others coming to India. In response to a request from the Government of Afghanistan the number of annual scholarships has been increased from 1000 to 1350. This July, 675 Afghans will join colleges in India as against 500 last year.

During President Karzai's visit in January 2009, the Government of India further pledged 250000 tones of wheat aid to Afghanistan to help it to tide over the current food crisis.

India has undertaken projects virtually in all parts of Afghanistan, in a wide range of sectors,... (that) have been identified by the Afghan government as priority areas for reconstruction and development. All the projects are undertaken in partnership with the Afghan government, in total alignment with the Afghanistan National Development Strategy and with focus on local ownership of assets.

India's commitment to Afghanistan's reconstruction and development remains unwavering. This has particularly been re-emphasized after the 7/7 attack on the Indian Embassy, in the aftermath of which PM stated categorically that India would not be deterred by such attacks and that we would continue with renewed commitment our political, economic and developmental engagement in Afghanistan".

4.21 India's projects can be divided into four categories viz.

- (a) Major infrastructure projects,
- (b) Humanitarian assistance,

- (c) Education and capacity development and
- (d) Community-based, small development projects in vulnerable border areas, in the fields of agriculture, rural development, education, health, vocational training, etc.

4.22 As per the Outcome Budget 2009-10, with a view to make India's contribution towards Afghanistan's democracy, the work in respect of construction of Parliament Building was taken up. Original construction cost was Rs. 296.45 crores. It was revised to Rs. 337.58 crore. However, approval of the Cabinet was obtained on 6th November, 2008 for a revised cost estimates of Rs. 710 crore. In this context, the Ministry was asked to explain the reasons behind massive cost escalation and the steps undertaken to ensure the completion of this Project within stipulated time of 36 months. The Ministry stated as under:

“CPWD, the executing agency, submitted the preliminary cost estimate of the project on January 6, 2006 for Rs. 296.45 crores as per standard guidelines. The Committee on Non-Plan Expenditure(CNE),MOF, recommended the project for approval by the Cabinet at an estimated expenditure of Rs 296.45 crores on 29th May, 2006. In July & August, 2006, GOA gave certain new requirements for the proposed Afghan Parliament Building and also suggested some basic changes in the conceptual plans. The Master Plan and the architectural drawings were accordingly modified taking into account the additional requirements and changes suggested by Afghan Government. The Afghan Government approved the modified plan in December, 2006.

CPWD submitted the modified preliminary cost estimates of the project in January, 2007 for Rs. 337.58 crores as per standard guidelines based on the modified drawings and incorporating extra cost implications on account of additional requirements and changes. The Afghan Government also requested CPWD to design and plan the Executive Block of the Parliament Building (to be funded by the Afghan side) thereby further revising the project cost to Rs. 338.58 crores. The Cabinet approved the proposal on 30th January, 2008 and allowed CPWD to proceed with the tendering process and to revert to the Cabinet for approval of the firm estimates after opening of the tenders.

Tenders for the project were opened on 7th February, 2008.. (However) finally only two agencies submitted their bids. Therefore with the recommendations of Special Works Board(SWB) and approval of Cabinet the project was awarded...

Thus the wide differences between estimated costs and actual bids received are on account of the peculiar and extraordinary conditions in Afghanistan and different threat perceptions of tendering parties.”

4.23 The Ministry was further asked whether the Government has initiated sincere efforts to check further cost escalation for the construction of Parliament Building in Afghanistan. The Ministry replied in affirmation. With regards to query on the steps taken to ensure completion of this project within stipulated time frame and check further cost escalation, the Ministry stated in its post-evidence reply has stated that:

“A full-fledged team of CPWD comprising technical and supervisory officers and staff has been stationed at Kabul to ensure speedy completion of the project;

Funds are released promptly to CPWD so that there are no delays in the execution of the project; and

A Project Review and monitoring committee under the chairmanship of Joint Secretary (PAI) has been constituted. The Committee quarterly reviews the project to ensure timely completion of the project as per already fixed targets. The Committee convenes review and coordination meetings as and when required to expedite physical progress of the project and give directions for resolving related issues as well as problems, if any, causing hindrance to the physical progress of works”.

4.24 The Committee took serious note of the deteriorating security scenario in Afghanistan. In this context, the Ministry was asked to elaborate upon the measures being undertaken by Government of India to ensure safety of Indians working in Afghanistan and the local population working on India sponsored projects in Afghanistan. The Ministry in its reply stated as under:

“The deterioration in the security situation in Afghanistan has adversely affected the security environment for Indians working in that country. Government of India (GoI) is in constant touch with the Government of Afghanistan (GoA), which has assured that it will take all the steps necessary to provide security to Indians in Afghanistan. GoA has provided local security for our major projects. Indian nationals registered with the Embassy are being regularly advised about the prevailing security scenario in the country through security advisories. These advisories outline the precautions that need to be taken for their own safety and security during their movements within the country for work related activities”.

4.25 A major chunk of the budgetary allocation is utilized for grants in aid/loans etc. to other countries. Security of personnel deployed in Indian projects/India

sponsored International projects has emerged as a major area of concern. While emphasizing the security concerns, the Ministry was asked whether it paid attention to the safety of these people in the countries receiving aid and loans etc. and if so, the mechanism thereof. The Ministry in its post-evidence reply further elaborated that:

“The executing agencies of various projects in Afghanistan are providing security arrangements at project sites. The expenditure on this account has been included in the over all cost of the projects.

We are not aware of any security threats to Indian nationals/local people working in the Indian assistance projects in Nepal and Bhutan. Project implementing agencies take necessary safety precautions for the personnel working on the projects.

Bureau of Security in the Ministry closely monitors the security related requirements of our missions abroad. Based on their inputs, Establishment Divisions provides necessary approvals for improvement of security, physical as well as electronic. Hiring of additional security guards has also been allowed in some places. While selecting location of new missions, security requirements are given due consideration. Similarly some missions have been relocated for security consideration”

G. Eurasian Countries

4.26 Through international cooperation, India has been expanding and diversifying its engagement with different parts of the world. While elaborating upon India’s strategic vision of its relations with Eurasian countries the Ministry in its reply submitted that:

“...India values its strategic Partnership with Russia and is committed to taking forward this relationship in diverse field. India views itself as a significant development partner involved in capacity building in Central Asia. India is interested to develop the friendly ties it has with Ukraine, Belarus, Armenia, Azerbaijan and Georgia in various field including in capacity building and skill formation.”

2.27 According to the brief for examination of Demands for Grants, the head ‘Aid to Central Asia’ caters to the expenditure on aid and assistance projects in countries in Central Asia. It was informed that the nomenclature of this Head has been changed to Eurasian Countries from current financial year 2009-10 onwards. The allocation in BE 2009-10 is higher than the allocation of BE 2008-09 for meeting expenditure on various projects. While furnishing details about the Varzob-I

Hydroelectric Project in Tajikistan, along with its estimated cost and anticipated date of completion, the Ministry stated that:

“During the visit of former Prime Minister to Tajikistan in November 2003, a grant of US\$ 5 million was announced to execute developmental projects. Tajikistan expressed interest in utilization of the said grant for rehabilitation of the Varzob-I hydropower project. A feasibility study was conducted jointly by BHEL and NHPC which indicated that the replacement of the power generating units and modern control systems at Varzob-I would cost approximately US\$ 10.24 million at May 2004 price. Subsequently, another grant of US\$ 8 million was approved by PM and announced during the visit of the President of Tajikistan, Mr. E. Rakhmon to India in August 2006. BHEL and NHPC were identified as implementing agencies for the project and NHPC would serve as a coordinator for the implementation. The final cost of the project is Rs. 74.20 crore, inclusive of Rs. 1 crore towards expenses for Project Coordination Committee.

An MoU in this regard was signed by these companies with Barki Tajik, the implementing agency from Tajik side, in December 2006. Another MoU between Ministry of External Affairs, Government of India, and the Ministry of Energy and Industry, Government of Tajikistan, was also signed in August 2007. After the recommendation of the proposal by the Committee on Non Plan Expenditure (CNE) on 25 June 2008, approval of EAM was obtained to implement the Varzob-I project. A tripartite Agreement by MEA has been signed with the implementing companies on 12th August, 2008.

The project was formally launched on 29th August, 2009 by Petroleum Minister Shri Murli Deora during his visit for Shanghai Cooperation Organisation (SCO) and is expected to be completed in 34 months.

