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### STANDING COMMITTEE ON EXTERNAL AFFAIRS (2012-2013)

### FIFTEENTH LOK SABHA

#### MINISTRY OF EXTERNAL AFFAIRS

[Action Taken on the recommendations contained in the Twentieth Report (15<sup>th</sup> Lok Sabha) on Demands for Grants of the Ministry of External Affairs for the year 2013-14]

#### TWENTY-SECOND REPORT



#### LOK SABHA SECRETARIAT NEW DELHI

August, 2013/ Bhadrapada, 1935 (Saka)

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[Action Taken on the recommendations contained in the Twentieth Report (15<sup>th</sup> Lok Sabha) on Demands for Grants of the Ministry of External Affairs for the year 2013-14]

Presented to Lok Sabha on 24th August, 2013

Laid in Rajya Sabha on 26<sup>th</sup> August, 2013



LOK SABHA SECRETARIAT NEW DELHI August, 2013/ Bhadrapada, 1935 (Saka)

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## COMPOSITION OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS (2012-2013)

#### 1. Shri Ananth Kumar - Chairman Lok Sabha 2. Shri Anto Antony 3. Shri Sansuma Khunggur Bwiswmuthiary 4. Shri Bhudeo Choudhary 5. Shri Bhakta Charan Das 6. Shri Suresh Kalmadi 7. Shri Pradeep Kumar Majhi 8. Shri Jose K. Mani 9. Shri Gobinda Chandra Naskar 10. Shri Rakesh Pandey 11. Shri J. Ramesh 12. Shri Rajendrasinh Rana 13. Shri Elangovan T.K.S. Shri Francisco Sardinha 14. 15. Dr. Bhola Singh 16. Shri Janardhana Swamy 17. Shri Sultan Ahmed \* 18. Shri Inder Singh Namdhari @ 19. Vacant \$ Vacant \*\* 20. 21. Vacant @@

Name of Member

Sl.

No.

#### Rajya Sabha

- 22. Smt. Jaya Bachchan
- 23. Shri A.W. Rabi Bernard
- 24. Shri Murli Deora
- 25. Dr. Najma A. Heptulla
- 26. Shri Balbir Punj
- 27. Dr. K.P. Ramalingam
- 28. Dr. Karan Singh
- 29. Shri N.K. Singh
- 30. Shri D. P. Tripathi
- 31 Smt. Ambika Soni#

nominated w.e.f. 13.12.2012.

#### **SECRETARIAT**

1.	Shri U. S. Saxena	-	Joint Secretary
2.	Dr. Ram Raj Rai	-	Director
3.	Smt. Rita Jailkhani	-	Additional Director
4.	Shri Janmesh Singh	-	Committee Officer
5.	Ms. Kiran Bhargava	-	Sr. Executive Assistant

\* Shri Manish Tewari ceased to be Member of the Committee consequent upon his appointment as Minister of State w.e.f. 28.10.2012 and Shri Sultan Ahmed is

@ Dr. Shashi Tharoor ceased to be Member of the Committee consequent upon his appointment as Minister of State w.e.f. 28.10.2012 and Shri Inder Singh Namdhari is nominated w.e.f. 13.12.2012.

- \$ Shri Nama Nageswara Rao ceased to be Member of the Committee consequent upon change of nomination to Committee on Commerce w.e.f. 13.12.2012.
- # Smt. Ambika Soni has been nominated to the Committee *vice* Dr. M. S. Gill who has been nominated to the Committee on Urban Development w.e.f. 27.12.2012.
- \*\* Dr. Girija Vyas ceased to be Member of the Committee consequent upon her appointment as Minister w.e.f. 17.06.2013
- @@ Shri M.B. Rajesh ceased to be Member of the Committee consequent upon change of nomination to Committee on Science & Technology, Environment & Forests w.e.f. 27.6.2013.

#### INTRODUCTION

I, the Chairman, Standing Committee on External Affairs (2012-13) having been

authorized by the Committee to present the Report on their behalf, present this 22<sup>nd</sup> Report (15<sup>th</sup>

Lok Sabha) on Action Taken by Government on the recommendations contained in the 20<sup>th</sup>

Report (15<sup>th</sup> Lok Sabha) of the Committee on Demands for Grants of the Ministry of External

Affairs for the year 2013-14.

The 20<sup>th</sup> Report was presented to Lok Sabha on 26<sup>th</sup> April, 2013 and laid in Rajya Sabha 2.

on 29th April, 2013. The Action Taken Replies of the Government on all the

recommendations/observations contained in the Report were received on 24<sup>th</sup> July, 2013.

3. The Committee considered and adopted this Action Taken Report at their sitting held on

14<sup>th</sup> August, 2013. The Minutes of the sitting of the Committee have been given at Appendix-I to

the Report.

4. An analysis of the Action Taken by Government on the recommendations contained in

the 20<sup>th</sup> Report of the Standing Committee on External Affairs (15<sup>th</sup> Lok Sabha) is given in

Appendix-II.

**NEW DELHI** 23 August, 2013

Bharapada 01 , 1935 (Saka)

ANANTH KUMAR,

Chairman,

Standing Committee on External Affairs

(v)

#### CHAPTER - I

#### **REPORT**

This Report of the Standing Committee on External Affairs deals with the Action Taken by Government on the recommendations/observations contained in their Twentieth Report on Demands for Grants (2013-14) of the Ministry of External Affairs which was presented to Lok Sabha on 26<sup>th</sup> April, 2013 and laid in Rajya Sabha on 29<sup>th</sup> April, 2013.

- 2. The Action taken notes have been received from the Ministry of External Affairs on all the 29 observations/recommendations contained in the Report. These have been categorized as follows: -
  - (i) Recommendations/Observations, which have been accepted by the Government.

Recommendation Nos. 1, 5, 6, 7, 10, 14, 16, 18, 19, 20, 22, 23, 26 and 28.

Total-14

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

Recommendation No. NIL.

Total-00

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

Recommendation Nos. 13 and 25.

Total- 02

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

Recommendation Nos. 2, 3, 4, 8, 9, 11, 12, 15, 17, 21, 24, 27 and 29

Total-13

3. The Committee desire that final replies to the recommendations/observations for which only interim replies have been given by the Government and also the recommendations/ observations on which the Committee have made their comments should be furnished within three months of the presentation of this Report.

4. The Committee will now deal with some of the replies received from the Government, which need reiteration or merit comments.

#### (Recommendation No.2)

- 5. While analyzing the budgetary allocation of the Ministry of External Affairs, the Committee had observed that it was dismally inappropriate as compared to the mandate assigned to the Ministry. Though, the total outlay for the Ministry for the financial year 2013-14 was Rs. 11719.00 crores yet interestingly, out of the total allocation, Rs. 7343.23 crores, which was 62.66% of total allocation was in nature of mandatory/obligatory expenditure in view of India's international commitments as it included 'Contributions to International Organization', 'Technical and Economic Cooperation', 'Loans to Foreign Governments'. Only Rs. 4375.77 crores was available with the Ministry that too included Rs. 1320.00 crores earmarked for 'Special Diplomatic Expenditure' which was discretionary in nature and was not readily available to Ministry for its internal use and Rs. 209.12 crores was earmarked for 'Grants to institutions'. Hence, in real terms only Rs. 2846.65 crores were available to the Ministry to cater to its mandate of conducting India's foreign policy, maintenance of its international relations via establishment of 179 Missions/Posts and rendering of services by Missions/Passport Offices and all other establishments including Indian Cultural Centres/Chairs across the world and conduct diplomacy, political, economic and cultural and maintain high level of services rendered by these offices in India and world and engage with various academic and research institutes. The Committee had noted that the Ministry had been functioning under immense financial pressures and was hindered in performing upto the expected level due to financial constraints. The Committee had, therefore, taken a serious note of the state of affairs and had recommended that the Ministry must take up the issue of low allocation of funds with Ministry of Finance.
- 6. In their action taken reply, the Ministry of External Affairs have stated as under:

"The Ministry, as rightly observed by the Committee, has been functioning under severe financial strain and has not been able to discharge some of its important commitments only for lack of funds. The commitments from the highest levels, if not honoured in time, adversely impact the image of the country, which is why the adequate budgetary allocation is important.

It may also be of relevance to point out that the establishment expenses of the Ministry, comprising of Headquarters, Embassies and Missions, Passport Offices and Hostels/Residential Complexes, added up to about ₹2498 crore in 2012-13 (provisional). The allocation for

the establishment expenses for 2013-14 is only ₹ 2390.01 crore, as against the demand of ₹3089.18 crore.

The Ministry will take up the issue of augmenting funds at Supplementary Demands and RE stages."

7. The Committee note the candid acceptance by the Ministry about their working under severe financial strain and its impact across the arena of its functioning. However, it has not given any description about the efforts made so far to overcome such continuous trend of inadequate budgetary allocation over the years. The Committee, therefore, desire that the Ministry should take up the matter of inadequate budgetary allocation more seriously with the Ministry of Finance and Planning Commission and further sensitize them regarding urgent requirement of funds for fulfillment of international commitments as well as completion of ongoing projects in foreign countries and functioning of its Missions/Posts, during the current financial year and also to prepare for the forthcoming budgetary exercise so as to ensure henceforth adequate budgetary allocation. The Committee would like to be apprised by the Ministry about the efforts those have been made in this regard and the augmentation of funds at RE and Supplementary Demands stages as a result thereof.

#### (Recommendation No. 3)

8. The Committee were distressed to note that high level international commitment had to be kept on hold or partially implemented due to lack of budgetary support. The Committee were appalled to note that due to budgetary constraints Government of India was unable to fully implement Cabinet Committee on Security (CCS) decision for 100 million US\$ grant to Bangladesh in pursuance of announcement of a grant of US\$ 200 million to Bangladesh made during the bilateral visit of then Finance Minister in May 2012. The Committee had further noted that the 2<sup>nd</sup> installment could not be

released in 2012-13 as no additional funds were provided by the Ministry of Finance, despite the demand being made in 2<sup>nd</sup> batch of supplementary demands. The Committee had also noted that resources were augmented for the 1<sup>st</sup> installment from within the already allocated resources of the Ministry.

The Committee had taken a very serious note of the Ministry of Finance's refusal to grant funds for timely release of 2<sup>nd</sup> installment for grants to Bangladesh, though, it was provided later at the fag-end of the financial year. The Committee were of the opinion that the Ministry of External Affairs should pursue the matter further and CCS must be apprised of the situation. The Ministry of External Affairs must ensure arrangement for funds for 3<sup>rd</sup> and 4<sup>th</sup> installment. The Committee had further recommended that the payment of grant to Bangladesh must not be delayed on account of budgetary constraints.

9. In their action taken reply, the Ministry of External Affairs have stated as under:

"It is respectfully submitted that the Ministry of Finance had been sensitized about the commitments made at highest levels and details of these commitments were also shared with them. As per the decision of the Cabinet Committee on Security (CCS), the first instalment of US\$ 50 million was to be released from the existing budgetary allocation of the Ministry. Though not explicitly stated, it was implied that the remaining instalments would be released with additional funding by the Ministry of Finance. The first instalment of US\$ 50 million was released from the savings of Ministry's own resources, after Ministry of Finance acceded to the request for provisions of funds in the form of 'Technical Supplementary' in the 2<sup>nd</sup> Batch of Supplementary Demands for Grants. The request for Cash supplementary for releasing 2<sup>nd</sup> instalment of US\$ 50 million to Government of Bangladesh was not considered favourably by the Ministry of Finance. Hence, the second instalment of US\$ 50 million could not be released within FY 2012-13 due to paucity of funds.

It may be pertinent to mention that provision for only two more instalments of US\$ 50 million each exists in the Ministry's budget of FY 2013-14, out of which one instalment of US\$ 50 million has already been released in May 2013. Therefore, the Ministry would have to approach the Ministry of Finance in the Supplementary Demands stage for augmentation of budget to provide for the last instalment of US\$ 50 million."

10. The Committee do not approve of not honouring the commitments made at the highest levels. The Committee specifically note that the second instalment of US\$ 50 million could not be released to Bangladesh within Financial Year 2012-13 due to paucity of funds and during financial year 2013-14, a provision has been made for only two more installments of US\$ 50 million each. However, for the release of the last installment of US\$ 50 million, the Ministry is still uncertain and has to approach the Ministry of Finance to obtain funds at the stage of Supplementary Demands. The Committee, therefore, reiterate that such situation should not arise again and Ministry should take up the matter with Ministry of Finance and sensitize them continuously so that payment of the last installment is not delayed and made during the current financial year itself positively.

#### (Recommendation No. 4)

- 11. The Committee had found that in several cases, the MEA had not been able to provide funds for the projects committed and announced by the Head of States/Government/Ministry of External Affairs on strategically important visits to the foreign countries due to budgetary constraints. The Committee, had, therefore, desired that a separate head should be created for India's International Commitments announced by the Head of State/Government/Minister of External Affairs at international fora, wherein it should be mandatory for Ministry of Finance to provide funds for fulfillment of such commitments without any scope of discretionary reduction of allocation by the Ministry of Finance or the Planning Commission.
- 12. In their action taken reply, the Ministry of External Affairs have stated as under:

"India's developmental assistance to foreign countries is budgeted under the various heads such as 'Aid to Bhutan', 'Aid to Nepal' etc. under the Major Head 3605. Opening a new budget head dedicated for funds earmarked for India's commitments made at the highest level may also not guarantee adequate provision of funds as these have to be ultimately provided by the Ministry of Finance. Nevertheless, the Ministry would take up the matter as suggested by the Hon'ble Committee with the Ministry of Finance."

**13.** The Committee had taken a serious note of the Ministry's continuous failure in providing funds for projects committed and announced by the Head of State/Government/Minister of External Affairs at international fora or during strategically important visits to foreign countries. The Committee had, therefore, desired for creation of separate head with sufficient funds for fulfillment of such international commitments. The Committee are not convinced with the Ministry's expression of casual view that opening a new budget head may also not guarantee adequate provision of funds. Considering the necessity of funds in this regard and involvement of nation's pride in the matter, the Committee would like to strongly reiterate that Ministry must take initiatives in consultation with the Ministry of Finance for the creation of a separate budget head for such international commitments and also ensure that allocation of funds under this new budget head is made mandatory and no discretionary reduction of allocations are carried out either by the Ministry of Finance or the Planning Commission in any case. The Committee should be informed about the outcome of the efforts made in this direction.

#### (Recommendation No. 5)

14. The Committee had noted that as part of the inter-governmental model, three ongoing hydro-power projects in Bhutan had faced serious shortage of funds and it was really unfortunate that for second successive year, the funds for three hydro-power projects in Bhutan had exhausted midyear. The Committee were appalled to know that due to problems in timely release of funds, the project authorities in one of the projects had to face difficult situation even in releasing salary for its employees. The Committee had acknowledged the Ministry's endeavour to augment funds from internal sources by re-appropriating funds allocated for various projects so that the work in those ongoing projects did not come to a halt. The Committee had opined that innovative ways of financing based on securitization of the likely revenue stream from such hydel power might be explored to obviate the paucity of resources. The Committee had, however, desired that the Ministry should endeavour to ensure timely release of funds for ongoing projects, as

delay in release of funds would result in slow pace of work leading to gradual cost escalation and also affect the prestige of India in the comity of nations.

15. In their action taken reply, the Ministry of External Affairs have stated as under:

"The funds required for India to provide assistance to hydropower projects in Bhutan are allocated by the Planning Commission under the Plan component of the "Aid to Bhutan" head of the Ministry's budget. However inadequate funds have been provided to the Ministry. For instance, the Ministry projected Rs.1644 crore under the plan expenditure for Bhutan in the FY 2011-12, but was allocated Rs.1030 crore. In the Financial Year 2012-13 also, Rs. 1138 crore was provided for the Plan expenditure in BE and RE 2013 against the projection of Rs. 2045 crore. It was only after persistent efforts made at the level of EAM/PM additional Rs 400 Crores was provided at the very end of the financial year 2012-13. The Ministry has received Rs. 2520 Crores for the three ongoing HEP's for the Financial Year of 2013-14 against the projected demand of Rs 3726 Crores.

The Ministry from time to time is drawing the attention of the authorities concerned about the requirement of funds to three ongoing Hydroelectric Projects in Bhutan. EAM wrote to the Finance Minister on December 3<sup>rd</sup>, 2012 about the importance of providing necessary funds. Foreign Secretary also wrote to the Finance Secretary on 22<sup>nd</sup> January, 2013 about the necessity of providing funds in an urgent manner to these projects. The issue was also brought to the notice of the PMO by FS, through a letter addressed to PS to PM in February 2013."

16. In view of the serious shortage of funds for three ongoing hydro power projects in Bhutan, the Committee had desired that the Ministry should endeavour to ensure timely release of funds. The Committee are dismayed to note that Ministry has not furnished any details of the action taken by the Ministry on the issue and has merely rehashed the details which had already been submitted to the Committee during the examination of the Demands for Grants. The Committee, therefore, desire to be updated about the further efforts made by the Ministry in this regard and the outcome thereof. Also considering the dire shortage of finances faced in the implementation of the projects during the last two financial years, the Committee would like to

emphasize that expeditious efforts should be made by the Ministry to ensure timely release of funds by augmenting funds through Supplementary Demands or if required, from the internal resources for the three ongoing hydro projects in Bhutan.

Further, the Committee are displeased to note the silence of the Ministry on the Committee's suggestion that innovative ways of financing based on securitization of the likely revenue stream from hydel power may be explored to obviate the paucity of resources. The Committee, therefore, would like to reiterate that the Ministry should work upon the suggestions made by the Committee and furnish the updated details of the progress made in this matter.

#### (Recommendation No. 7)

- The Committee had observed that MEA was in the process of 17. revamping all the websites of the Ministry under its web portal project. Standard templates had been circulated to all Missions and Posts and they had been asked to integrate themselves with the official portal as per new design. But only 100 Missions had integrated their web pages with the official web site of MEA. Under the project a dozen websites of the Ministry had already been redesigned and others were yet to be undertaken to make them more user friendly. The Committee had noted that the presence of several websites of the Ministry might create confusion and user might be unable to get complete information at one place. The Committee had been frequently asking the Ministry to create one integrated website of the Ministry with focused links rather than a multiplicity of websites. The Committee had hoped that after completion of the process of integration and revamping of websites at the earliest, the Ministry would constantly upgrade their website and make it user friendly, easily accessible and interactive.
- 18. In their action taken reply, the Ministry of External Affairs have stated as under:

"Ministry acknowledges the Committee's recommendation for the need to create one integrated website where all information related to the Ministry and its various Missions/Posts can be made available. In this regard it is submitted that the main objective of the Ministry's Web Portal Project was to develop a web portal which is not only easily accessible, user friendly and web 2.0 compatible but has also all the Missions' and Posts' web pages integrated within it so that it can act as a comprehensive single source integrated platform through which users can access all information generated both from headquarters and all Missions/Posts of the Ministry. In pursuit of this objective, as of June 3, 2013, almost all Missions' web pages have already been successfully integrated with the new official MEA website (www.mea.gov.in). Some of our Missions (like those in Iraq, South Sudan, Mali etc.) which could not integrate because they are yet to have an independent website or they are yet to become fully functional, will do so at the earliest.

The work of redesigning all websites of the Ministry was taken up as part of the Web Portal Project with the objective of providing a uniform, corporate look and feel to all the Ministry's websites so as to have a standard image for the Ministry in the digital space with which users from across the world can associate with. As on June 3, 2013 twenty one Missions/Posts have completed the redesigning work and migrated to the new official templates. Forty more Missions/Posts are in the process of re-designing. The remaining Missions/Posts have been asked to initiate action in this regard at the earliest. Ministry is regularly following up with the Missions for early completion of the redesigning exercise.

Ministry also notes the Committee's observation for the need to constantly upgrade and update information on all its websites and has been regularly writing to all Missions/Posts to take extra effort to ensure that their websites reflect the most updated information."

19. The Committee had stressed upon the Ministry, the need to create one integrated website of the Ministry with focused links rather than a multiplicity of websites. However, the Committee are surprised to note that in this digital era, some of the Indian Missions are yet to have their independent websites. The Committee are further concerned over the slow progress of Web Portal Project particularly relating to redesigning of all websites and migration to the new official templates. The Committee would strongly urge the Ministry to

adhere in this matter to the defined timeline and ensure steps towards early completion of the project. The Committee are not satisfied with the present system of only writing to Missions/Posts to display the updated information on their websites because it has no impact on the Missions/Posts. The Committee, therefore, reiterate that Ministry must develop an internal mechanism for a regular monitoring that websites are upgraded and updated so that the display of the updated and precise information is made available on the Mission's webpage as well as on various other interactive channels.

#### (Recommendation No. 8)

- 20. The Committee had noted that India's diplomatic efforts had led to global engagement at governmental level. The Ministry's efforts had been supplemented by Public Diplomacy, Press and Media Relations. Committee had also acknowledged the Ministry's digital presence in social media. The Committee were of the opinion that in the information age, the virtual social space had provided a unique platform to the Ministry to engage with the public and particularly the young generation. The Committee had, therefore, desired that the Ministry should adopt a holistic approach and coordinated efforts must be made in that direction. The Committee had. however, emphasized and cautioned the Ministry that diplomatic paradigms and stringent digital safety standards were adhered to. The guidelines under preparation for safe use of social media should be finalized at the earliest and the Committee should be informed accordingly.
- 21. In their action taken reply, the Ministry of External Affairs have stated as under:
  - "a) Public Diplomacy Division consults with other Divisions on regular basis.
    - b) (i) The Department of Electronics and Information Technology, Ministry of Information Technology had issued detailed guidelines for the use of Social media by Government organizations (August 2012). These are comprehensive guidelines dealing with various aspects and use of Social media such as account governance, content governance, information security governance, responsiveness, impact analysis, etc.

- (ii) Public Diplomacy Division had issued a circular to all the Missions containing 'Do's and Don't's' of Social media in December 2011.
- c) EG & IT Division is in process of finalizing another set of guidelines which deal specifically with safety aspect of Social media.
- 22. The Committee take note of the initiatives taken by the Ministry regarding safety aspects of Social Media. The Committee, however, desire that an effective mechanism should be established within the Ministry to ensure that the detailed guidelines issued by the Department of Electronics and Information Technology, Ministry of Information Technology for the use of social media by the Government organizations are followed and strictly adhered to. The Committee strongly recommend that the Ministry should also formulate additional guidelines for its internal use particularly in view of the nature of Ministry's interaction and engagement with the world-wide audiences and its diplomatic connotations. The Committee would also like to emphasize on digital safety and recommend that if necessary, proper training may be imparted to the staff and particularly to the divisional heads for conducting diplomacy through the medium of web.

#### (Recommendation No. 9)

23. The Committee had note that Indian Missions/Posts formed India's resident diplomatic presence in the host country. However, in light of India's growing international profile and presence, during the meetings with the Committee, various foreign delegations visiting India had expressed their desire to have Indian Mission/Post in their country and several such requests were pending in the Ministry. But, the Committee were informed that no new proposal had even reached at a stage of consideration of opening of new resident Mission. In that context, the Committee had a view that such proposals should be extensively examined on priority basis and after due diplomatic and other considerations, the Ministry must come to a decision in each case and such efforts should not be stalled or delayed at least due to financial constraints.

24. In their action taken reply, the Ministry of External Affairs have stated as under:

"The Ministry of External Affairs will review all such cases once again in consultation with the concerned Territorial Divisions and take further action as necessary. It is confirmed that no proposal which is otherwise justified and meets the criteria for setting up a resident Mission at any station abroad, shall be allowed to be stalled because of financial constraints."

25. The Committee are not satisfied with the Ministry's reply of too general nature without any information about the pending requests for opening new Indian Missions/Posts and status thereof. The Committee, therefore, would like to know about the requests/proposals received through formal as well as informal channels for opening of Indian Missions/Posts in various countries alongwith the action initiated by the Ministry and the progress made in each case. The Committee desire that all such proposals should be actively reviewed with appropriate follow up action within a fixed timeframe. Further, the Committee would also like to urge the Ministry to draw a list of countries with no independent Indian diplomatic presence and explore the feasibility of having Indian presence at such places so as to provide a platform to India to pursue its interests across the world and widen its engagement with all the strategically important countries.

#### (Recommendation No. 10)

26. The Committee were of the view that the Missions/Posts must be empowered to cater to various demands according to the changing profile of the role and job which was expected to be fulfilled by the Missions/Posts. The Committee had taken note of the Ministry's efforts in regard to taking stock of the changing functional and human resource needs of the Missions/Posts through O&M study and conduct of regular inspections. The Committee had, however, expressed their dissatisfaction over non-availability of any report of inspection in Missions/Posts since May 2011. The Committee had, therefore, desired that there should be a regular review and inspection of functioning of Missions/Posts particularly on the parameters of

overall functioning, coordination mechanism between the Headquarters, Missions and other Ministries, channels of communication and implementation of Ministry's instructions/directions in most efficient and diligent manner. Simultaneously, Ministry should also ensure that due resources, physical and human, were provided to the Indian establishments abroad so that they were able to maintain minimum standards and deliver standard services. The Committee had further reiterated that Ministry must ensure due training to the officers/staff about local legalities as well as soft skills and the system should be made more responsive to the needs of the people seeking information/services from the Missions/Posts.

# 27. In their action taken reply, the Ministry of External Affairs have stated as under:

"The list of reports submitted by the Ministry in response to the queries related to "Inspection of Missions abroad" pertained only to the comprehensive inspections conducted by the Directorate of Inspections. Besides such inspections, various Divisions in the Ministry also conduct regular inspections/evaluations on specific issues such as administrative/establishment/consular/security matters and other important aspects of bilateral relationships. Generally such subject specific reports have not been included in the list of comprehensive inspections carried out by the Directorate of Inspections. With a view to rectifying this situation so that the records of the Directorate are comprehensive, holistic and complete, in future, in addition to the full inspections carried out by the Directorate, records of specialized reports shall also be maintained in the Directorate. As far as the resources are concerned, the Ministry always endeavors to meet the functional needs of Indian Missions/Posts abroad to the best of its capacity. The Ministry is also attaching high priority to the training and capacity building aspects. A new comprehensive training framework for the MEA in pursuance of the National Training Policy 2012 is currently under process. Once implemented, this Training Framework would substantially upgrade the necessary skills for better delivery of services."