India’s involvement in the hydropower sector of Tajikistan would convey India’s commitment to Tajikistan and provide another point of substantive interaction. Central Asia is a part of India’s strategic neighbourhood, involvement in such a project would convey a very positive message of commitment to the region and will raise India’s profile and presence in the region. “

H. Aid to Disaster Relief

4.28 India has also been in the forefront towards responding to the humanitarian challenges encountered by many countries from natural disasters. India has taken the lead in dispatching urgently needed aid for disaster relief and extended

rehabilitation support to the countries affected by natural disasters, as and when required.

4.29 The Sub-head 'Aid to Disaster Relief' provides for humanitarian/relief assistance to countries hit by natural calamities. While furnishing the break up of expenditure under this head, the Ministry stated that:

"In the financial year 2008-09, humanitarian assistance was extended by GOI to several countries affected by natural calamities including relief material worth Rs. 18.62 crore to China for earthquake affected Sichuan Province. It is proposed to earmark BE 2009-10 of Rs. 40 crore to meet the requirement for providing immediate relief assistance to affected countries and to review the position at RE stage."

4.30 However, the Committee noted that under the subhead 'Aid to Disaster Relief' BE 2008-09 was pegged at Rs. 58.67 crores, BE 2009-10 at Rs. 40.00 crore. The Ministry was asked to state the reasons for reducing allocation and also to elaborate upon the process to estimate allocation under this sub-head. The Ministry stated in their post-evidence reply stated as under:

"This sub-head provides for Disaster relief to countries hit by natural calamities. The allocation under this sub-head at BE stage is an estimate since it cannot be assessed precisely due to obvious reasons. The requirement is reviewed at RE stage keeping in view the offers made by Govt towards disaster relief to countries affected by natural calamities. The budget allocation in BE 2009-10 has been kept at Rs. 40 crore to meet the requirement for providing immediate relief / assistance to affected countries. It would be re-assessed while preparing RE 2009-10."

I. South Asian Association for Regional Cooperation

4.31 In the brief note on Demands for Grants for 2009-2010, it was submitted that a phenomenal enhancement of 627.48% under the head 'International Cooperation' to Rs 1015.56 crore at RE 2008-09 stage was due to payment of India's Assessed Contribution of US\$ 189.9 Million and India's Voluntary Cooperation of US\$ 100 Million to SAARC Development Fund and other Govt. of India's commitment made at the highest level. In this context, the Ministry stated as under:

"The contributions both assessed and voluntary made by the Government of India amounting to 189.9 Million, were given to SAARC Development Fund as part of our international commitment and obligation as a Member State of the

SAARC. The funds are then utilized under supervision of the SAARC Secretariat that is housing the Temporary Cell of the SAARC Development Fund.”

4.32 The Charter of SAARC Development Fund has been ratified on 27.10.2008. In this context, the Ministry was asked to update the Committee upon the progress been made so far for its implementation. The Ministry stated that:

“The main features of the SAARC Development Fund are as follows:

The SAARC Development is an umbrella financial institution for SAARC Projects and Programmes, established to promote the welfare of the people of SAARC region and to accelerate economic growth, social progress and poverty alleviation in the region.

As part of its asymmetric commitment to SAARC, India has fully transferred its voluntary as well as assessed contribution to the SAARC Development Fund and till date is the only country to do so. Other member states have committed to transfer their funds before the 16th SAARC Summit.

SDF is pivotal in transforming SAARC from declaratory to implementation. It is operational out of the temporary cell of the SAARC Secretariat pending completion of its permanent premises in Bhutan.

The 5th Meeting of the SAARC Development Fund Board has finalized the terms and conditions of the CEO of the SDF Secretariat and his staff. The meeting also finalized the guidelines for procurement and preparation of Project proposal and furnishing of progress reports.

It was also decided that the 6th Meeting of the SAARC Development Fund Board would finalize the time schedule for operationalization of the infrastructure and economic windows of SDF”.

4.33 The Ministry was further asked if SDF has become operational and any charter for utilization has been signed/agreed upon and whether any project has been identified so far. The Ministry in its post-evidence reply has stated as under:

The 29th SAARC Council of Ministers (New Delhi, December 7-8, 2007) endorsed the recommendations of the 34th Session of the SAARC Standing Committee authorizing the SAARC SG to set up a temporary cell at the SAARC Secretariat to function as the Interim Secretariat using services of consultants from each member state to operationalise the Fund from available funds to implement identified projects. The Council also directed that the SAARC Development Fund should start funding Projects before the next session of the

Council. The Secretariat of the SAARC Development Fund is expected to be inaugurated by the 16th SAARC Summit in Thimphu on April 28-29, 2010.

Therefore, the SDF Cell became operational after the meeting of the 29th Council of Ministers. Its Charter was signed at the 15th SAARC Summit (Colombo, August 2-3, 2008).

At present, two regional projects are under implementation out of the Social Window of the SAARC Development Fund, namely, (a) A project on Women's Empowerment through establishment for trade facilitation centres for home-based workers in SAARC countries; and (b) A project on Maternal & Child Healthcare, including Immunisation on establishing neo-natal units and newborn corners in primary healthcare centres in SAARC member states.

A third regional project on provision of solar cookers for rural women recommended by the SAARC Finance Ministers will be examined by the 6th SAARC Development Fund Board (Thimphu, November 24-25, 2009) for funding out of the Social Window as well."

4.34 The Committee observes that over the years, India has made huge contribution to SAARC and its various institutions. In this context, the Ministry was asked to state as to how far India has been able to achieve its stated strategic objectives and whether the outcome is in tune with the proportion of India's financial contribution. The Ministry in its written reply has furnished that:

"India's strategy to discharge its role in an asymmetric and non-reciprocal manner has paid rich dividends, as SAARC has metamorphosed from declaratory to implementation stage. A vibrant SAARC has ensured that the decisions on economic development are sovereign state led instead of being led by multilateral donors. SAARC effectively has complemented India's bilateral engagements with her neighbours to ensure a peaceful neighbourhood and reinforcing India's objective of peaceful neighbourly co-existence. The newly dynamic SAARC is also able to engage non-SAARC actors for regional cooperation on its own terms. India's active engagement within SAARC has catalysed the birth and functioning of institutions such as the SAARC Development Fund Secretariat (Interim Cell, Kathmandu), South Asian University (Project Office, New Delhi), SAARC Arbitration Council Secretariat (Islamabad) and the South Asian Regional Standards Organisation Secretariat (Dhaka). Consequently SAARC cannot be stated to be held hostage to specific bilateral relations that India has with one or another member state. Interaction between people within SAARC through cultural and trade activities has increased as also their movement. Awareness about trade potentials including services has also

increased reflected in the fact that growth of trade under SAFTA has not slackened despite the global economic recession.

The relative political fluidity of India's neighbors within the region has also increased their dependence on SAARC for regional engagement and cooperation. With flagship projects like the SAARC Development Fund, South Asian University and the SAARC Food Bank operational and with the increasing interdependence of sub-regional and regional projects, SAARC is finally trickling down as a service provider from its conceptual premises. It is therefore in our interest to continue with our strategy of active engagement with SAARC. Furthermore, SAARC's new momentum has diluted the interference in India's region through other parallel South Asian processes being driven by multilateral agencies.

The outcome of our engagement in SAARC is therefore, fully in tune with our financial contributions”.

4.35 During the evidence, while responding to the concerns of the Members of the Committee on the current external environment, the Foreign Secretary stated that:

“...the neighborhood environment and the reactions to India, it is true that some relationships are particularly challenging and the challenge level and the difficulty level has gone up in the last decade or more. I think, the openings, the opportunities for us exist and it is the closeness, the connectivity, the linkages that we share with our neighbours which no other country in the world to supplant completely.....

.....We are going to expand the range of activities and the policy initiatives that we take and the degree of engagements with these countries, that is something all the neighboring countries Joint Secretaries, deal with on the a day to day basis. It is a continuing and constant focus for us.”

4.36 In context of the current political scenario in South Asia, the Ministry was asked to elaborate upon Government of India's assessment regarding role and progress of SAARC in the next 5 years and whether India foresee implementation of various SAARC Agreements in a time bound manner. The Ministry stated that:

“The role of SAARC in the next 5 years is set to expand substantially. With the active engagement of the Government of India in strengthening institutions within SAARC and funding its various activities, the organization will see a slew of new and vibrant regional institutions taking shape-- the South Asian University in New Delhi, the SAARC Museum of Textiles and Handicrafts in New Delhi, the SAARC Regional Standards Organization in Dhaka, SAARC Arbitration Council in Pakistan, the

SAARC Development Fund Secretariat in Thimphu, SAARC Cultural Centre in Srilanka etc. This process of building new regional institutions and strengthening the already existing ones will no doubt have an impact on the future of the organization. This is also going to be coupled with more regional and sub -regional projects funded and implemented under the aegis of the SAARC Development Fund. With most countries in the region having weak economies, SAARC will attain the contours of the premier regional organization committed to economic betterment of the people in the south Asian region.