28. The Committee are surprised to note that proper records of reports on specific issues like administrative/establishment/consular/evaluation matters are neither included in the list of comprehensive inspections nor maintained in the Directorate of Inspections. The Committee, therefore, strongly desire that the Ministry should ensure that the Directorate of Inspections starts maintaining comprehensive details of all the inspection Reports and action

taken thereupon, if any, in their records with immediate effect. The Committee further reiterate that reviews and inspections of functioning of Missions/Posts particularly on the parameters of overall functioning, coordination mechanism between the Headquarters, Missions and other Ministries, channels of communication and implementation of Ministry's instructions/directions in most effective and diligent manner should be held at regular intervals. The Committee desire that conclusions/observations made in such Reports and insights gained through these exercises should be incorporated in the Ministry's policy documents.

In order to enhance the skills and capacity building within the structure of the Ministry, the Committee hope that MEA will be able to arrive at new comprehensive training framework at the earliest. The Committee, however, suggest that the training framework should incorporate and address specific and specialized requirements for officials serving the Ministry. Moreover, in view of their placement in foreign countries, the training must necessarily include specific modules on local legalities, soft skills, language and orientation on local culture and customs before their posting to the foreign countries for a better, well equipped and responsive system in Indian establishments abroad. Further, the Committee are not satisfied with the endeavor being made by the Ministry to meet the functional needs of Indian Missions/Posts abroad and reiterate that the Ministry should undertake sincere efforts in this regard.

#### (Recommendation No. 11)

29. The Committee had noted that the Ministry was regularly and increasingly dealing with private parties particularly in view of outsourcing of visa process/passport process and participation of private sector in various projects. The Committee had, however, observed that there was neither any specific Standard Operating Procedure to be followed in that regard nor there

was any separate Division to deal with issue of tenders, evaluation of bids, selection of service providers, deciding on terms and conditions and to ensure whether the related terms and conditions were adhered to or not. The Committee, therefore, were of the view that the Ministry must develop a mechanism or create a sub-division to have a uniform and coordinated approach by creating standard operating procedures and to look into the nitty-gritties of the entire process. The Ministry must ensure regular monitoring and evaluation of services in a due diligent manner. The Committee had further suggested that the Ministry should adhere to stringent norms and exercise transparency in the process pertaining to tendering and outsourcing while giving paramouncy to the security concerns.

- 30. In their action taken reply, the Ministry of External Affairs have stated as under:
  - "i) In regard to Standard Operating Procedures (SOP), Ministry's circular Egram of October 24, 2011 forwarding Guidelines from AS (CPV) is considered SOP. Further guidelines were issued vide Ministry's circular Egram March 7, 2013 detailing the procedures to be adopted for award of contract. These two circulars form the instructions for SOP. However, as pointed out in the Recommendation No. 11 Ministry would issue a comprehensive SOP by compiling the information.
  - ii) Regarding creation of a separate Cell, it may be mentioned that currently, the outsourcing of visa/passport/consular services have been implemented in 68 Indian Missions/Posts abroad. Besides two more Mission/Post would join the scheme soon while two Missions have limited outsourcing services. Thus the total number of Missions/Posts which have outsourced Visa/Passport/Consular Services would be 72. All legal issues are handled in consultation with Legal and Treaties Division of the Ministry. In rare cases, the opinion of Ministry of Law and Justice is also obtained. All important issues are cleared with the approval of Additional Secretary/Secretary and Foreign Secretary if required. Considering the volume of work and the mechanism to deal with the matter available with Ministry, the concept for a separate cell for dealing with outsourcing matters was not considered earlier. However, keeping in view the suggestion by the Standing Committee, the matter is being considered separately from the administrative and financial angles as the creation of a Cell would involve additional expenditure and additional staff.

- iii) In regard to monitoring and evaluation of services, it may be mentioned that CPV Division is closely monitoring the tender process being followed by Missions/Posts abroad. The system of outsourcing services is stabilising and CPV Division monitors the implementation of the tender process in Missions/Posts regularly as Missions/Posts have been advised to keep the Ministry informed of every stage of the tender process namely uploading the tender documents, pre-bid conference, opening of the Technical Bids and Financial Bids and finally the signing of the Agreement. Ministry has circulated model tender documents and also issued a detailed proforma to evaluate the Technical Bids to reduce subjectivity to the maximum possible levels. Ministry also takes note of complaints from different quarters and seeks clarification from the Missions/Posts concerned.
- In regard to adherence to stringent norms and transparency, the iv) tender documents are uploaded in the websites of the Mission and Ministry simultaneously. The Request for Proposal is a detailed document which gives information on various aspects of the tender process. The proceedings of the pre-bid conference in the form of Questions and Answers are circulated to all the participating companies. The Technical Bids and Financial Bids are opened in the presence of Representatives of the participating companies and the members of the Outsourcing Committee. Missions have been instructed to give detailed reasons for disqualification to the disqualified companies. Further Ministry's guidelines are based on CVC guidelines and General Financial Rules (GFRs) and also the Orders of Hon'ble Delhi High Court. Whenever, the bids are disqualified, the reasons for the same are informed to the companies concerned.
- v) In regard to security concerns, it is pointed out that only peripheral work relating to visa, passport, consular services are handled by the outsourcing companies. The policy matters and other security related work pertaining to issue of visas and passports are handled by authorised India-based officers. Further as per the extant guidelines, only Indian/Indian origin companies are eligible to take part in the tender process as the principal company with or without a local partner of Indian/foreign origin. Further local partner companies are cleared from security angle by the Ministry in consultation with authorities concerned."

31. The Committee observe that the Ministry has understood the need of preparation of a comprehensive operational procedure regarding outsourcing of visa process/passport process and participation with private sector in various projects. The Committee can now expect that the comprehensive Standard Operating Procedures (SOP) is compiled by the Ministry in a time-bound manner and if required, the Ministry may amend the circulars in view of its experiences so far.

The Committee also note that outsourcing of these services is presently being done in more than Seventy Missions and it may be done in many more. At present, all issues relating to outsourcing are being cleared by the Heads of concerned divisions and the legal issues are handled in consultation with the Legal and Treaties Division of the Ministry and in rare cases, the opinion of Ministry of Law and Justice is also obtained. In Committee's view, the present arrangement is not suitable to maintain uniformity and transparency in the system. Considering the inevitability of increased private sector participation in this matter in future, the Committee, therefore, would like to reiterate the creation of a separate sub-division to build in-house capacity within the Ministry to deal with the specific issues of outsourcing including its legal, financial, diplomatic and security aspects. This would subsequently facilitate minute examination of the documents as well as ensure uniformity of approach and procedure across all the establishments abroad.

#### (Recommendation No. 12)

32. The Committee in their deliberations and Reports over the years had expressed serious concern over the lower establishment strength of the Ministry but there was no satisfactory improvement. The Committee had once again observed that there was a huge gap between the actual number of employees and approved strength in Group A & B services. As against the total number of 7346 posts, 5761 employees were in position. The

Committee were not convinced with the reasons furnished by the Ministry for such gap. The Committee had, therefore, desired that sincere efforts should be made by the Ministry to take up the matter with the Ministry of Personnel and Training to fill the vacant posts at the earliest. The Committee had also taken note of the 'Medium Term Expansion Plan' and various methods for induction through different channels. The Committee, however, were not convinced with such slow pace of expansion of service spanning over ten years. The Committee had suggested that the Ministry must approach the Ministry of Personnel and Training with fresh proposals for further expansion in the cadre of the Ministry in both Gazetted as well as Non-gazetted posts during a shorter period. The Committee had made a note of the lateral entry scheme to build in-house capacity within the Ministry and had appreciated Ministry's efforts for recruitment of experts for Technical Cell in Projects Division as well as Development Partnership Administration (DPA). The Committee had, however, noted that the present approach of lateral induction and those with domain knowledge at various levels both in Headquarter and in Embassy was far too slow. In Committee's view with such approach, shortage of personnel would continue to handicap the Ministry's work. The Committee had, therefore, desired that lateral induction must be substantially accelerated at various levels through contractual or deputation so that in the course of the next three years, the current shortages were substantially overcome. However, the Committee had cautioned the Ministry that while engaging the experts, through deputation or outsourcing consultants, the Ministry must give due consideration to the security and diplomatic aspects. The Committee had suggested that Ministry should come up with innovative ways for attracting the desired expertise and specialists to conduct various activities in view of increased arenas of diplomatic engagement particularly in terms of emerging contours of economic and environmental diplomacy.

# 33. In their action taken reply, the Ministry of External Affairs have stated as under:

"Ministry of External Affairs has undertaken an extensive exercise of Cadre Review to cover the shortages at staff level and an expansion plan to address the deficit at the officer level. MEA has submitted revised indents to the concerned recruitment agencies such as Union Public Service Commission (UPSC) and Staff Selection Commission (SSC) to increase the intake to adequately address the gap in existing and required manpower.

Till the recruitment agencies are able to provide regular candidates against vacant posts, the Ministry has been hiring consultants for specialized jobs in addition to filling routine secretarial vacancies through temporary engagement of outsourced staff.

For the specific requirement of domain expertise in Development Partnership Administration, MEA has been regularly inviting nominations/applications from other specialized Cadres/Departments, with the result that the immediate needs of the DPA for ex-cadre expertise have been met. This is an ongoing process and as and when further expertise is required, the Ministry will take necessary steps. While selecting ex-cadre officers, the Ministry pays due attention to meeting the need for necessary diplomatic skills for the identified jobs besides adhering to the standard security precautions."

34. The Committee are anguished with the vague and incomplete reply furnished by the Ministry regarding the present staff strength in the Ministry and status of the expansion plan. They have also not conveyed any reasons for the gap between actual number of employees and approved strength in Group 'A' and 'B' or the details of the progress made under 'medium term expansion plan' and the response of concerned recruitment agencies on the issue of increase in the intake to adequately address the gap in existing and required manpower. The Committee would like to be apprised of the efforts being made by the Ministry and outcome thereof alongwith the initiatives taken for recruitment under lateral entry scheme. Further, in context of the Ministry's programme to hire consultants for specialized jobs in addition to following routine secretarial vacancies through temporary engagement of outsourced staff, the Committee would like to suggest that even at the lowest level due care should be exercised and security clearance be obtained for the outsourced staff.

#### (Recommendation No. 13)

35. The Committee took note of the reports of several vacant Ambassadorial positions and did not find any transparent policy and justification in this regard. The Committee were of the view that a proactive approach should be adopted by the Ministry and they should come up with the practice of announcement for placement of Ambassadors well in advance in cases of anticipated vacancies on account of retirement etc. The Committee had also expected the Ministry to ensure due regard to the policy in matters of appointment of Ambassadors for an efficient carrying out of diplomatic responsibilities.

36. In their action taken reply, the Ministry of External Affairs have stated as under:

"Every effort is always made to ensure appointments of Heads of Mission in a timely manner, with due regard to the requirement of the posts and suitability of the appointees. The movement of personnel between a large number of Missions around the world necessarily entails some gaps between the departure of one HOM and the arrival of another. Different diplomatic procedures in various countries for grant of agree'ment also account for some gaps. The Ministry endeavours to ensure that the movement schedules do not affect the smooth functioning of our Diplomatic Missions, which is looked after by other Mission personnel in the absence of our HOM."

37. The Committee are not convinced with the replies furnished by the Ministry regarding the policy and delays in appointment of Ambassadors. The Committee are of the view that different diplomatic procedures being followed by various countries and delays in movements cannot become excuse for delays in these high level appointments. The Committee, therefore, desire that the system should be regularized and in view of anticipated vacancy, the procedure should be completed well in advance before the end of tenure.

#### (Recommendation No. 15)

38. The Committee were concerned to note that there was no connectivity between the Central Passport Organization (CPO) and the Missions/Posts and the Missions/Posts had access to Passport Central Data (PRIDE) only to check data but passport related services were rendered by Mission/Post only through old system and that the process of data migration from old system to new system was done and the work was in progress for bringing Missions/Posts under the Passport Application System. The Committee had, therefore, strongly recommended that the Ministry should prepare a dedicated action plan and implement it with a fixed time frame for establishing connectivity between the Headquarters and Missions/Posts as well as with the Passport Seva Application.

The Committee were concerned that the Ministry was only in initial phase of the digital process in the project for 'creation of image retrievable database' and the Ministry was yet to embark on the phase-II which includes capturing of data only of 34 Missions/Posts. The Committee had, therefore, strongly recommended that the Ministry should expedite the process of digitization of data, across its establishments. The Committee had also

desired that the Ministry must take necessary steps on urgent basis for data management in the Missions/Posts.

39. In their action taken reply, the Ministry of External Affairs have stated as under:

"It is submitted that currently Missions/Posts are working as part of pre-PSP application while rendering the Passport related services and PRIDE is used for checking duplication and antecedents of the applicant. At present, 25 Missions/Posts are classified as large and 155 as small. The pre-PSP passport-service related data is migrated to PRIDE. In the large Missions/Posts, passport printing is done there itself like RPOs, whereas small Missions/Posts transmit the data digitally to Central Indian Passport Printing System (CIPPS) Unit.CPV Division, MEA for printing of passports which are then sent back to originating Mission/Post for handing over to applicants.

Ministry proposes to commence 'AS-IS' study by 15<sup>th</sup> July 2013 for integration of Missions/Posts with Passport Seva Application, including its mode of connectivity to PSP data centre. Two (2) Small and Two (2) Large Missions/Posts would be taken up as part of Pilot 'AS-IS' study for preparation of detailed project report (DPR). In the DPR, the roadmap and timelines to integrate all the Missions/Posts (location-wise) with the Passport Seva application as part of centralised application/database (PRIDE) would be outlined. It may take 6-8 months (after the DPR process is over) for establishing connectivity to the Missions/Posts including integration with PSP application.

As informed earlier, the digitization project commenced in June 2012 in 5 Indian Missions viz. at London, San Francisco, Dubai, Abu Dhabi and Riyadh, having nearly 50% of the total anticipated volume of the consular documents to be digitized. The digitization job has been completed in these Missions. In the IInd phase, the Ministry is undertaking the digitization project in another 34 Indian Missions/Posts having another 40% of the balance consular documents to be digitized. Out of these 34 Indian Missions/Posts, the work orders for 5 Missions have been issued to the vendors, who have commenced their work. There was a slight delay in execution of project in these 34 Indian Missions/Posts on account of delay in payment to the vendors for the job undertaken earlier in the 5 Indian Missions/Posts due to budgetary problems. The project, as intimated earlier, is likely to be completed in 2014.

40. The Committee note that the Phase-I of the Passport Seva Project (PSP) has already been completed. The Committee are, however, dismayed to note

that all the Indian Mission/Posts are still working as part of a pre-PSP application and are yet to be integrated in the Passport Seva Project. The Committee wonder as to why such integration was not made a part of Phase-I of the PSP. The Committee desire that the Ministry should expeditiously furnish details of Ministry's strategy to integrate all Missions/Posts alongwith furnishing an anticipated timeline for the same. It appears that consequent upon the Committee's recommendation, the AS-IS Study was thought of and launched in July, 2013. The Committee desire to be apprised about the launching of this study and urge the Ministry to furnish status report alongwith its recommendations/conclusion to the Committee after the said study is completed. The Committee would also further like to be apprised whether integration of Missions/Posts website is in conjuncture with the launch of Phase-II of PSP along with details of the role of service provider and responsibility for system upkeep etc.

The Committee are also constrained to note the delays in implementation of Phase-II of digitization job of Indian Missions and desire that Ministry must make arrangement for financial resources, if required, even from its internal sources so that the project is not delayed further on account of insufficient funds. The Committee would also desire to be updated about the progress made in the matter and the anticipated timeline for digitization of remaining Missions/Posts.

#### (Recommendation No. 16)

41. The Committee had observed that the Ministry had opened all the 77 Passport Seva Kendras (PSKs) in various States but several Passport Seva

Kendras/Regional Passport Offices(RPOs) were not connected online with State Police Headquarters or District Police Headquarters in many states. Due to such situation in those states, police verification takes time of 30-150 days. Therefore, the main objective of Passport Seva Project i.e. reducing the time period for police verification process was not being achieved. Though, the Committee understood that it was primarily the responsibility of the State Governments, yet the Ministry or RPOs had to pursue the matter with police authorities in those States The Committee had, therefore, desired that the Ministry/RPOs should sincerely follow the issue with respective State Governments and Police Authorities continuously and impress upon them the need and importance of establishing online connectivity between PSKs, RPOs and the Police Headquarters, as by Ministry's own admission wherever DPH/SPHq. model exist, the results had been very encouraging.

The Committee desired to be assured that the new procedures for issuance of passports have substantially benefitted the potential applicants. However, an objective external assessment might be undertaken by any reputed consultant to study and track passport issuance to ascertain the cases of delay and adopt such changes necessary for the benefit of passport applicants.

42. In their action taken reply, the Ministry of External Affairs have stated as under:

"As on 30<sup>th</sup> May, 2013, 10 States have implemented the DPHQ model of police verification and the PSP application is accessed at the DPHQ. Five States have implemented SPHQ model as laid down in the RFP. Remaining States are still working on manual model that was followed in the pre-PSP system.

It is submitted that RPOs are instructed to follow-up with concerned State Governments for implementation of either SPHQ or DPHQ model. Due to sustained efforts by the RPOs as well as by the CPV Division, UP, Bihar and Maharashtra have implemented the DPHQ model in a few locations as per the availability of ICT infrastructure required to start DPHQ model. Efforts are underway to connect all the remaining locations in the said States, either to SPHQ or to DPHQ model.

The Ministry is also examining PVR process for due approval, to connect all locations uniformly across all the States/UTs to DPHQ model, which is the best model for speeding up Police Verification Process.

As regards the Committee's observation for engagement of reputed consultant, it is submitted that Ministry has requested the National Institute for Smart Government (NISG) to conduct a study and identify the gaps due to which delays occur in passport issuance and to submit a report to Ministry for remedial actions."

43. The Committee note that DPHQ/SPHQ model of Police Verification has been implemented only in Ten States and the Ministry is also examining PVR process for due approval to connect all locations across the States/UTs to DPHQ Model uniformly for speeding up the Police Verification process. However, considering the existence of varied models and procedural differences across the states, the Committee are of the view that the Ministry may call a meeting of Directors General of Police of all the states/UTs to take up the matter to shift to the DPHQ/SPHQ model and to ensure uniformity in approach and procedure across the states so that the process of police verification is expedited.

Further, the Committee desire that the Ministry should also suggest ideal procedure and uniform guidelines to be followed during police verification process, uniform channels and levels of verification, timely uploading of police verification reports, procedure and timelines to be followed in case of post verification/adverse reports or discrepancies etc., to the concerned police departments of all the states.

#### (Recommendation No. 17)

44. The Committee had been pursuing the matter of establishment of Mini PSKs in North-Eastern States. The Ministry had assured the Committee that Mini PSKs would be established in Aizwal by 2010 and in other States of North-East by December, 2011. However, the Committee had noted that Mini PSK had been established only in Aizwal after much delay in 2012 and all the other PSKs in North East were yet to be established. As per the information furnished to the Committee, the work was in progress at Passport Seva Laghu Kendra (PSLK) at Shillong, while at Gangtok and Agartala only the location had been identified. The Ministry was still silent on the establishment of PSLK or Mini-PSK in other States of North-

Eastern Region and had also shown its inability in providing defined timelines for the establishment of these PSLKs. The Committee had deplored such approach of the Ministry and had strongly recommended that Ministry should expedite its efforts to ensure establishment of all the PSLKs/Mini-PSKs in North-Eastern States at the earliest though active engagement with State Governments for overcoming the problems with creative solutions.

45. In their action taken reply, the Ministry of External Affairs have stated as under:

"The Ministry has noted the observations of the Committee as regards speeding up setting up of mini-PSKs, especially in the North-East. It is, however, submitted that the Ministry would not like to indicate any artificial timeline. It is also submitted that it is essential for the Ministry to strictly comply with Financial Rules and Procedures in the matter of acquiring goods and services for setting up of mini-PSKs so as to avoid any audit objections.

The Hon'ble Committee is informed that out of 8 NE States, PSKs/PSLKs have been made operational in Guwahati and Aizawl. PSLK in Shillong is likely to be made operational over the coming months. Similarly, site has been taken over in Sikkim. A site has been identified in Agartala and a team will be visiting soon to take the property on rent. The Ministry will be speeding up liasioning with the remaining State Governments i.e. Manipur, Nagaland and Arunachal Pradesh."

46. The Committee are constrained to note that establishment of Mini-PSKs in North Eastern states has been unduly delayed. The Committee would categorically like to emphasize that they do not desire to be given artificial timelines and suggest the Ministry to furnish exact and achievable timelines. Further, the Committee also note that expediting the Project does not mean avoidance of strict compliance of Financial Rules and Regulations. Moreover, Financial Rules and Regulations may also not be treated as the reason for delay in setting up of Mini-PSKs. The Committee hope that as per the information furnished by the Ministry, at least 3 Mini-PSKs one each in Shillong, Agartala and Sikkim would become operational in the near future and earnestly urge the Ministry to intensify its liasioning with remaining State

Governments in the region as per the drawn timeline. The Committee would further like to suggest that the Ministry should explore possibility of engaging other agencies for setting up of Mini-PSKs in the region and for providing basic infrastructure for these facilities within the limits of Government norms.

#### (Recommendation No. 18)

- 47. The Committee had noted that even after much delay, the project to introduce e-passport for general category was yet to commence. The Committee were earlier informed that the delay was due to fresh security clearance from Ministry of Home Affairs (MHA) in respect of a technically qualified bidder. The matter had not been resolved even after sending a communication at the level of Foreign Secretary and External Affairs Minister. More surprisingly, the Committee had also noted that the security clearance in question pertained to the firm that was engaged for securing chip for e-passport in diplomatic/official categories and wonder that how the clearance for the same agency was not being given by the MHA and the matter is pending with them for a long time. The Committee had, therefore, desired that the matter should be taken up with MHA at the highest level to get it resolved or adopt any alternate mechanism to secure the desired chip so that the project would rolled out at the earliest.
- 48. In their action taken reply, the Ministry of External Affairs have stated as under:

"The Security Clearance from Ministry of Home Affairs in respect of one technically qualified bidder for supply of e-Passport chip inlays is still pending. The Ministry of External Affairs is seized of the issue and MHA is being reminded from time to time to expedite issue of security clearance so that the tendering process could be completed. MHA has so far not responded to periodical reminders in this regard by MEA nor intimated any progress in the matter of security clearance. The validity of the tender bids are however being extended periodically. In compliance with the recommended practices of ICAO, over 100 countries have already issued ePassports, while India, having launched the pilot project in 2008, is lagging behind in issue of ePassports, which affects the overall security of Indian travel documents and consequently the international standing of India. The Committee's observations and MEA's views have been conveyed to MHA once again."

49. The Committee note that the matter pertaining to the security clearance from the Ministry of Home Affairs in respect of one technically qualified bidder for supply of chips for e-passport is still pending. The Committee

further note that Ministry is silent on Committee's observation regarding security clearance being given for securing chips from the same firm for issuance of e-passport in diplomatic/official category, while it is not being cleared for the general category of e-passports. The Committee would, therefore, like the Ministry to give its justification on the issue.

The Committee are dismayed to note that when over 100 countries of the world already issue e-passports and despite the early launch of the e-passport project in India, the Government of India is still unable to proceed further due to want of security clearance from the Ministry of Home Affairs. Moreover, in view of the fact that the Ministry of Home Affairs has failed to respond to several communications over a period of time, the Committee would like to suggest that the Ministry of External Affairs may take up the matter at the highest level for an early resolution of the issue.

#### (Recommendation No. 21)

- 50. The Committee had noted that the three ongoing Hydro-power Projects in Bhutan had been continuously facing a situation of paucity of funds. The Committee were aware that India was committed to the Government of Bhutan for generation of 10000 MW of power by 2020 and for so the Ministry of External Affairs, along with the Government of Bhutan had identified few projects and were considering and working upon the modalities of new Hydro-Power projects. During the course of evidence, the Committee were informed that the Ministry was considering a new creative model through joint venture and formation of Special Purpose Vehicle. Committee were of the view that to avoid lack of continuous and timely budgetary support, the Ministry must explore alternative options and come up with innovative procedures to ensure that the ongoing as well as new projects did not come across budgetary constraints and continuous cash flow was available to them, so that implementation of project was ensured without any element of time overrun and cost escalation. However, the Committee were also of the opinion that since, those projects were bilateral projects, the Ministry must dwell upon the diplomatic considerations while giving due regard to the sensitivities of both the sides and Ministry must adopt a holistic view and consider all the aspects of alternative models for funding of the Hydro-Power Projects in Bhutan.
- 51. In their action taken reply, the Ministry of External Affairs have stated as under:

"Government of India (GoI) and the Royal Government of Bhutan (RGoB) signed an umbrella agreement on cooperation in the hydropower sector under which India committed to import 10,000 MW hydropower from Bhutan by 2020. Ten HEPs with an estimated capacity of 11,576 MW were identified to meet the target. Of the ten projects, the following four projects have been identified for execution in the Joint Venture (JV) mode,

- 1. Chamkharchhu-I (670 MW)
- 2. Bunakha (180 MW)
- 3. Kholongchhu (486 MW)
- 4. Wangchhu (600 MW)

During the 9<sup>th</sup> EJG meeting held in Thimpu on 11-12 June 2012, the EJG nominated the Secretary, MoEA from the RGoB side and JS (Hydro), MoP from the GoI side to lead the Sub Group of the EJG and finalize the JV Agreement by involving DGPC and the designated JV partner PSUs from India and resolve all outstanding issues without further delay.

The sub Group met in New Delhi in July 4-5, 2012 and discussed all outstanding issues with DGPC and Indian PSUs. The following issues were discussed:-

- (i) Financing of the project
- (ii) Royalty energy for the Royal Government of Bhutan
- (iii) Management structure of the project
- (iv) Reversion of the project
- (v) Dividend policy
- (vi) Power Purchase Agreement
- (vii) Signing of IG MOU for the implementation of JV projects
- (viii) Infrastructural facilities
- (ix) Implementation of Sankosh and Amochhu Projects

On the issue of financing the projects the following decisions were taken

	The debt will be raised on the JV Company
	Indian CPUs shall ensure the raising of loan as required for the
	project
	The project assets shall be mortgaged
	If required by bankers, PPA shall also be concluded; and
	The shareholding pattern shall be that of equal partners with
50	% basis each, subject to clearance by both Governments

Decision was taken to implement the JV projects as equal partners with 50% stake each. M/o Finance has given its clearance for the formation of JV's with a 50% stake for Indian and Foreign entities.