SAARC Agreements are expected be implemented in a time bound manner in the near future”.

CHAPTER V

PASSPORT AND VISA SERVICES

The Ministry has been taking a number of measures to make the processing and issue of passport simpler and quicker for the comfort and convenience of the public. The Passport Seva Project is expected to result in issuance of new passport within three days after police verification and of all other passport services in one day. As per the Annual Report of MEA 2008-09, the pilot project was expected to begin at Chandigarh and Bangalore by July-August 2009. However, it has been reported in the newspapers that this ambitious Project might be delayed. In this context, the Ministry was asked to confirm the veracity of the newspapers reports and to furnish details on the Project, its current status, projected date of completion and implementation. The Ministry in written reply has stated as under:

“There has been a delay in the launch of Pilot Project of the Passport Seva Project due to various factors...The launch of pilot sites is expected in on 1st October 2009 at Bangalore (covering the whole of Karnataka) and Chandigarh (covering parts of states of Punjab & Haryana and the UT of Chandigarh). The project is scheduled to be rolled out throughout the country in three waves and expected to be completed during 2010”.

5.2 The Ministry was asked whether the Pilot Project with centers in Chandigarh and Bangalore have actually become functional, the Ministry stated as under:

“No. Civil and electrical works have been completed in the Passport Seva Kendra (PSK) build up in Bangaluru and Chandigarh but all the PSKs are expected to be ready at both places by end October 2009.”

5.3 During the course of evidence, Committee expressed their concern over the delay on Passport Seva Project (PSP) and desired to know the starting date and current status of the Project. While clarifying upon the current situation, the representative of Ministry submitted to the Committee that:

“The Pilot Phase of the Project is (was) scheduled to start from October 1st. It is likely to start on November 13th. We are going through the software testing and publication. We start the Project with software and if we close down almost immediately that would be a disaster. We verify the software in Bangalore, the Pilot Phase of the

Project on stream is scheduled in November in Bangalore and Chandigarh. Then, we will roll out as part of the first phase of the Project. We expected to go on-screen.”

5.4 The Ministry was further asked as to how it will ensure that this project is not delayed any further and When will this project be actually launched. The Ministry in its post-evidence reply has stated as under:

“Ministry has been striving to see that the Project is not delayed any further. Setting up of Data Centre, Disaster Recovery Centre, Network Operations Centre, Central Passport Printing Facility and PSKs at Pilot locations (Bengaluru and Chandigarh) has been completed. The software developed by the Service Provider (M/s. Tata Consultancy Services) is under testing by the 3rd Party Audit Agency (3PAA). According to the test results, M/s TCS needs to fix the defects after which application software has to be certified by 3PAA following which trial runs would be conducted before pilot launch. Ministry has taken steps under the contract to ensure that the Service Provider adheres to agreed timelines.

As the 3rd Party Audit Agency Testing is still on and as the software development is an external dependency, the date can be given after the testing and time required for the repair of bugs in the software.”

5.5 In context of the Passport Seva Project, Ministry was also asked if any feasibility study was conducted to ensure compatibility of the new software with the existing Passport Information Service System on the Net (PISON Network). The Ministry stated as under:

“Entire database available on PISON is being migrated to the Passport Seva Portal which is entirely new software being developed by the Service Provider which will be owned by the Ministry of External Affairs.”

5.6 Another ambitious project of the Ministry is the issuance of e-passport also known as Bio-metric Passports. In this context, the Ministry was asked to furnish an updated note on the progress made so far on this Project. The Ministry in its written reply has furnished as under:

“India is a member of the Technical Advisory Group (TAG) on Machine Readable Travel Documents (MRTD) Panel in the International Civil Aviation Organization (ICAO) and has implemented the ICAO guidelines on Machine Readable Travel Documents.

In accordance with the ICAO guidelines to incorporate biometrics data in the Machine Readable Travel Documents, India has also decided to upgrade its existing passports to electronic category of e-passports. Accordingly a pilot project for issue of e-passports in the category of Official and Diplomatic e-passports has already been launched on 25th June 2008. Based on the experience gained through the pilot phase of issuance of e-passports in the diplomatic and official categories, issue of e-passports in the ordinary category will be taken up in the near future, for which the Ministry of External Affairs has drawn up a programme for full roll out of e-passports in the ordinary category, most likely by the end of the year 2009.”

5.7 The Ministry was further asked about the fate of passport holders after the launch of e-passports in the country and if it would be optional to have either ordinary or e-passport. The Ministry in its post-evidence reply stated as under:

“As the e-passports are not mandatory, the existing passport holders need NOT immediately shift to e-Passports after its launch.”

5.8 The Ministry was further asked if any linkage has been established between the new Passport Seva Project and the project for issuance of Biometric passport in India. The Ministry in its post-evidence reply has stated as under:

“Passport Seva Project envisages capture of biometrics (fingerprints) of all those who apply at Passport Seva Kendras. These biometrics will be incorporated into the chip embedded in e-Passports. Training has already been imparted to officials in the CPV Division with regard to personalization of e-Passports in case of Diplomatic and Official category. Training for officers in the Central Passport Organization for personalization of e-Passports will be conducted nearer to the full roll out of e-Passport.

The Security Printing and Minting Corporation of India Limited (SPMCIL) is responsible for procurement and production of biometric passports which is currently under implementation. Whenever the e-booklets are made available by SPMCIL the e-passport project will be fully rolled out. “

CHAPTER VI

INDIAN COUNCIL FOR CULTURAL RELATIONS

The primary objective of the Indian Council for Cultural Relations is to establish, revive and strengthen cultural relations and mutual understanding between India and other countries. With the specific purpose of projection of India's soft power, there has been substantial increase in grant to ICCR from Rs.85 crore during RE 2008-09 to Rs.168.50 crore during BE 2009-10. In this context, the Ministry was asked to furnish the reasons for increase in grant to ICCR and whether any blueprint has been prepared for its optimal utilization. The Ministry stated as under:

“The annual grant of ICCR from MEA has been increased from Rs.85 crores during RE 2009 to Rs. 93.5 crores in BE 2009-10, reflecting a 10% increase over the previous year. However, in addition, a sum of Rs. 75 crores has been allocated to ICCR in 2009-10 for projection of “India's Soft Power” overseas. A detailed 7-Point Plan has been drawn up by ICCR which includes establishment of 15 new Indian Cultural Centres overseas, establishment of new Chairs abroad, grant of Fellowships to foreign scholars/academicians studying/researching in India, organization of major Indology conferences, financial assistance to NGOs abroad which are promoting Indian culture and creation of world class website for ICCR. The sum of Rs. 75 crores is to be spent over a period of two years from 2009-10 to 2010-11. As part of the ‘Expansion Plan’ number of major Festivals of India will be organized abroad including the on going Festival of India in Russia.

Considerable progress has been made in implementing all aspects of the 7-point plan”.

6.2 While replying to the queries of the Committee regarding India's soft power during the course of evidence, the Foreign Secretary submitted as under:

“First about the soft power aspect of the Indian diplomacy, it is absolutely vital that we utilize our extensive soft power, our civilization strength, to project the idea of India, when it comes to addressing the foreign audiences.. (But) people have to be engaged, and we can engage people only through the projection of soft power. There is a tremendous reaction which is positive for India when it comes to doing such activities. That is why the ICCR works to

project our soft power through the setting up of our Cultural Centres abroad, in various countries.”

6.3 While further elucidating upon the issue, representative from Ministry stated that:

“After we were provided Rs. 75 crore by the Finance Minister in his 2008-09 Budget, ICCR has drawn up a very comprehensive six point plan for utilizing those resources. One of the most important aspects of the plan is to create/set up new cultural centres, while identifying new venues we have looked at the countries with whom we have very important relationship, essentially in an effort to contextualise our cultural diplomacy with our overall thrust on foreign policy.”