Royal Government of Bhutan has forwarded the draft intergovernmental agreements proposed to be signed between Royal Government of Bhutan and Government of India for the development of Joint Venture Hydropower Projects. It has been forwarded to the Ministry of Power, Planning Commission and other agencies for their comments. Consultations with the Ministry of Finance, Ministry of Power, Planning Commission are therefore ongoing.

The Ministry of External Affairs has also been in constant touch with the Project Implementing Authorities of the concerned projects in order to ascertain the exact fund requirements to ensure that sufficient funds are available for the implementation of the projects. As far as financial allocation for the HEPs in Bhutan, the Ministry takes necessary actions to get sufficient allocation. In inter-Ministerial meetings held in PMO to review progress of our cooperation agenda with Bhutan in the hydropower sector MEA has been drawing attention to the fact that allocation of Plan funds for HEPs in Bhutan had been consistently lower than projected requirements.

Request for funds has been made in accordance with the requirements received from the Project Implementing Authorities, as given below:

#### (In Crores)

Project	BE requested	BE /RE	Additional Funds	BE requested	Allocated BE
	for 2102-13	Allocated	over Allocated RE		2013-14
Punatsangchhu-I HEP	1050	500	198	1950	735
Mandechhu HEP	315	160	101	896	885
Punatsangchhu-II	680	478	101	880	900
	2045	1138	400	3726	2520

In addition, another Rs. 1 Crore each has been provided for the five projects on which work is expected to be started soon viz.Sankosh, Chamkharchu, Bunakha, Kholongchhu and Wangchu. The allocation has been made against a demand for 120 Crores, 84.50 Crores, 36.00 Crores, 45.10 Crores and 55.70 Crores respectively ie Rs. 5 Crores has been allocated against a demand of 341.3 crores.

The efforts of the Ministry are directed towards the goal that the effective implementation of these projects does not suffer due to any inadequacy of funds. In the financial year 2012-13 an amount of Rs. 1138 crore was allocated at RE stage against projected requirement of Rs. 2045 crore. There was no augmentation of funds at RE stage. However, in March 2013, an amount of Rs. 400 crore was provided to the Ministry against the additional projected requirement of Rs. 907 crore.

The Ministry from time to time is drawing the attention of the authorities concerned about the requirement of funds to three projects. EAM wrote to the Finance Minister on December 3<sup>rd</sup>, 2012 about the importance of providing necessary funds. Foreign Secretary also wrote to the Finance Secretary on 22<sup>nd</sup> January, 2013 about the necessity of providing funds in an urgent manner to these projects. The issue was

also brought to the notice of the PMO by FS, through a letter addressed to PS to PM in February 2013.

The Ministry thankfully acknowledges the appreciation of the Hon'ble Committee for its efforts to reduce financial burden on Govt. of India vis-à-vis the new Hydroelectric Power Projects (HEPs) to be taken up for implementation in Bhutan. Preliminary meetings have already been held in the Ministry with the representatives of the EXIM Bank and some PSU banks to explore the possibility of raising funds from the Indian capital market for the HEPs proposed under the Joint Venture model. Further, the matter has been discussed in detail in a meeting of the Empowered Joint Group (EJG) of India and Bhutan held in Thimphu on April 4 2013.

52. The Committee had taken note of continuous paucity of funds for hydro power projects in Bhutan as well as the modalities being worked out for the new funding pattern for upcoming projects there. The Committee desire that Ministry should actively pursue the matter related to draft inter-governmental agreement forwarded by Royal Government of Bhutan with the concerned Ministries in India. The Committee further suggest that due consultations may be held with the Ministry of Finance and Planning Commission and they be convinced about the current practice of inadequate allocation of funds for existing projects so as to arrive at realistic strategies, projections and allocations for the future, considering diplomatic sensitivities in this matter as well as in its overall engagement with Bhutan. The Committee would also like to be apprised of the progress made in this regard on a quarterly basis.

#### (Recommendation No. 23)

53. While observing the progress of various projects being implemented in Sri Lanka, the Committee were deeply concerned about the slow pace of implementation of the Housing Project for Internally Displaced People in Sri Lanka. The Committee were of the view that that was totally unacceptable and the Committee expressed their serious doubt whether it would be completed as per the fixed target. Though, the Committee were apprised of progress in direction of identification of implementing agencies and

beneficiaries and follow up of various models for construction of the Houses, however, the Committee had suggested that the Ministry must ascertain the mechanism being adopted to identify the genuineness of the beneficiaries and ensure that not only the benefits of the projects reach the targeted beneficiaries but also ensure that cash was not diverted to other purposes and this needs to be carefully monitored. The Committee had further recommended that immediate measure should be undertaken by the Ministry to expedite the process of identification of beneficiaries for the remaining projects and ensure expeditious release of money and faster pace of implementation. The Committee had desired that the Ministry should furnish a detailed report on the status of the project based on the visit of senior officials from the Headquarters.

- 54. In their action taken reply, the Ministry of External Affairs have stated as under:
  - "1. The Committee have suggested that Ministry must ascertain the mechanism being adopted to identify the genuineness of the beneficiaries and ensure that not only the benefits of the Projects reach the targeted beneficiaries but also ensure that the cash is not diverted for other purpose.
  - In this regard, it is stated that the second phase of the owner driven model of the Sri Lanka Housing Project focuses on the internally displaced people in the war affected areas of the Northern and Eastern provinces of Sri Lanka. The list of affected villages from each Division in a District is prioritized by the Sri Lanka Government authorities and approved by the High Commission of India, Colombo. The verification of the master list prepared by the District heads (Divisional Secretary) of the area is carried out by the Implementing Agencies(IAs) appointed by the GoI for the project. The IAs verify the list of beneficiaries in their area of jurisdiction by visiting each house/beneficiary. After verification, the officials Implementing Agency and the Divisional Secretariat then allot scores to each beneficiary figuring in the list based on the information collected and an agreed scoring criteria which takes into account various factors like number of family members/dependents, their age, level of disability/income, year of displacement, present status of dwelling(huts/under tarpaulin shelters) etc. The eligibility list so drawn is published in the notice board of the Divisional Secretary and the village office. It is also shared with the community Advisory Groups formed in each village. A two week grievance period is given for families to voice their grievances, if any, on the selection of any beneficiary. If there are any complaints, these are examined by the Grievance Redressal Committee chaired by the Divisional Secretary in

the presence of beneficiaries, IAs and the Community Advisory Groups. The schedule of such meetings are informed in advance by the concerned DS, IA and also posted on the Mission's website. The recommendations of the Grievance redressal committee is communicated to the High Commission of India who also deliberates on it and conveys its acceptance of the list for further processing. This involves checking all records (land title, ID, bank account etc.) thoroughly and subsequently the process of remittance of the installment into the bank account of the beneficiary begins. The progress of work is closely monitored by the IAs and HCI, Colombo to ensure that installments are released on completion of each stage of work.

- 2.1. The selection of beneficiaries for the Housing Project is done in a fair, objective and transparent manner. The process is quite exhaustive and thorough; there are sufficient checks and balances to ensure that only genuine beneficiaries who were displaced by the armed conflict only receive the funds into their bank accounts. The details of the steps involved in process of identification of the beneficiary and the payment of installments may be seen at Annexure.
- 2.2 The Project is reviewed in the field by the Implementing Agencies appointed by the Government of India, the Indian Banks, the officials of the High Commission of India, Colombo and the Consul General of India's office in Jaffna.
- 2.3 The target set for the second phase of the Housing Project is to <u>complete</u> 11,000 houses by the end of 2013 and to commence construction of another 16,000 houses by March 31 2014. 27,000 houses are expected to be completed by the end of 2014. The entire lot of 43,000 houses is scheduled for completion by the end of 2015.
- 3. Further, the Committee have recommended that immediate measures should be undertaken by the Ministry to expedite the process of identification of beneficiaries for the remaining projects and to ensure expeditious release of money and faster pace of implementation.
- 3.1 It is mentioned that the existing mechanism of selection of beneficiaries will continue for the second phase of the Housing Project involving the construction of 43,000 houses in the Northern and Eastern Provinces under the owner-driven model.
- 3.2 The process of finalizing the criteria for selection of beneficiaries for the third phase of the Project involving construction of 4,000 houses in the hilly Central & Uva Provinces of Sri Lanka under the agency-driven model is underway. M/s WAPCOS Ltd., a Public Sector Undertaking (PSU) of Government of India, has been selected as the Project Management Consultant for this part of the Project. The land for construction of these houses is yet to be finalized by the Sri Lankan authorities. The work on this phase of the housing project would begin in right earnest as soon as this exercise is completed.

- 4.0 The Committee have desired that the Ministry should furnish a detailed report on the status of the project based on the visit of senior officials from the Headquarters.
- 4.1 The status of the Housing Project as on 29 May 2013 is enclosed as Annexure. A Monitoring Committee comprising Special Secretary (DPA) and Special Secretary & Financial Advisor, MEA, and two technical experts, inspected the Housing Project sites at Tellipalai DS Division in Jaffna District on 10 April 2013 and Palai DS Division in Kilinochchi district on 11 April 2013 and interacted with the concerned beneficiaries and officials of the implementing Agencies and the Sri Lankan government. The Committee while expressing satisfaction on the overall progress of the Project has also highlighted a few areas for further pursuing and monitoring. A brief report on the Committee's visit is attached as Annexure."
- 55. While taking note of the progress made in implementation of Housing Project for Internally Displaced People in Sri Lanka, the Committee observe that the progress made in the Phase-I is satisfactory and time line and target for next Phases have also been drawn up. The Committee would, therefore, like to be assured about the pace of the implementation of the project and stress upon the timely completion of the project. The Committee would also desire to be updated about the final decision arrived at regarding beneficiary selection criteria in light of the visit of the Monitoring Committee to Sri Lanka. The Committee would further like to suggest that the Ministry must look into the particular issues related to single women and women headed families as well as child headed families. The Committee strongly urge the Ministry to explore the possibility of further assisting child headed families during the process of construction of houses and enlighten the Committee about the steps taken to facilitate such beneficiaries particularly in financial transactions and construction processes.

#### (Recommendation No. 24)

56. The Committee had taken note of the new "Connect Central Asia" policy of Government of India to deepen their engagement with Eurasian countries. In context of the developmental engagement, the Committee had suggested the Ministry to expand areas of cooperation and come up with more proposals for projects in the region. The Committee had appreciated the Government's proposal for Central Asian e-network project for Tele-Education and Tele-Medicine and had hoped that India's experiences in Africa would be fully utilized for quicker and efficient implementation of the project. The Committee had further hoped that Project Manager cum Consultant (PMC) for implementation of the project would be finalized soon so that the process for actual execution of the programme was initiated.

The Committee were concerned over the pace of Turkmenistan-Afghanistan-Pakistan-India (TAPI) Pipeline Project. However, the Committee were happy to note that the countries had created alternative arrangement to finance the project. The Committee had hoped that finalization of the modalities would be reached upon so that further process might be initiated. The Committee had urged the Ministry to approach the Cabinet regarding India's contribution to the Special Purpose Vehicle at the earliest and the Committee might be kept apprised of India's effort for execution of the Project.

57. In their action taken reply, the Ministry of External Affairs have stated as under:

Through our reformulated Connect Central Asia Policy, publicly articulated in June 2012, we have a balanced strategy of engaging with Central Asia, based on political, strategic, economic, cultural and multilateral elements. The Ministry of External Affairs is engaged in deepening its engagement with countries in Central Asia with its more pro-active policy. Some of the flagships projects that we are working on are setting up of a Central Asian University in Kyrgyzstan which will impart high level education in fields like IT, Management, languages, philosophy etc. We are also considering setting up a few multi-speciality hospitals in the region. A special package for Tajikistan is under implementation and this includes industrial projects like fruit and vegetable processing, entrepreneurship development centre, an IT centre for excellence, language laboratory for teaching English and Hindi and emergency medical centres.

- 2. Another flagship project for connecting India with Central Asia through e-network for delivery of tele-education and tele-medicine has been announced. Bids have been called for Project Manager-cum-Consultant (PMC) for implementation of the project. The bids are presently under evaluation.
- 3. The Government of India had already approved the formation of the Special Purpose Vehicle (SPV) for the Turkmenistan-

- Afghanistan-Pakistan-India (TAPI) Pipeline Project and to permit GAIL India Ltd. to join the SPV.
- 4. The SPV will take up the Feasibility Study and Design work of the TAPI pipeline to meet the agreed timelines for the project, as well as search for a consortium lead.
- 5. The Committee will be kept apprised of India's effort for execution of the TAPI Project."
- 58. The Committee take note of the efforts being made by the Government under the Connect Central Asia policy. The Committee hope that with the establishment of Development Partnership Administration (DPA), the Ministry would be able to properly plan and execute its flagship projects in timely and cost effective manner. The Committee further desire that the Ministry may keep the Committee apprised of the progress made in various projects on regular basis.

The Committee also welcome the approval of formation of Special Purpose Vehicle (SPV) for the Turkmenistan-Afghanistan-Pakistan-India (TAPI) Pipeline Project by the Government of India. The Committee hope that the SPV would be able to undertake various technical activities and meet agreed timelines alongwith search for a consortium lead. Further, the Committee would also like to urge the Government to extend adequate support to the SPV as and when desired for the project.

#### (Recommendation No. 25)

59. Referring to their recommendations in context of India's partnership with Africa, made in 14<sup>th</sup> Report, the Committee had expressed concern over tardy implementation of the decisions taken during India Africa Forum Summit (IAFS-I). However, the Committee were appalled to note that many of the implementing agencies were either directed to delay implementation or their payments were carried forward to the next financial year because of the inadequacy of budgetary allocation. The Committee were of the opinion that Ministry should strive to balance its budgetary allocation between competing demands for various projects. The Committee had further taken note of the fact that next IAFS Summit was scheduled to be held in 2014 and India had not been able to fulfil its commitment of IAFS- I&II. The Committee had

recommended that necessary funds should be allocated for these projects. DPA should make efforts for an early execution of these projects and if required, could approach for fund enhancement at RE stage. However, the Committee had urged the Ministry to take due care of the quality aspects in setting up of these institutes.

60. In their action taken reply, the Ministry of External Affairs have stated as under:

"The allocation under Aid to Africa budget is quite inadequate and it is hoped that more funds will be made available at the RE stage. All the capacity building institutions under IAFS are being implemented various line Ministries and their by Implementation Agencies (IA). MEA has been kept in the loop by various Ministries on this issue. Selection of IAs has also been done after consultation with MEA. MEA has repeatedly stressed on the quality of the proposed institutions, and as far as possible, an MEA representative has been part of the visiting delegation from the line Ministry/implementing agency. Our Missions have also been sensitized about the need for high quality in setting up of these institutions."

61. The Committee had expressed their concern over tardy implementation of decisions taken during India-Africa Forum Summit (IAFS-I). In this context, the Committee had taken a strong view of the fact that many implementing agencies were directed to delay implementation. The Committee are not happy with Ministry's reply and note that the Ministry is silent on the issue and has not furnished any justification for these directions. The Committee, therefore, desire that the Ministry must furnish the reasons for such directions. The Committee strongly recommend to the Ministry for prioritization of its budget requirements and ensure that at least adequate allocations are provided for such international commitments.

Further, the Committee suggest that the pace of implementation of various projects must be increased and in accordance with the spirit of strengthening of India-Africa engagement and the Ministry should aim for completion of its projects before the next India-Africa Forum Summit scheduled to be held in 2014.

#### (Recommendation No. 27)

62. The Committee had observed that South Asian University (SAU) Act was passed by the Parliament in 2008 and it was notified in January, 2009. The first academic session commenced in August 2010 and during 2012-13, the University worked with 323 students and 57 faculty members. The SAU had been working from Akbar Bhawan. It was very painful to observe that they were paying around Rs. 1.5 crores as rent every month. They have 5.32 acres of land in possession since 2010. But they had still not reached upto the Master Layout Plan level. The Committee had, therefore, strongly recommended that South Asian University (SAU) authorities must expedite the process of pre-construction activities and initiate the construction process on the undisputed area, particularly in view of higher rental liabilities. The Committee had noted that out of the annual projection of Rs. 557.60 crores, only Rs. 43 crores have been allocated at BE stage which will not even be able to cover the operational costs of the projects. The Committee had, therefore, desired that for SAU allocation should be enhanced during RE stage as per their actual annual budgetary projections so that it would be able to fulfil its obligations.

The Committee had also observed that SAU was not able to get desired number of experts/faculty to run the specific courses in the University. The Committee had, therefore, desired that SAU should also find non-SAARC experts with expertise in South Asia so that the University could truly emerge as a pan South Asian Institution.

63. In their action taken reply, the Ministry of External Affairs have stated as under:

"The Committee's recommendations pertaining to the South Asian University (SAU) have three components. Action Taken Replies to these three recommendations are furnished below:

- I. With regard to the Committee's recommendation that South Asian University (SAU) authorities must expedite the process of preconstruction activities and initiate the construction process, on the undisputed area, the SAU has, on May 10, 2013, conveyed the following with regard to its construction project at Maidan Garhi:
  - (i) The contour survey of the plot to establish topography, details of vegetation/trees have been prepared. Also soil investigation has been done to facilitate foundation design of structures.

- (ii) Master Layout Plan of the project has been approved by the Building Works Committee of SAU and estimate framed on this plan has been submitted to MEA for approval and release of funds.
- (iii) Layout plan already submitted to the South Delhi Municipal Corporation for approval, after obtaining NOC from the DDA.
- (iv) Application for environmental clearance of the project filed with Delhi Pollution Control Committee which is under process of approval after examination by the State-level Expert Assessment Committee (SEAC).
- (v) A leading Project Management Consultancy firm, namely M/s Tata Consulting Engineers Ltd. has already been engaged for project management activities of the construction project.

SAU has also conveyed that it is ready to take up the construction activity as soon as statutory clearances are obtained and funds are made available to them.

This Ministry got a communication from DDA on May 6, 2013 that it has allotted land measuring 17397.85 sqm in an isolated pocket adjacent to the SAU's plot including few pockets of Gram Sabha land in lieu of the land affected by proposed Master Plan/Zonal Plan Road with the approval of the Hon'ble Lieutenant Governor of Delhi. In order to proceed further on the construction of the campus at the land, this Ministry has requested DDA vide its letter of May 9, 2013 to take urgent action on the following:

(a) Intimate the date on which MEA could take over the land from DDA

formally, as has been done on the previous two occasions.

(b) Issue a revised NOC to enable SAU to obtain approval of the civic

bodies to its Master Layout Plan; and

(c) Get the revised boundary physically marked on the ground to enable the

SAU to construct the boundary wall.

A reminder letter to DDA has been issued.

II. With regard to Committee's recommendation that allocation for SAU should be enhanced during RE stage as per their actual annual budgetary projections so that it is able to further its obligations, the Finance Division of this Ministry has conveyed that the initial allocation at the BE stage for SAU is Rs. 43 crore.

This was the allocation which could be made within the overall non-plan allocation of Rs. 8719 crore for BE 2013-14. The augmentation at RE stage would depend upon the RE 2013-14 ceiling, the augmentation in the Supplementary Demands for Grants, if acceded to by the Ministry of Finance and also any foreseen savings in any other head of account during the course of the FY. The Ministry proposes to project the demand in the first Batch of Supplementary Demands for Grants.

- III. Committee's recommendation that SAU should also find non-SAARC experts with expertise in South Asia is being conveyed appropriately to SAU."
- 64. The Committee find that allocation of funds for the South Asian University (SAU) during BE 2013-14 is hugely disproportionate and the SAU is unable to even fulfill its operational costs of projects to be undertaken during the year. Now, the master layout plan has been submitted to MEA for approval and release of funds and also to civic authorities for approval. The Committee, therefore, desire that Ministry should release the desired fund on priority basis after approval of Master layout Plan. Moreover, since allotment of additional land in lieu of pending land has also been made, the work should also start after getting the possession of the land. The Committee are of the view that the MEA should apprise the Ministry of Finance while pursuing the matter of additional resources during the first as well as second batch of Supplementary Demands for Grants for the project.

The Committee urge the Ministry/SAU to actively proceed with the construction activity in a planned, time bound and diligent manner and would like to be apprised of the action taken by them on regular basis.

#### (Recommendation No. 29)

- The Committee in their reports over the years had recommended to the 65. Ministry to enhance budgetary allocation for Indian Council for Cultural Relations (ICCR) in view of emerging contours of cultural diplomacy. The Committee had noted that it was essential to expand the network of Indian Cultural Centres and establishment of chairs abroad, however, those endeavours would require additional funds. With the funds allocated to ICCR, they were not even able to manage the established Centres outside India, then how could they think about new centres? The Committee had observed that though the matter of enhanced allocation had been taken up even at PMO level, but not much headway was made. The Committee had, therefore, once again strongly recommended that the Ministry should allocate additional funds to ICCR at RE stage in view of their proposed requirements and further expansion. However, at the same time, the Committee had suggested that ICCR must explore alternative ways to generate revenue for conduct of its regular activities.
- 66. In their action taken reply, the Ministry of External Affairs have stated as under:

"For enhancement of budget allocation up to BE of Rs. 282.50 Cr for the CFY 2013-14, Finance Division of MEA is being requested to take up the matter at appropriate level and at appropriate stage i.e. at Ist Batch of Supplementary or at RE stage. FS is also being requested to approach the Finance Secretary in this regard.

As far as generation of revenue is concerned, there is little scope of revenue generation for ICCR being an Indian Culture Promotion Agency propagating Indian Culture in abroad. However, the Indian Cultural Centres in abroad have been advised to charge registration fees and periodical nominal tuition fees from the foreign students while imparting training in various streams viz Yoga, Dances etc. But no substantial receipt is reported from any of the Centres fearing low turnout which defeats the very purpose of propagation of Indian Culture in abroad.

The Council has also explored for ticketing of shows, Public – Private Partnership and Corporate sponsoring of events.

Further, the Council has certain revenue generation areas as depicted below which contribute very meager income:

- 1. Sale of Publications
- 2. Summer Camp/Study tour Fee
- 3. Sale of Africa Quarterly

- 4. Admn expenses from British library
- 5. Rental income from Auditorium/Art Gallery/Foyer"
- 67. In view of lower budgetary allocation over the years, the Committee had strongly recommended that ICCR should be allocated additional funds and also suggested that ICCR must explore alternative ways to generate revenue for conduct of regular activities. However, the Committee find that not much has been done in terms of increasing the financial allocation of ICCR. The Committee, therefore, would like to strongly reiterate that the matter should be taken at the level of Foreign Secretary at the earliest so as to ensure additional allocation during 1<sup>st</sup> batch of Supplementary Demands.

The Committee further observe that the Indian Cultural Centres abroad have been advised to charge registration fee and periodical nominal tuition fee from foreign students. The Committee have also a fear that such step may hinder ICCR's agenda of promotion of Indian cultural activities amongst the students/learners in such centres as well as may also deter prospective learners. The Committee, therefore, desire that ICCR should review this decision in the light of existing facts and experiences in this regard. While considering the ICCR's initiative to explore the option of ticketing its shows, the Committee would like to suggest that the ICCR should only ticket the performances given by popular and distinguished artistes who command large audiences.

#### CHAPTER - II

# RECOMMENDATIONS/ OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### (Recommendation No. 1)

The Committee observe that the Ministry of External Affairs had sought an allocation of Rs. 19,228.64 crores, including the Plan component of Rs. 5026.37 crores and Non-Plan component of Rs. 14202.27 crores. However, the Committee are dismayed to note that the proposed budgetary allocation for the Ministry for the financial year 2013-14 is pegged at only Rs. 11719 crores including the Plan budget of 3000 crores and Non-Plan budget of Rs. 8719 crores. The Committee express their concern at serious under-resourcing of the Ministry of External Affairs whose budgetary allocation and staff strength do not commensurate with the global nature of its responsibility and emerging & expanding arenas of engagement. The Committee note that there is a vast gap between the requirements and actual resources available at the disposal of the Ministry. The Committee. therefore, strongly recommend that the budgetary allocation of the Ministry must be substantially enhanced and prioritized so that the Ministry is able to fulfill its role in domestic and global arena.

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

The Ministry thankfully acknowledges the concern expressed by the Committee in appreciating the deficit faced by the Ministry and the vast gap existing between the resources available and the requirements. It would certainly give the necessary fillip to the Ministry's efforts in getting additional allocations. The Ministry, on its part, had undertaken detailed consultation with all the stakeholders, particularly the Development Partnership Administration, to ensure that there is optimum allocation of funds within the overall budget. Depending on the progress of expenditure, and keeping in view the various commitments remaining to be fulfilled, the Ministry would approach the Ministry of Finance for supplementary funds to be allocated in its favour.

(File No. AA/PARL/125/62/2013)

#### (Recommendation No. 5)

The Committee note that as part of the inter-governmental model, three ongoing hydro-power projects in Bhutan have faced serious shortage of funds and it is really unfortunate that for second successive year, the funds for three hydro-power projects in Bhutan have exhausted mid-year. The Committee are appalled to know that due to problems in timely release of funds, the project authorities in one of the projects have to face difficult

situation even in releasing salary for its employee. The Committee acknowledge the Ministry's endeavour to augment funds from internal sources by re-appropriating funds allocated for various projects so that the work in these ongoing projects do not come to a halt. The Committee also opine that innovative ways of financing based on securitization of the likely revenue stream from such hydel power may be explored to obviate the paucity of resources. The Committee, however, desire that the Ministry should endeavour to ensure timely release of funds for ongoing projects, as delay in release of funds will result in slow pace of work leading to gradual cost escalation and also affect the prestige of India in the commity of nations.

# **Reply of the Government**

The funds required for India to provide assistance to hydropower projects in Bhutan are allocated by the Planning Commission under the Plan component of the "Aid to Bhutan" head of the Ministry's budget. However inadequate funds have been provided to the Ministry. For instance, the Ministry projected Rs.1644 crore under the plan expenditure for Bhutan in the FY 2011-12, but was allocated Rs.1030 crore. In the Financial Year 2012-13 also, Rs. 1138 crore was provided for the Plan expenditure in BE and RE 2013 against the projection of Rs. 2045 crore. It was only after persistent efforts made at the level of EAM/PM additional Rs 400 Crores was provided at the very end of the financial year 2012-13. The Ministry has received 2520 Crores for the three ongoing HEP's for the Financial Year of 2013-14 against the projected demand of Rs 3726 Crores.