6.4 While further elaborating upon the new initiatives by ICCR the Ministry in its post-evidence reply stated as under:

“Initiatives which have been taken with Rs.75 crores additional funds allocated to ICCR for “projection of india’s soft power”

i) Fellowship Scheme:

Under its Expansion Plan, the Search Committee constituted by the Council decided to award 30 Fellowships to authors, academics, writers and outstanding foreign scholars who are interested in subjects pertaining to Indian culture and Indian studies. Several nominations have been/are being received from our Missions abroad, and the affiliation of seven Fellows with their preferred universities/Institutes/Think Tanks has already been confirmed and implemented in the new academic year. Council has also decided to offer some of these Fellowships to foreign scholars of Buddhism. Our Missions in countries with large Buddhist populations have been approached for nominations.

ii) Indology Conferences Abroad:

To enhance and strengthen Indian Studies in foreign Universities, the Council has decided to organize a series of Conferences abroad on Indology and contemporary Indian issues. Some Conferences could focus on evolution of Buddhism in India. Countries from Central Asia, East Europe, South-East Asia and the SAARC Region have been identified as venues for these Conferences. Most of them are now in an advanced state of preparation, and are scheduled to take place between September 2009 and June 2010, beginning with Sofia (Bulgaria) and followed closely by Almaty (Kazakhstan) and St. Petersburg (Russia). In addition, Council organized, in collaboration with Charles University, Prague, an International Conference on *Pandanus – “Nature in Indian Literature, Art, Myth, Ritual”*, in June 2009.

iii) Chairs:

In addition to the Council's 31 existing Chairs (19 Long-term and 12 Short-term) in Universities around the world, 30 new Chairs (7 Long-Term + 23 Short-Term) have been approved under the Council's 'Expansion Plan'.

We have also initiated action on 18 additional new proposals from Netherlands, USA, Mauritius, Canada, Indonesia, Denmark, Ireland, Nigeria, Sri Lanka, UK, South Korea, Armenia, Russia, Slovenia, Germany, Greece, Croatia and Turkmenistan. In the last 3-4 months, MOUs have been signed with several of these Universities, while drafts are under various stages of negotiation with the rest.

iv) Festivals:

1) Year of India in Russia

The Council is coordinating various activities being organised by various ministries/ departments/ organizations for the Year of India in Russia, which was inaugurated on 31st March, 2009 in Moscow as part of the reciprocal bilateral agreement.

On its part, the Council is committed to sending approximately 40 groups to Russia during the Year 2009. Special presentations have already been organized for the Inaugural Ceremony in Moscow on March 31, 2009, and to coincide with Rashtrapatiji's recent visit to Russia, on September 3. Another major event has been scheduled for the Closing Ceremony in early December, 2009.

2. Other Festivals of India proposed to be held in the coming months

- i) Indian Festival in China 2010
- ii) Indian Festival in France 2010
- iii) Indian Festival at Kennedy Centre, Washington and other US Cities in March-April 2011
- iv) Indian Festival in Canada in 2011
- v) Days of Indian Culture in Saudi Arabia and Days of Indian Culture in Oman during the month of October, 2009
- vi) Days of India in Argentina in November, 2009
- vii) Days of India in Indonesia in November, 2009
- viii) Days of Indian Culture in Iran in March 2010

Several other mini festivals are planned, mainly in Commonwealth countries, to publicize the forthcoming Commonwealth Games in Delhi in October 2010.

v) Financial Support to Cultural Organizations Overseas:

As part of the 6-point Expansion Plan, the Screening Committee constituted by the Council and headed by President, ICCR short-listed 19 organizations which are promoting Indian Culture abroad. These organizations would be given financial support through the respective Missions. Additional requests are being received from various Missions, which would be considered during the course of the year.

vi) Indian Cultural Centres Abroad:

In addition to the already existing Indian Cultural Centres abroad, 15 new venues were identified under the Council Expansion Plan for the establishment of new Cultural Centres for the promotion of India's soft power. Considerable progress has been registered on this front during the CFY. The new Centres in Bangkok and Tokyo were inaugurated during September, 2009. Property for the Cultural Centre in Kuala Lumpur was acquired on lease in July 2009, and the Centre is likely to become operational by November 2009.

Possible venues for our Centres in Washington and Paris have been located and are under consideration. Detailed proposals have also been received and are being processed for new Cultural Centres in Abu Dhabi, Budapest, Prague, Ho Chi Minh City, Sao Paolo and Lagos. The first three are likely to materialize soon."

CHAPTER VII

INTERNATIONAL ENGAGEMENT

India's partnership with the major powers has become deeper and stronger as it is expanding the scope and depth of economic and strategic interaction with different countries, groupings and regions.

A. IBSA (India-Brazil-South Africa)

7.2 IBSA (India-Brazil-South Africa) has emerged as a vital platform for India's engagement across the continents. While elucidating upon Government of India's vision regarding IBSA, the Ministry in its written reply stated as under:

“India, Brazil and South Africa (IBSA) is a unique Forum which brings together on one platform three dynamic developing country democracies from three different continents with common principles and values which in itself is exemplary. All three countries are developing nations, plural, multi-cultural, multi-ethnic, multi-lingual and multi-religious.

Cooperation in IBSA is on three broad fronts: first, as a forum for consultation and coordination on significant political issues, e.g., the reform of the UN and its Security Council, WTO negotiations, civilian nuclear cooperation, climate change, terrorism etc.; second, trilateral collaboration on concrete areas/projects, through sixteen working groups, for the common benefit of the three countries; and third, assisting other developing countries by taking up projects in the latter. India, Brazil, and South Africa are also members of the important G20 and NAMA-11 groupings of WTO and among the five Outreach countries invited to the G8 Summits (since 2003).

IBSA's success has a strong demonstration effect, as it shows, most vividly, the feasibility of South-South Cooperation beyond the conventional areas of exchange of experts and training.”

7.3 On being enquired about the efforts being made to come up with comprehensive strategy for building international coalition on the issue of environment and global climate change in wake of latest rounds of talks for evolving Post-Kyoto mechanism, the Ministry stated that:

“With regard to the issues of environment and global climate, the importance of coordination and of strengthening IBSA dialogue and consultations on issues under negotiation in the UNFCCC and its Kyoto Protocol have been reiterated amongst the three countries. At the 6th IBSA Ministerial Meeting held on 1 September 2009 in Brasilia, the importance of continuing participation and close cooperation in the run-up to the UN Climate Change Conference in Copenhagen was underlined, with a view to enabling the full, effective and sustained implementation of the UN Framework Convention on Climate Change (UNFCCC) now, up to, and beyond 2012. Also, the need to fully implement the commitments under the Convention in accordance with its principles, especially that of common but differentiated responsibilities and respective capabilities were underscored.”

7.4 The Ministry was further asked whether there is any move to evolve a common strategy within these countries to protect and preserve traditional and indigenous knowledge and prevent attempts of Biopiracy and Bioprospecting, the Ministry in its written reply has furnished that:

“It was also agreed at the September, 2009 Brasilia Ministerial to reinforce the crucial importance of reaching a common understanding and a universal agreement on effective measures to prevent biopiracy and further recognize the value of genetic resources and of traditional knowledge associated with their use, as a means to promote sustainable development. In this regard, stress was laid on the commitment to the conclusion by 2010 of the negotiations within the framework of the Convention on Biological Diversity (CBD) of a legally binding international regime on access to genetic resources, and the fair and equitable sharing of the benefits arising from the utilization of such resources, their derivatives and/or associated traditional knowledge”.

B. IRC (India-Russia-China)

7.5 According to the Ministry of External Affairs Annual Report 2008-09, India is ready to play a significant role in the recently established forum namely IRC (India-Russia-China). While elucidating the importance of the forum the Ministry stated as under:

“The India-Russia-China Trilateral provides a forum to discuss political and economic issues of strategic significance. In the past, the three Foreign Ministers have met several times on the sidelines of major multilateral events, as also four times in stand-alone format. Joint Communiqués issued at the end of these stand-alone meetings reflect

shared desire to exert coordinated efforts in tackling issues of common concern such as terrorism, proliferation of WMDs, drug trafficking and related trans-border crimes etc. The Forum also provides a vital platform for discussions and exchange of views on various regional and international issues.

India considers this to be an important Forum both globally and regionally. India, Russia and China are linked to each other by ties of high level political interaction, trade and a growing relationship in diverse fields. This is a forum where different forms of mutually important trilateral cooperation are discussed”.

C. Joint Statement on the Advancement of the Strategic and Global Partnership between India and Japan

7.6 India has signed Joint Statement on the Advancement of the Strategic and Global Partnership between India and Japan and come up with Joint Declaration on Security Co-operation between India and Japan. In this context, the Ministry was asked about India’s strategic perception of Japan and its role in India’s role at the global level and in the South East Asia region, the Ministry replied that:

“These documents reflect the common perceptions of the two sides on a range of issues, and provide for a comprehensive framework for the enhancement of all-round cooperation between the two countries. Through these, the two sides have pledged to develop relations as an essential pillar for the future architecture of the region. Japan is a major Asian nation with which we share common values and interests, similar perceptions of the evolving environment in the region and the world and a common commitment to democracy, open society, human rights and the rule of law. The two are partners with a mutual stake in each other's progress and prosperity. We share with Japan a common commitment to a comprehensive reform of the United Nations, including expeditious forward movement towards a genuine reform of the Security Council, so as to make it more representative, credible and effective, and a desire to pursue this through G-4 and bilateral consultations, among others. We have a common interest in the safety of transport and sea lines of communications and a common commitment to fight against terrorism and transnational crimes.

On global issues, the two sides are committed to sharing of experiences in peacekeeping and peacebuilding, capacity-building in disaster prevention and management and ensuring maritime safety, maritime security and protection of marine environment. On the wider strategic context, cooperation with Japan in energy efficiency and conservation sector, and the development of a comprehensive cooperation in the coal and power sectors, are in India’s developmental interests.

The documents signed in October 2008 also provide for information exchange and policy coordination on regional affairs in the Asia Pacific region with Japan. We have both committed to bilateral cooperation within multilateral frameworks in Asia, in particular the East Asia Summit, ASEAN Regional Forum and ReCAAP processes. We both support the East Asia Summit as an open, inclusive, transparent and Leaders' led forum to promote cooperation on issues of common interest and to deepen regional economic integration towards the progressive realization of an East Asia Community”.

D. Agreement on the Development of Peaceful Uses of Nuclear Energy

7.7 Government of India and the Government of the French Republic have signed Agreement on the Development of Peaceful Uses of Nuclear Energy on 30.09.2008. The Ministry was asked whether the Agreement has been ratified, the Ministry stated as under:

“On 30th September 2008, India and France signed a cooperation Agreement on the Development of Peaceful Uses of Nuclear Energy. The Bilateral Agreement is awaiting completion of procedures on the French side for entry into force of the Agreement.”

7.8 The Ministry was further asked if there are any plans to enter into such agreements with other countries, the Ministry replied that:

“India and the US signed Agreement on Cooperation Concerning Peaceful Uses of Nuclear Energy in October 2008. An Agreement on Cooperation in Peaceful Uses of Nuclear Energy was signed with Namibia during the visit of the President of Namibia to India from 30 August – 3 September 2009. Agreements on civil nuclear cooperation are under discussion with several other countries including Russia, Canada, Kazakhstan, Republic of Korea, and Mongolia”.

7.9 The Committee further desired to know whether India has allocated sites for construction of nuclear plants by some foreign companies. The Ministry in its post-evidence reply has stated as under:

“On October 16, 2009, Government announced that in furtherance of the implementation of bilateral civil nuclear cooperation agreement with France, Russia and USA, it has designated the following sites for setting up Light

Water Reactor (LWR) based nuclear power plants in cooperation with the countries concerned:

France - Jaitapur (Maharashtra)

Russia - Kudankulam (Tamil Nadu), Haripur (West Bengal)

USA - Chhayamithi Viridi (Gujarat), Kovvada (Andhra Pradesh) “

E. Turkmenistan-Afghanistan-Pakistan-India Pipeline Project

7.10 To enlarge India's engagement with the world regarding ensuring India's energy security Turkmenistan-Afghanistan-Pakistan-India Pipeline Project is an important initiative. In this context, the Committee asked the Ministry to furnish current status of the project. The Ministry in its post-evidence reply has stated as under:

“India became a formal member of TAPI pipeline project during the tenth steering committee meeting in Islamabad on 23-24 April 2008. Subsequently India participated in the 3rd and 4th Technical Working Group meetings in Ashgabat. The 1680 Km, 56 inch in diameter pipeline will supply 30 bcm gas out of which 14 bcm will be supplied to India. The US\$7.6 billion project is expected to be completed by 2014-15 with GAIL (India) Ltd being nominated as the Indian nominee for off-taking the Indian portion of gas. Price of gas, transit and transport payments, setting up of consortium are yet to be decided. The 11th Steering Committee is to be hosted by India which is being coordinated by the Asian Development Bank. The ADB is awaiting Turkmenistan to complete certain documentation relating to international energy audit of their gas reserves.”

F. South Asia

7.11 Terrorist attack in Mumbai on 26th November 2008, has significantly altered the geo-politics of the region. In this context, the Ministry was asked to elaborate upon the impact of 26/11 on India's South Asia Policy. The Ministry stated as under:

“With regard to India's South Asia Policy in SAARC and the impact of 26/11, as per the principles of the SAARC Charter, bilateral and politically contentious issues are outside the ambit of the SAARC Charter. As SAARC is the only South Asian organization recognized by its member states for economic cooperation to bring the fruits of development to the South Asian people, there was no change with regard to India's asymmetric/non-reciprocal commitment to SAARC. With regard to the Mumbai attacks, the SAARC Regional Convention on Suppression of Terrorism was invoked by India to Pakistan. The terrorist attack in

Mumbai on 26/11 has had an undesirable impact on Indo-Pak relations and led to a pause in the composite dialogue. However, our policy towards other neighbours in South Asia are on stand alone basis and not impacted by our relations with Pakistan.

7.12 The Ministry was further asked whether there were any perceptible changes with regard to India's Foreign Policy at the global level also, the Ministry stated that:

“India's Foreign Policy aims at safeguarding country's enlightened self-interests. For this certain parameters like our commitment to good neighborly relations, a non-aligned world view and a belief in the multilateral world, are followed. The primary task of our foreign policy has been to promote and maintain a peaceful and stable external environment including in the South Asia, which facilitates to achieve our developmental goals.

Hence, in the context of Mumbai terrorist attack on 26/11, there has not been any perceptible change with regard to India's foreign policy. On the other hand, Government constantly monitors the prevailing situation and any arising exigencies in order to ensure that our foreign policy principles are readjusted/tailored to the requirements of the day”.

CHAPTER VIII

OTHERS

With India's growing economic integration with the world, India's strength in terms of availability of young and highly skilled professional workforce is widely acknowledged. Most countries have an umbrella social security system mandated by law. However it, is important to secure the long term economic interest of Indian citizens.

A. Agreement on Social Security with the Kingdom of Belgium

8.2 As a new beginning, India has entered into 'Agreement on Social Security with the Kingdom of Belgium. In this context, the Ministry was asked to mention its date of implementation and elaborate upon its main provisions and whether there are any plans to reform domestic laws particularly Income Tax law to provide full benefit to the beneficiaries, the Ministry stated that:

“The India-Belgium Social Security Agreement (SSA) has entered into force from 1 September 2009.

The Agreement stipulates that those working on a short-term contract of upto 60 months are exempted from social security contributions in the host country provided they continue to make social security payments in their home countries.

Those who live and work for periods longer than 60 months and make social security contributions under the host country laws will be entitled to the export of the social security benefits should they relocate to the home country/a third country on completion of their contract or on retirement.

The above benefits shall be available even when the Indian company sends its employees to Belgium from a third country.

The self employed Indians in Belgium would also be entitled to export of social security benefit on their relocation to India.

No. As per the information available from MOIA, the Ministry has not given any thought to this aspect of the social security provision.”

8.3 The Ministry was further asked if there are any plans to enter into such agreements with other countries particularly with USA and West European countries, where large number of expatriates go for working for smaller duration. The Ministry replied in affirmation and stated that:

- (a) SSAs have been signed with Belgium, France, Germany (called Social Insurance- for detached workers only) Switzerland.
- (b) Negotiations completed, but SSA to be signed with Netherlands, Czech Republic, Luxembourg and Norway.
- (c) Negotiations under process with Hungary, Sweden, Denmark, Germany (comprehensive SSA is being discussed) UK, USA, Canada.
- (d) Negotiations being proposed with: Austria, Bulgaria, Cyprus, Finland, Greece ,Ireland, Italy, Poland Portugal, Romania, Spain.”