The Ministry from time to time is drawing the attention of the authorities concerned about the requirement of funds to three ongoing Hydroelectric Projects in Bhutan. EAM wrote to the Finance Minister on December 3<sup>rd</sup>, 2012 about the importance of providing necessary funds. Foreign Secretary also wrote to the Finance Secretary on 22<sup>nd</sup> January, 2013 about the necessity of providing funds in an urgent manner to these projects. The issue was also brought to the notice of the PMO by FS, through a letter addressed to PS to PM in February 2013.

(File No. AA/PARL/125/62/2013)

#### (Recommendation No. 6)

The Committee have been finding discrepancy in the Budget documents furnished by the Ministry and bringing it to the notice of the Ministry particularly the issue of variation in the figures contained in various documents or within the documents. But several discrepancies have been noted by the Committee in the budget documents submitted to the Committee and have been accepted by the Ministry. The Committee, therefore, reiterate that the Ministry must be cautious in furnishing information to the Committee and must ascertain correctness of information while furnishing the documents and the replies to the queries raised by the Committee.

It is respectfully submitted that one of the conspicuous errors crept up in the brief supplied by the Ministry on the Detailed Demands for Grants 2013-14. The error occurred due to the fact that ₹400 crore was allocated under Plan at the fag end of the budget cycle and consequently, the RE 2012-13 ceiling was also revised to ₹10062 crore, in supersession of the earlier ceiling of ₹9662 crore. The material, however, had been prepared on the basis of earlier communication of ceiling from Ministry of Finance. The error is regretted. All possible precautions would continue to be taken before furnishing the documents and replies to the Committee.

(File No. AA/PARL/125/62/2013)

# (Recommendation No. 7)

The Committee observe that MEA is in the process of revamping all the websites of the Ministry under its web portal project. Standard templetes have been circulated to all Missions and Posts and they have been asked to integarate themselves with the official portal as per new design. But only 100 Missions have integrated their web pages with the official web site of MEA. Under the project a dozen websites of the Ministry have already been redesigned and others are yet to be undertaken to make them more user friendly. The Committee note that the presence of several websites of the Ministry creates confusion and user is unable to get complete information at one place. The Committee have been frequently asking the Ministry to create one integrated website of the Ministry with focused links rather than a multiplicity of websites. The Committee hope that after completion of the process of integration and revamping of websites at the earliest, the Ministry would constantly upgrade their website and make it user friendly, easily accessible and interactive.

# **Reply of the Government**

Ministry acknowledges the Committee's recommendation for the need to create one integrated website where all information related to the Ministry and its various Missions/Posts can be made available. In this regard it is submitted that the main objective of the Ministry's Web Portal Project was to develop a web portal which is not only easily accessible, user friendly and web 2.0 compatible but has also all the Missions' and Posts' web pages integrated within it so that it can act as a comprehensive single source integrated platform through which users can access all information generated both from headquarters and all Missions/Posts of the Ministry. In pursuit of this objective, as of June 3, 2013, almost all Missions' web pages have already been successfully integrated with the new official MEA website (www.mea.gov.in). Some of our Missions (like those in Iraq, South Sudan,

Mali etc.,) which could not integrate because they are yet to have an independent website or they are yet to become fully functional, will do so at the earliest.

The work of redesigning all websites of the Ministry was taken up as part of the Web Portal Project with the objective of providing a uniform, corporate look and feel to all the Ministry's websites so as to have a standard image for the Ministry in the digital space with which users from across the world can associate with. As on June 3, 2013 twenty one Missions/Posts have completed the redesigning work and migrated to the new official templates. Forty more Missions/Posts are in the process of re-designing. The remaining Missions/Posts have been asked to initiate action in this regard at the earliest. Ministry is regularly following up with the Missions for early completion of the redesigning exercise.

Ministry also notes the Committee's observation for the need to constantly upgrade and update information on all its websites and has been regularly writing to all Missions/Posts to take extra effort to ensure that their websites reflect the most updated information.

(File No. AA/PARL/125/62/2013)

#### (Recommendation No. 10)

The Committee are of the view that the Missions/Posts must be empowered to cater to various demands according to the changing profile of the role and job which is expected to be fulfilled by the Missions/Posts. The Committee take note of the Ministry's efforts in regard to taking stock of the changing functional and human resource needs of the Missions/Posts through O&M study and conduct of regular inspections. The Committee, however, express their dissatisfaction over non-availability of any report of inspection in Missions/Posts since May 2011. The Committee, therefore, desire that there should be a regular review and inspection of functioning of Missions/Posts particularly on the parameters of overall functioning, coordination mechanism between the Headquarters, Missions and other Ministries, channels of communication and implementation of Ministry's instructions/directions in most efficient and diligent manner. Simultaneously, Ministry should also ensure that due resources, physical and human, are provided to the Indian establishments abroad so that they are able to maintain minimum standards and deliver standard services. The Committee would further like to reiterate that Ministry must ensure due training to the officers/staff about local legalities as well as soft skills and the system should made more responsive to the needs of the people seeking information/services from the Missions/Posts.

The list of reports submitted by the Ministry in response to the queries "Inspection of Missions abroad" pertained only to the comprehensive inspections conducted by the Directorate of Inspections. Besides such inspections, various Divisions in the Ministry also conduct inspections/evaluations regular on specific issues such administrative/establishment/consular/security matters and other important aspects of bilateral relationships. Generally such subject specific reports have not been included in the list of comprehensive inspections carried out by the Directorate of Inspections. With a view to rectifying this situation so that the records of the Directorate are comprehensive, holistic and complete, in future, in addition to the full inspections carried out by the Directorate, records of specialized reports shall also be maintained in the Directorate. As far as the resources are concerned, the Ministry always endeavors to meet the functional needs of Indian Missions/Posts abroad to the best of its capacity. The Ministry is also attaching high priority to the training and capacity building aspects. A new comprehensive training framework for the MEA in pursuance of the National Training Policy 2012 is currently under process. Once implemented, this Training Framework would substantially upgrade the necessary skills for better delivery of services.

(File No. AA/PARL/125/62/2013)

#### (Recommendation No. 14)

The Committee feel that in view of the evolving strategic and dynamic diplomatic and the ever evolving technological scenario, there is a need to arrange regular orientation programmes for the personnel of MEA and endeavour for in-house capacity building and expertise. The Committee, therefore, desire that the Ministry should come up with a comprehensive training policy in tune with the provisions of national training policy and futuristic orientation and expand the horizon for training and multi-disciplinary approach to accommodate the evolving needs of diversified nature of diplomacy.

Moreover, in context of the Ministry's efforts for induction of personnel through various channels, the Committee would like to suggest that before posting, such personnel must be sensitized about the nature of Ministry's job and its diplomatic engagement through orientation or small duration training programmes, even if such personnel are engaged for purely technical jobs in Technical Cell of Projects Division or even in Development Partnership Administration. The Committee further desire that alongwith Foreign Service Institute (FSI), Indian diplomats must be exposed to global institutes of eminence so that Indian diplomats are more in tune with global academic, intellectual and diplomatic discourse.

The Foreign Service Institute, which was set up in 1986, has been imparting training to the various cadres of MEA in accordance with the Ministry's functional needs. In addition to the induction training for Foreign Service Probationers, the FSI also organizes training for mid-career stages, including for officers belonging to All-India and Central Services. Special training programmes are also organized for Foreign Diplomats.

In pursuance of the National Training Policy 2012, the Ministry of External Affairs has already drafted a revised, comprehensive multi-stage training framework both for induction and mid-career for all the cadres of the Ministry at various stages. The training framework follows competency based approach for imparting knowledge and creating relevant skills for addressing the diverse needs of the Ministry.

The training programme would be conducted both at the FSI and other premier institutions and centres of excellence dealing with policy issues relevant to India. There is a specific module proposed for deputationists which would equip them to adapt their skills to the diplomatic nuances required of officers posted in the MEA or India's Missions/Posts abroad.

(File No. AA/PARL/125/62/2013)

#### (Recommendation No. 16)

The Committee observe that the Ministry has opened all the 77 Passport Seva Kendras (PSKs) in various States but several Passport Seva Kendras/Regional Passport Offices(RPOs) are still not connected online with State Police Headquarters or District Police Headquarters in many states. Due to such situation in those states, police verification still takes time of 30-Therefore, the main objective of Passport Seva Project i.e. 150 days. reducing the time period for police verification process is not being achieved. Though, the Committee understand that it is primarily the responsibility of the State Governments, yet the Ministry or RPOs have to pursue the matter with police authorities in those States The Committee, therefore, desire that the Ministry/RPOs should sincerely follow the issue with respective State Governments and Police Authorities continuously and impress upon them the need and importance of establishing online connectivity between PSKs, RPOs and the Police Headquarters, as by Ministry's own admission wherever DPH/SPHq. model exist, the results have been very encouraging.

The Committee would like to be assured that the new procedures for issuance of passports have substantially benefitted the potential applicants. However, an objective external assessment may be undertaken by any reputed consultant to study and track passport issuance to ascertain the cases of delay and adopt such changes necessary for the benefit of passport applicants.

As on 30<sup>th</sup> May, 2013, 10 States have implemented the DPHQ model of police verification and the PSP application is accessed at the DPHQ. Five States have implemented SPHQ model as laid down in the RFP. Remaining States are still working on manual model that was followed in the pre-PSP system.

It is submitted that RPOs are instructed to follow-up with concerned State Governments for implementation of either SPHQ or DPHQ model. Due to sustained efforts by the RPOs as well as by the CPV Division, UP, Bihar and Maharashtra have implemented the DPHQ model in a few locations as per the availability of ICT infrastructure required to start DPHQ model. Efforts are underway to connect all the remaining locations in the said States, either to SPHQ or to DPHQ model.

The Ministry is also examining PVR process for due approval, to connect all locations uniformly across all the States/UTs to DPHQ model, which is the best model for speeding up Police Verification Process.

As regards the Committee's observation for engagement of reputed consultant, it is submitted that Ministry has requested the National Institute for Smart Government (NISG) to conduct a study and identify the gaps due to which delays occur in passport issuance and to submit a report to Ministry for remedial actions.

(File No. AA/PARL/125/62/2013)

# (Recommendation No. 18)

The Committee note that even after much delay, the project to introduce e-passport for general category is yet to commence. The Committee were earlier informed that the delay is due to fresh security clearance from Ministry of Home Affairs (MHA) in respect of a technically qualified bidder. The matter has so far not been resolved even after sending a communication at the level of Foreign Secretary and External Affairs Minister. More surprisingly, the Committee also note that the security clearance in question pertains to the firm that was engaged for securing chip for e-passport in diplomatic/official categories and wonder that how the clearance for the same agency is not being given by the MHA and the matter is pending with them for a long time. The Committee, therefore, desire that the matter should be taken up with MHA at the highest level to get it resolved or adopt any alternate mechanism to secure the desired chip so that the project is rolled out at the earliest.

The Security Clearance from Ministry of Home Affairs in respect of one technically qualified bidder for supply of ePassport chip inlays is still pending. The Ministry of External Affairs is seized of the issue and MHA is being reminded from time to time to expedite issue of security clearance so that the tendering process could be completed. MHA has so far not responded to periodical reminders in this regard by MEA nor intimated any progress in the matter of security clearance. The validity of the tender bids are however being extended periodically. In compliance with the recommended practices of ICAO, over 100 countries have already issued ePassports, while India, having launched the pilot project in 2008, is lagging behind in issue of ePassports, which affects the overall security of Indian travel documents and consequently the international standing of India. The Committee's observations and MEA's views have been conveyed to MHA once again.

(File No. AA/PARL/125/62/2013)

# (Recommendation No. 19)

The Committee take note of various projects being implemented in Afghanistan. Considering the evolving strategic and security scenario in Afghanistan, the Committee would like to urge the Ministry to expedite the implementation in the already delayed projects and hope that the Ministry will be able to complete the construction of Afghanistan Parliament Building and the two sub-stations as per the revised timelines and there is no further delay. The Committee further urge the Ministry to evolve mechanism to ensure safety of the personnel working at these sites as well as at the sites of other projects with Indian involvement.

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

All efforts are being made to ensure the completion of projects in Afghanistan in accordance with the revised schedule of completion. According to CPWD, the Afghanistan Parliament building is expected to be completed by June 2014 and the two-sub stations at Doshi and Chairkar are expected to be completed by December 2013 in accordance with the original schedule of completion. A mechanism has been in place to closely monitor the security situation to ensure safety of the personnel working at these sites as well as at the sites of other projects with Indian involvement. Based on the assessment of the security situation, security advisories are issued by the Embassy of India in Kabul for necessary precautions that need to be observed including by project personnel. All Indian nationals residing in Afghanistan including those at project sites are advised to regularly review security arrangements at their place of work and residence, follow utmost security precautions and maintain extra vigil. In addition, the Embassy of India in Kabul and the Consulate Generals in Afghanistan keep regular contact with the concerned authorities of Government of Afghanistan to ensure the safety and security of Indian personnel and project sites.

#### (Recommendation No. 20)

The Committee take note of increasing engagement with Bangladesh. However, the Committee recommend that India's International commitments must be respected and that the Government must ensure timely release of funds for US\$ 200 million to Bangladesh. The Committee are of the opinion that Ministry must make efforts to expedite various projects in Bangladesh. The Committee are hopeful that since MoU has been signed between the two countries on Akhaura-Agartala rail link project, the pace of the activities related to pre-construction activity will accelerate. The Committee further urge the Ministry to look into the issues leading to delay in signing of the contract with regard to river port at Ashuganj and strive for resolution of issues or decide upon the alternative course of action.