B. Legal Counseling/Assistance to Indian workers in Gulf

8.4 In the Revenue Section, under the Minor head, ‘Legal Counseling/Assistance to Indian workers in Gulf, Rs. 30 lakhs have been earmarked in BE 2009-10. In this context, Ministry was asked to clarify that whether it is not the responsibility of Ministry of Overseas Indian Affairs and if so, what was their justification for this allocation. The Ministry stated as under:

“It is true that after creation of Ministry of Overseas Indian Affairs, work related to welfare of Indian citizens abroad is being handled by them. However, Ministry of External Affairs has still been receiving a large number of references from individuals and various authorities in India including judicial authorities, NHRC, NCW, PMO and President Secretariat requiring the Ministry of take quick action for the welfare of Indian nationals abroad. Work related to welfare of Indian citizens primarily includes transportation of mortal remains, deportation of illegal immigrants etc. at Government cost. These kinds of cases also get the attention of media. Ministry used to incur expenditure for welfare of Indian citizens on case to case basis keeping in view the humanitarian angle. However, Ministry incurs such type of expenditure as a last resort where there is no other option available including approaching employer/relatives/Indian communities etc. with utmost financial propriety and economic measures.

It is also mentioned that provision of funds allotted under the head 'Legal Counselling/Assistance to Indian workers' are used not only for the welfare of Indians living in Gulf countries but Indians living globally. For example, during the FY 2008-09, MEA incurred an expenditure of Rs.34.88 lakhs towards deportation of illegal Indian immigrants from Guinea Conakary".

8.5 In this context, the Committee further asked the Ministry as to how far is it correct to demand allocations/incur expenditure for the head for which they have no responsibility and will it not invite audit objections as it is clear breach of demarcation of responsibility of various Ministries of Government of India. The Ministry in post-evidence reply stated as under:

"Consular matter is the primary subject to be dealt with by Ministry of External Affairs (MEA). However after creation of Ministry of Overseas Indian Affairs (MOIA) general matters related to Overseas Indians comprising Persons of Indian Origin (PIOs) and Non-Resident Indians (NRIs) were allotted to MOIA. Being consular matters following matters inter-alia are the prime responsibility of MEA.

- Relief and Repatriation of and Financial Assistance to Distressed Indian nationals.
- Deportation of Indian Citizens by Foreign Governments.
- Indian illegal immigrants and their deportation from foreign countries.
- Transportation/cremation/burial of mortal remains in deserving cases where there are no other options.

Ministry uses to incur expenditure for above-mentioned welfare measures and other consular matters.

Funds allotted to MEA are incurred by Indian Missions/Posts abroad which is under administrative control of MEA, for the purpose mentioned above. While incurring the expenditure utmost financial propriety is to be kept in mind and GOI guidelines are followed. Accordingly it may not be treated as breach of demarcation of responsibility."

C. Racial Attacks on Indians Living Abroad

8.6 There have been large number of incidents of racial attacks on Indians living abroad especially in Australia. In this context, the Ministry was asked whether the Government of India has taken up the issue with Government of Australia and

whether the culprits have been identified and follow up action taken against them by the Government of Australia. The Ministry stated that:

“The spate of attacks on Indian students in Australia since May this year has engaged the attention of Govt. of India at the highest levels. To emphasize the importance, the Govt. places on an early resolution of all issues concerning Indian students in Australia, External Affairs Minister visited Sydney, Cairns and Melbourne in Australia in the first week of August. In his discussions with the Australian leaders both at the Federal and State level, EAM discussed all aspects of the various issues concerning the safety and security of our students as also the problems associated with the closure of a few of the colleges and the resulting hardship to the students. As a result of this visit, the seriousness and the importance of this issue was brought home to the Australian leaders who announced immediate short and long-term measures, to address the grievances of our students. The steps undertaken have resulted in a visible improvement in the safety and security of our students and have also accelerated an entire review of the unscrupulous institutions. So as a result of the pro-active approach undertaken by the Govt., the anxiety and concerns of the students and their parents have been addressed to a large extent.

8.7 The Committee further desired to be informed about the measures that have been undertaken by Government of India to ensure safety and security of Indians living abroad. The Ministry in its written reply stated as under:

“Ministry of External Affairs and Ministry of Overseas Indian Affairs have issued advisory for Indian students going abroad for education.

Indian Missions/Posts have been making all the possible efforts to ensure the safety and security of Indians living abroad including students. On receipt of any such complain Missions/Posts not only take up the matter with the local government but also follow up the matter to resolve the issue. Missions/Posts also encourage Indian nationals to register themselves with the Indian Missions/Posts. All consular assistance is provided to them by the Missions/Posts. Family of the victim is also informed immediately”.

8.8 In spite of the proactive approach adopted by Government of India, a number of cases of such racial attacks have occurred. In this context, the Ministry in its post-evidence reply have stated as under:

“There have been incidents of attacks on Indian students in Australia, particularly in Melbourne and Sydney. Most of these

attacks have been opportunistic and only a few attacks have had racist elements.

Most of these attacks have taken place in Melbourne in Victoria State. The Premier of Victoria, John Brumby, who had recently visited India, has re-assured that any act of violence is unacceptable and any act of racially motivated violence or racism is completely unacceptable. His Government shares our concerns about the negative implications these incidents may have and has recently introduced in the Victorian Parliament changes to the Sentencing Act 1991, to ensure that hatred or prejudice towards a victim is taken into account in sentencing. This amendment would send a strong message to the community and offenders that crimes motivated by hatred or prejudice will not be tolerated in Victoria and will attract tough penalties by the courts. Also the police patrolling has been enhanced and authorities in Victoria have been directed to deal with the perpetrators to the full extent of the law. In New South Wales (NSW), the authorities have taken up measures like increased patrolling by the police, installation of street lights in comparatively dark neighbourhoods and interaction with Indian students to have a better understanding of their problems. The Mission has not discerned any bias among the local authorities against the Indian students.

The present number of Indians living in Australia is estimated at 240,000. Besides that there are over 90,000 Indian students in Australia, which accounts for over 17% of the total international students in Australia (ranking 2nd highest after China – 22%). Out of this, almost 70% students are studying in courses in Vocational Education and Training (VET), etc., sector and 30% are in higher education sector.

Government of India is considering measures to regulate enrolment of agents and registration of students prior to departure overseas and the pre-departure training proposed to be developed and delivered through various agencies.

Following the requests made at the highest level by PM and EAM and demarches made by the Indian Mission/Posts with Australia, the Australian authorities have taken certain steps and announced series of measures... The immediate steps are beginning to have effect. Government is following the efficacy of the measures taken on a continual basis and remains deeply engaged with the Australian authorities concerned to ensure the safety and security of Indian students in Australia.”

PART-III

RECOMMENDATIONS/OBSERVATIONS OF THE COMMITTEE

1. The Committee note that projected BE of Ministry of External Affairs (MEA) for the year 2009-10 was about Rs. 7400 crore, but Ministry has been allocated only Rs. 6293 crore. The Committee are of the view that the allocation of funds to the Ministry of External Affairs (MEA) are inadequate as in the era of globalization, along with the matters related to international affairs and diplomacy, the Ministry has to deal with issues related to political, cultural, economic and environmental affairs as well. The funds provided to MEA should be in tune with the Ministry's multi-dimensional engagement with the world. The Committee, therefore, suggest that sufficient funds for Ministry of External Affairs should be provided to match with India's regional and global aspirations in the era of new architecture of global power. However, at the same time, the Committee would also like to urge the Government for proper and full utilization of the already allocated funds.

2. The Committee in their 15th Report (14th Lok Sabha) of MEA on Demands for Grants (2007-08) had commented upon the need to raise the manpower strength of the MEA to cope with the expanding role of the Ministry. In their 20th Report (14th Lok Sabha) of MEA on Demands for Grants (2008-09), the Committee further reiterated that there should be no further delay in the proposed expansion of the cadre strength. The Committee are of the view that keeping in tune with increased arenas of engagements and expanding work-profile of the Ministry, Ministry's strength is inadequate and needs to be

augmented at every level. Further, the Committee are of the view that there is immense need to build capacity within the structure of Ministry to deal with evolving multi-dimensional nature of diplomacy and it is equally pertinent to diversify the expertise base and linguistic base of diplomats and officials with the Ministry. As the Ministry has informed that Cabinet note has been obtained for expansion of services, the Committee desire that the proposal to expand the IFS and related cadres should be implemented at the earliest.

3. The Committee take serious note of the situation arising from the non-availability of interpretation facility from Hindi language to foreign languages and *vice versa*. Our dignitaries are asked to speak in English instead of Hindi for only reason that the interpreter does not know Hindi. The Committee are of the view that this is ludicrous situation. They are given to understand that various proposals for interpretation from Hindi language to foreign languages and *vice versa* have been made but nothing concrete has been achieved so far. The Committee, therefore, recommend that necessary steps should be taken to develop a cadre of interpreters for interpretation from Hindi language to foreign languages and *vice versa* without any further delay.

4. The Committee note that the funds provided for International publicity to the Ministry and efforts made in this regard are not adequate and there is no match in the actual requirement and funds that are provided. The Committee in their earlier Reports had also stressed upon the need for maximizing publicity efforts through Missions/Posts. While emphasizing the importance of external publicity, the Committee reiterate that adequate funds should be provided to

the Ministry for advertising and external publicity and holistic approach should be adopted with the use of traditional as well as modern media for projection of India to the world in a better way.

5. The Indian Chanceries, Embassies, Missions and Cultural Centres are the reflection of India to the outside world and to the Indian citizens in foreign countries. The Committee are of the view that there is a need to diversify and increase the number of Embassies and Missions in various regions of the world. More officials and funds should be provided to Missions and Embassies, not only in developed countries but also in countries of Latin America and Africa. In view of the emerging global security scenario, modernization of security apparatus for the Indian establishments abroad is also pertinent. The Committee are of the view that Indian Missions and Embassies should reflect the 21st century technology enabled India to the world, through the effective use of e-governance and the officials be made more efficient, people friendly and delivery oriented. The Committee also desire that a dedicated Officer with adequate knowledge of law of the land should be appointed in each Chancery, Embassy and Mission to look after the matter related to Indian workers in that country so as to ensure timely redressal of their grievances. The Committee further recommend that MEA should issue directions to Missions/Posts to act in close coordination with Ministry of Overseas Indian Affairs for the welfare of Indian workers abroad and safeguarding the human rights of Indian Diaspora.

6. The Committee are appreciative of the multifaceted diplomatic endeavors of the Ministry. However, in view of the current global scenario and the new challenges in the immediate neighbourhood, it is essential to incorporate new ideas and approaches in conduct of Indian foreign policy. It is possible only when there is a change in the mindset of the persons manning the Ministry, Missions and Posts abroad. A sense of dynamism, welfare and openness will have to be inculcated, while dealing with the outside world. The Committee suggest that to cope with the increased areas of engagement, it is pertinent to redefine the role of the Ministry.

7. Under the Technical and Economic Cooperation Programme India's developmental partnership and cooperation is manifested through aid and loans to the developing countries. The developing world is witness to various competing influences. The Committee are given to understand that many projects are selected inter-alia on the basis of value addition they bring to the community in the aid receiving countries. The Committee also find that aid disbursement to recipient countries is often entangled into bureaucratic hassles and get delayed inordinately. Thus the very purpose of aid is defeated. The Committee are of the view that in this backdrop, it is necessary to adopt a holistic approach and evolve a comprehensive Aid Policy to achieve long term strategic objectives of India's Foreign Policy. The Committee also suggest that the disbursement of aid should be quick enough so as to reach the recipient country at the earliest.

8. The Ministry has stated that the bulk of its outlays are on projects and programme which are to be implemented in foreign countries. The BE and RE are framed on the basis of the various commitments made at the political level. It is often found that political and security developments in the recipient State influence the progress of the proposed projects. It has also been stated that the Ministry has to deal with sovereign governments and operate in foreign environment where Government of India's effective control is limited. The Committee are not satisfied with this reply of the Ministry. The Committee suggest that Ministry should evaluate all aspects before allocating funds for any particular project since they understand that the preparation of conducive atmosphere for the project is the responsibility of the aid receiving countries which is generally done. Accordingly, time bound action plan should be put in place for its early and efficient execution of the project.

9. Kaladan Multimodal Transit Project in Myanmar is an ambitious project to assure better connectivity. The Committee note that the allocation for the same was substantially reduced during RE 2008-09 stage. The Committee are not convinced with the reply of the Government that the reduction had to be effected due to delay in signing the agreement with the consultant. The Committee are of the opinion that had the Government taken care to sign the agreement earlier, then the need of making drastic cut at RE stage would not have arisen. The Committee have been informed that actual work will start by the end of the year 2009-10. The Committee suggest that the timeframe should be followed scrupulously in respect of the project so that such situation does not recur.

10. Government of India has extended humanitarian assistance to Sri Lanka through various aid and rehabilitation packages. The Committee expect that the aid will be utilized fully and reaches the targeted population. The Committee are of the view that this is possible only if there is proper monitoring. The Committee urge the Government to take measures to devise appropriate monitoring mechanism which will not only enable the proper distribution of the aid but also ensure rehabilitation and wellbeing of the Internally Displaced People in Sri Lanka.

11. The Committee take serious note of the fact that a steep rise in expenditure is anticipated during the current financial year in various projects in Nepal. The Committee understand that the political situation in Nepal is mainly responsible for this situation. The Committee suggest that Government should hold negotiations with the Government of Nepal with a view to redraw the timelines for completion of the projects. The Committee want that these timelines are strictly followed and efforts should be made to ensure that there is no further cost and time overruns in implementation of these projects.

12. The Committee appreciate India's efforts in construction of Parliament Building in Afghanistan. The Committee consider it a prestigious project which could go a long way in cementing the ties between the two countries besides building a better image of India. However, the Committee are deeply concerned to find that this project is facing huge cost and time overrun. They are of the view that this could have been avoided if Government had taken timely

measures. The Committee desire that in order to avoid such a situation in future, the Government should evolve a mechanism which could ensure the completion of the project in a time bound manner.

13. The Committee are of the view that India's presence in Afghanistan is significant particularly, in context of the emerging geo-political situation in Pakistan and Afghanistan. The Committee appreciate India's continued engagement and commitment towards rebuilding of Afghanistan. However, the Committee are gravely concerned about the security scenario and safety of Indian citizens and personnel working on Indian/India sponsored projects in Afghanistan. The Committee are of the view that security concerns hamper the efficiency of workforce immensely. Therefore, the Committee urge upon the Government to strengthen its security apparatus and ensure safety of personnel working on Indian projects not only in Afghanistan but also on other projects in various countries as well.

14. SAARC Development Fund (SDF) is pivotal in transforming SAARC from declaratory to implementation and emerge as a facilitator. The Committee note with satisfaction that SDF has become operational. Two ambitious projects are under implementation and the third one is to be finalized very shortly. They are given to understand that SAARC would see a slew of new and vibrant regional institutions taking shape. Hence, the Committee hope that SAARC would provide ample opportunities to the countries of the region to become stakeholders in each other's development. The Committee further desire that SDF projects are executed in a time bound and efficient manner so that it becomes a vehicle of development within the SAARC.

15. The Committee take serious note of inordinate delay and repeated postponement of the launching of Pilot Phase of Passport Seva Project. The project was due for launching in July-August 2009 but revised to 1st October, 2009. The Government had assured that pilot phase would be launched on 13th November, 2009 in two cities i.e. Bengaluru and Chandigarh. But the Committee are surprised to find that inspite of Government's categorical assurance, the project has not been launched so far. The Committee express their strong displeasure that despite assurance given to the Committee, it has not been done. The Committee want that this project should be launched without further delay and after due testing and checking of the software and taking into account the feasibility and results, the Government may implement this project on pan-India basis. The Committee further hope that through this project, the Passport Issuance System in the country will become simpler, speedier, public friendly and delivery oriented. The Committee want that the Government should apprise the Committee in this regard.

16. Issuance of e-passport is another ambitious project of the Government, which is currently launched as a Pilot Project In respect of official and diplomatic passports. The Committee are given to understand that this project will be rolled out in general category also by the end of 2009. But the Committee are surprised to find that e-passports will not be mandatory for general public. The Committee are of the view that owing to huge benefits of this service for checking the issuance of fake passports the Government may consider to extend this service to general category as well in a phased manner.

17. Cultural diplomacy is an integral ingredient of Ministry's overall diplomatic endeavours. Projection of India's extensive soft power and civilizational strength to the global audience will help India to directly engage with the people and built up a positive image for India. The Committee appreciate the new initiatives undertaken by Indian Council for Cultural Relations (ICCR) such as holding Indology Conferences, establishment of Chairs and opening up of new Cultural Centres abroad etc. There is an urgent need to spread the arenas of cultural engagement particularly with the countries of Latin America, Africa and South East Asia. The Committee desire that more Cultural Centres should be set up globally besides diversifying the activities of the existing ones. Concerted efforts should be made for promotion of Indian studies and India centric studies in various Universities abroad. Holistic approach should be adopted while utilizing the additional allocation besides formulation of integrated and futuristic plan for effective propagation of India's soft power abroad.

18. The Committee are of the view that in the era of global integration and evolving nature of geo-politics, there is immediate need for India to diversify its engagement with the world at various levels. The importance of active engagement with the individual countries through bilateral relations and on various multilateral forums and regional groupings cannot be undermined. There is an urgent need to build international coalitions to engage with the countries on the issues of common concerns.

19. In the era of increased international flow of professionals and work force, protecting economic interest of its citizens is important for any country. The Committee welcome India's entering into Agreement on Social Security with Belgium. The Committee are of the view that this will secure long term economic interest of Indian citizens. The Committee further take note of Government's efforts for proposed Social Security Agreement with various countries and hope that this endeavour is expedited and India should be able to enter into such agreements with other countries.

20. The Committee express serious concern over racial attacks on Indians in foreign countries particularly, on Indian students in Australia. The Committee are given to understand that there are 2,40,000 Indians living in Australia out of which 90,000 are students which account for nearly 17 percent of the total International students in Australia. The Committee are further informed that Government of India are planning to regulate the enrolment of agents and registration of students prior to departure to overseas countries. The Ministry has also stated that following the intervention of Prime Minister of India and Minister of External Affairs, the Australian Government has taken up measures to diffuse the situation. The Committee take serious note of this development and observe that had the Australian Government taken such steps in the beginning, the situation would not have been worsened. However, the Committee are relieved to learn that the situation in Australia in this regard is improving. The Committee recommend to the Government to persuade local community and local authorities to prevent such incidents in future.

Missions/Posts should also adopt pro-active approach and timely Consular Assistance be provided to the victims.

NEW DELHI
30th November, 2009
9 Agrahayana, 1931 (Saka)

SMT. SUSHMA SWARAJ,
Chairperson,
Standing Committee on External Affairs

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON EXTERNAL
AFFAIRS HELD ON 23rd OCTOBER, 2009**

The Committee sat from 1200 hrs. to 1430 hrs. in Room No. G-074,
Parliament Library Building, New Delhi.

Present

Smt. Sushma Swaraj – Chairperson

**Members
Lok Sabha**

2. Shri S. Alagiri (Cuddalore)
3. Shri Devidhan Besra
4. Shri Vishwa Mohan Kumar
5. Shri Pinaki Misra
6. Shri Janardhana Swamy
7. Shri Takam Sanjoy
8. Shri Shivkumar Udasi

Rajya Sabha

9. Dr. Karan Singh
10. Shri Shivraj Vishwanath Patil
11. Shri Ashwani Kumar
12. Shri Shreegopal Vyas
13. Shri Bharatkumar B. Raut
14. Dr. (Smt.) Kapila Vatsyayan

Secretariat

1. Shri R.K. Jain - Director
2. Shri Hoti Lal - Deputy Secretary

Representatives of Ministry of External Affairs

S.No.	Name (S/Shri)	Designation
1.	Smt. Nirupama Rao	Foreign Secretary
2.	Shri Ashok Tomar	Add. Secretary (E&SA)
3.	Shri Virendra Gupta	DG, ICCR
4.	Shri K.S. Bhardwaj	Joint Secretary(Projects)
5.	Shri Satish C. Mehta	Joint Secretary(North)
6.	Shri Y.K. Sinha	Joint Secretary(PAI)
7.	Shri T.S. Trimurti	Joint Secretary(BSM)
8.	Dr. Kheya Bhattacharya	Joint Secretary(SAARC)

9.	Shri Rajeev Mishra	Joint Secretary(UNES)
10.	Shri Vinod Kumar	Joint Secretary(PD)
11.	Shri A. Manickam	Joint Secretary(CPV)
12.	Shri Anil Kumar Trigunayat	Joint Secretary(GD/HAJ)
13.	Shri G. Dharmendra	Joint Secretary(D&ISA)
14.	Shri R.N. Prasad	Joint Secretary(EW)
15.	Shri Sibabrata Tipathi	Joint Secretary(WANA)
16.	Shri T.S. Sandhu	Joint Secretary(AD)
17.	Smt. Gaitri I. Kumar	Joint Secretary(AMS)
18.	Shri Asit K. Bhattacharjee	Joint Secretary(UNP)
19.	Shri Sanjay Verma	Joint Secretary(ES)
20.	Shri J.S. Mukul	Joint Secretary(TC)
21.	Shri T.P. Seetharam	Joint Secretary(CE)
22.	Shri S.N. Ray	Joint Secretary(Coord)
23.	Shri Damu Ravi	Joint Secretary (LAC)
24.	Ms. Reenat Sahu	Joint Secretary (ITP)

2. At the outset, the Chairperson welcomed the Members of the Committee and the representatives of the Ministry of External Affairs to the sitting of the Committee. The Chairperson then drew attention of the witnesses to Direction 55(I) of the Directions by the Speaker, Lok Sabha.

3. The Committee then took evidence of the representatives of the Ministry of External Affairs in connection with examination of the Demands for Grants of the Ministry of External Affairs for the year 2009-2010.

4. A 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 30TH NOVEMBER, 2009**

The Committee sat from 1500 hrs. to 1530 hrs. in Committee Room
'B', Parliament House Annexe, New Delhi.

PRESENT

Smt. Sushma Swaraj – Chairperson

MEMBERS

Lok Sabha

2. Shri Anto Antony
3. Smt. Supriya Sule
4. Shri Takam Sanjoy

Rajya Sabha

5. Dr. Karan Singh
6. Shri Shivraj Vishwanath Patil
7. Shri Ashwani Kumar
8. Dr. (Smt.) Najma A. Heptulla
9. Shri Shreegopal Vyas
10. Shri Shivanand Tiwari
11. Shri Bharatkumar B. Raut

Secretariat

1. Shri U.S. Saxena - Joint Secretary
2. Shri R.K. Jain - Director
3. Shri Hoti Lal - Deputy Secretary

At the outset, the Chairperson welcomed the Members to the sitting of the Committee. The Committee then took up for consideration the draft Report on Demands for Grants of the Ministry of External Affairs for the year 2009-2010. The Committee adopted the same, subject to the following additions/modifications:

- (i) In Recommendation No. 2, the words “.....other cadres.....” should be substituted with the words “.....related cadres.....”
- (ii) In Recommendation No.5, the following phrase to be added at the end:
“....and safeguarding the human rights of Indian Diaspora”.
- (iii) In Recommendation No. 6, the following line to be deleted:
“.....The officials should not look like slaves of bureaucratic system but remain ready to respond quickly in a corporate like manner.....”
- (iv) In Recommendation No. 9, the sentence “.....The Committee are of the opinion that the Government should have taken care to sign the agreement earlier then the need of making drastic cut at RE stage would not have cropped up.....” should be replaced with “.....The Committee are of the opinion that had the Government taken care to sign the agreement earlier, then the need of making drastic cut at RE stage would not have arisen.”
- (v) In Recommendation No. 14, the word “.....institution.....” should be substituted with the word “.....institutions.....” and the word “.....time bound efficient manner.....” should be substituted with the word “.....time bound and efficient manner”
- (vi) In Recommendation No. 15, the sentences “.....Now the Government has assured that pilot phase would be launched on 13th November, 2009 in two cities i.e. Bengaluru and Chandigarh. The Committee hope that there is no further delay in launch of the Pilot Phase. After due testing and checking of the software and taking into account the feasibility and results, it should be implemented on pan-India basis.....” should be replaced with
“.....The Government had assured that pilot phase would be launched on 13th November, 2009 in two cities i.e. Bangaluru and

Chandigarh. But the Committee are surprised to find that inspite of Government's categorical assurance, the project has not been launched so far. The Committee express their strong displeasure that despite assurance given to the Committee, it has not been done. The Committee want that this project should be launched without further delay and after due testing and checking of the software and taking into account the feasibility and results, the Government may implement this project on pan-India basis.. ..” and

The following phase to be deleted at the end “.....on quarterly basis”

- (vii) In Recommendation No. 17, the words “.....Centres abroad.....” should be substituted with the word “.....Centres.....”
- (viii) In Recommendation No. 20, the word “.....the concern.....” should be substituted with the word “.....serious concern.....”

3. The Committee then authorized the Chairperson to finalize 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 was then adjourned.