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

- 1. The second instalment of US\$ 50 million was handed over to Government of Bangladesh in early May 2013. The third instalment is proposed to be released shortly.
- 2. The first meeting of the Project Steering Committee (PSC) on Akhaura-Agartala Rail Link project took place on May 21, 2013 in Dhaka wherein agreement was reached on various important milestones of the project. A time frame has been agreed upon by both sides for finalization of terms of reference, identification and acquisition of land etc.
- 3. The Consultant (M/s WAPCOS) engaged for preparing a Detailed Project Report (DPR) for establishment of an Inland River Port at Ashuganj has begun work from April 2013. They have submitted the Inception Report. The DPR is expected to be finalized by November 2013.
- 4. Ministry is engaged with the GoBD on a regular basis to resolve outstanding issues on ongoing projects. Currently, all identified development projects are under different stages of implementation.

(File No. AA/PARL/125/62/2013)

# (Recommendation No. 22)

The Committee take note of progress made in respect of various infrastructural projects in Nepal and express hope that various small developmental programmes are adhering to the cost and timelines and are able to benefit the local community. The Committee take note of signing of MoU in respect of cross border rail links. However, the Committee express concern over allocation of Rs. 25.36 crores only for two rail links especially

in light of the fact that during the preceding years, there was more allocation and over-utilization of funds for these projects. The Committee are of the view that considering the pace of the project, the allocation should appropriately be enhanced at RE stage.

The Committee also express concern over the pace of the Tarai Road Project. The Committee understand the hurdles being created by local administration and population in land acquisition and execution of these projects, however, the Committee would like the Ministry to engage with the Government of Nepal to expedite the land acquisition and the project execution.

The Committee express their concern over the approach of the Government showing lack of interest in resolving the issues relating to Saptakoshi, Sunkoshi and Pancheshwar dams on the rivers flowing through both the countries. The Committee desire that the MEA in consultation with Ministry of Water Resources and State Government of Bihar should engage with Government of Nepal on enhanced cooperation in this sector and resolve all the hurdles relating to these important and long pending projects with due commitment.

# **Reply of the Government**

During FY 2013-14, the estimated expenditure on the two Rail link projects, viz., Jogbani-Biratnagar and Jaynagar-Bijlapur-Bardibas, is approx. Rs.180 crore. The Ministry of Railways, the Implementing Agency, has raised a bill of Rs. 180 crore for the current financial year for land acquisition, construction of embankments, bridges, station buildings, track lying, etc. Ministry of Railways has also indicated that delay or inadequate release of funds may have adverse impact on the project. In view of the fund requirement for the project and the recommendation of the Hon'ble Committee, it is proposed to seek additional allocation of funds for this project at the first supplementary stage.

The Ministry as well as the Embassy of India in Kathmandu is in regular touch with the Government of Nepal for the earliest completion of land acquisition and availability of encumbrance free land for the on-going Terai road project.

The Small Development Projects are community based projects and are designed to meet the felt needs of the local community in areas such as education, health and community infrastructure. There are more than 200 projects that are currently ongoing. The Embassy of India in Kathmandu remains in close touch with the local Government to ensure timely and efficient execution of these projects. The projects are also regularly inspected by the Embassy officials to ensure that work is proceeding well. It is ensured

that all projects are executed within the parameters of time, cost and quality. It is has been the endeavor that the project costs are reasonable and quality work is produced within the prescribed time and cost limits.

MEA is working in coordination with the Ministry of Water Resources (MoWR) to oversee execution of Saptakoshi, Sunkoshi and Pancheshwar projects. The funding of these projects is being provided for by MoWR. MEA is working in close consultation with MoWR.

(File No. AA/PARL/125/62/2013)

# (Recommendation No. 23)

While observing the progress of various projects being implemented in Sri Lanka, the Committee are deeply concerned about the slow pace of implementation of the Housing Project for Internally Displaced People in Sri Lanka. The Committee are of the view that this is totally unacceptable and the Committee seriously doubt whether it would be completed as per the fixed target. Though, the Committee are apprised of progress in direction of identification of implementing agencies and beneficiaries and follow up of various models for construction of the Houses, however, the Committee would suggest that the Ministry must ascertain the mechanism being adopted to identify the genuineness of the beneficiaries and ensure that not only the benefits of the projects reach the targeted beneficiaries but also ensure that cash is not diverted to other purposes and this needs to be carefully The Committee further recommend that immediate measure should be undertaken by the Minsitry to expedite the process of identification of benerficiaries for the remaining projects and ensure expedious release of money and faster pace of implementation. The Committee desire that the Ministry should furnish a detailed report on the status of the project based on the visit of senior officials from the Headquarters.

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

- 1. The Committee have suggested that Ministry must ascertain the mechanism being adopted to identify the genuineness of the beneficiaries and ensure that not only the benefits of the Projects reach the targeted beneficiaries but also ensure that the cash is not diverted for other purpose.
- 2.0 In this regard, it is stated that the second phase of the owner driven model of the Sri Lanka Housing Project focuses on the internally displaced people in the war affected areas of the Northern and Eastern provinces of Sri Lanka. The list of affected villages from each Division in a District is prioritized by the Sri Lanka Government authorities and approved by the High Commission of India, Colombo. The verification of the master list prepared by the District heads (Divisional Secretary) of the area is carried out by the Implementing Agencies(IAs) appointed by the GoI for the project. The

IAs verify the list of beneficiaries in their area of jurisdiction by visiting each After verification, the officials of the Implementing house/beneficiary. Agency and the Divisional Secretariat then allot scores to each beneficiary figuring in the list based on the information collected and an agreed scoring criteria which takes into account various factors like number of family members/dependents, their age, level of disability/income, year of displacement, present status of dwelling(huts/under tarpaulin shelters) etc. The eligibility list so drawn is published in the notice board of the Divisional Secretary and the village office. It is also shared with the community Advisory Groups formed in each village. A two week grievance period is given for families to voice their grievances, if any, on the selection of any If there are any complaints, these are examined by the beneficiary. Grievance Redressal Committee chaired by the Divisional Secretary in the presence of beneficiaries, IAs and the Community Advisory Groups. The schedule of such meetings are informed in advance by the concerned DS, IA and also posted on the Mission's website. The recommendations of the Grievance redressal committee is communicated to the High Commission of India who also deliberates on it and conveys its acceptance of the list for further processing. This involves checking all records (land title, ID, bank account etc.) thoroughly and subsequently the process of remittance of the installment into the bank account of the beneficiary begins. The progress of work is closely monitored by the IAs and HCI, Colombo to ensure that installments are released on completion of each stage of work.

- 2.1. The selection of beneficiaries for the Housing Project is done in a fair, objective and transparent manner. The process is quite exhaustive and thorough; there are sufficient checks and balances to ensure that only genuine beneficiaries who were displaced by the armed conflict only receive the funds into their bank accounts. The details of the steps involved in process of identification of the beneficiary and the payment of installments may be seen at **Annexure.**
- 2.2 The Project is reviewed in the field by the Implementing Agencies appointed by the Government of India, the Indian Banks, the officials of the High Commission of India, Colombo and the Consul General of India's office in Jaffna.
- 2.3 The target set for the second phase of the Housing Project is to complete 11,000 houses by the end of 2013 and to commence construction of another 16,000 houses by March 31 2014. 27,000 houses are expected to be completed by the end of 2014. The entire lot of 43,000 houses is scheduled for completion by the end of 2015.
- 3. Further, the Committee have recommended that immediate measures should be undertaken by the Ministry to expedite the process of identification of beneficiaries for the remaining projects and to ensure expeditious release of money and faster pace of implementation.
- 3.1 It is mentioned that the existing mechanism of selection of beneficiaries will continue for the second phase of the Housing Project involving the construction of 43,000 houses in the Northern and Eastern Provinces under the owner-driven model.

- 3.2 The process of finalizing the criteria for selection of beneficiaries for the third phase of the Project involving construction of 4,000 houses in the hilly Central & Uva Provinces of Sri Lanka under the agency-driven model is underway. M/s WAPCOS Ltd., a Public Sector Undertaking (PSU) of Government of India, has been selected as the Project Management Consultant for this part of the Project. The land for construction of these houses is yet to be finalized by the Sri Lankan authorities. The work on this phase of the housing project would begin in right earnest as soon as this exercise is completed.
- 4.0 The Committee have desired that the Ministry should furnish a detailed report on the status of the project based on the visit of senior officials from the Headquarters.
- 4.1 The status of the Housing Project as on 29 May 2013 is enclosed as **Annexure.** A Monitoring Committee comprising Special Secretary (DPA) and Special Secretary & Financial Advisor, MEA, and two technical experts, inspected the Housing Project sites at Tellipalai DS Division in Jaffna District on 10 April 2013 and Palai DS Division in Kilinochchi district on 11 April 2013 and interacted with the concerned beneficiaries and officials of the implementing Agencies and the Sri Lankan government. The Committee while expressing satisfaction on the overall progress of the Project has also highlighted a few areas for further pursuing and monitoring. A brief report on the Committee's visit is attached as **Annexure**.

(File No. AA/PARL/125/62/2013)

#### (Recommendation No. 26)

The Committee welcome the establishment of Developmental Partnership Administration (DPA) and incorporation of technical expertise into its organizational setup. The Committee are hopeful that the establishment of DPA will lead to efficient and on time delivery of India's international projects as well as ensure proper coordination amongst various departments and Ministries.

The Committee expect that DPA would be able to streamline the process for appraisal of the project, award of contract, implementation, supervision as well as evaluation and ensure due measures of economy and efficiency. The Committee however, desire that DPA should develop Standard Operating Procedure (SOP) as well as guidelines for each step from the inception of the project to actual delivery of the project.

# **Reply of the Government**

DPA is in the process of analyzing the entire range of India's development cooperation, including projects under grant assistance, lines of credit and capacity building programmes, to identify areas requiring critical attention, to initiate rectification of procedures requiring change, and to develop operating procedures for every stage of projects from conception, appraisal, launch, monitoring and evaluation.

To equip itself with the range of skills required to carry out these tasks, DPA is pursuing the twin track of incorporating technical expertise into its organizational set up and accessing technical consultancy services from outside.

(File No. AA/PARL/125/62/2013)

# (Recommendation No. 28)

The Committee take note of the progress made in respect of establishing the Nalanda University. As per the original proposed timeline for the project, the construction was to begin in January 2012, however, due to procedural delay, the construction activity will now commence in 2013. The requirement of funds is being deferred and it has been scaled down for the year 2013-14 from Rs. 547 crores to Rs. 125 crores only. The Committee are concerned about the University's budgetary projection for BE 2013-14 in view of University's own admission that the construction is expected to begin in last quarter of 2013-14. The Committee, therefore, once again would like to reiterate their earlier view that University must streamline its budgetary projection process. The Committee further note that University proposes to start two Schools in September, 2014. The Committee, therefore, desire that Nalanda University should strive to begin the academic activities of Phase-I at the earliest. The Committee would further like to suggest that University in its academic endeavours should not adopt India-centric approach but be global in its outlook and should equally focus on Non-Indian/Indian Origin Intellectuals and academicians.

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

The Ministry appreciates the Committee's concern regarding the university's budgetary projection for BE 2013-14. The university has reaffirmed its commitment to ask for only as much money as would be required after careful re-assessment of ground realities in a realistic and rational manner, and taking into account procedural constraints. According to the university, the requirement of funds in 2013-14 has not really been scaled down, but only deffered for the time being, and may be required in the subsequent financial years. The bulk of the Rs. 125 crores allocated in BE 2013-14 will be spent on construction, expected to begin in the last quarter of 2013-14. The reduced demand for the current financial year demonstrates that the university is making genuine efforts to streamline its budgetary projection process.

As regards the need for starting academic activities in Phase I at the earlies, the university has reaffirmed its plan to start teaching at the Schools of Historical Studies and Ecology and Environment Studing in August/September 2014 from leased premises. The concept notes and focus areas for these two Schools are ready. The university is now working on curriculum. Hiring of faculty will begin after the Headquraters Agreement governing privileges and immunities of the university's academic staff is signed and notified.

As for the need to follow a global rather than an India-centric approach to academic programmes, the university has reiterated that the speakers list for its international conference in Patna in July, 2012 included only 9 Indians out of panel of 27. Besides, People of Indian origin or Indian citizens also include brilliant academics of international excellence. The university has many international scholars on the Advisory Boards of Schools of Historical Studies and Ecology and Environment Studies. It plans collaborations with institutions that are mostly international. The university has recentrly signed a Memorandum of Understanding with the Australia Indian Institue based at the University of Melbourne. It has reached out to scholars across the globe and hosted them both at the site in Rajgir and its office in Delhi. It would thus be seen that Nalanda University has a global vision and it will ensure at every state that this outlook is factored into all its academic endeavours.

# CHAPTER - III

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

-NIL-

#### CHAPTER - IV

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

# (Recommendation No. 13)

The Committee take note of the reports of several vacant Ambassadorial positions and do not find any transparent policy and justification in this regard. The Committee are of the view that a proactive approach should be adopted by the Ministry and they should come up with the practice of announcement for placement of Ambassadors well in advance in cases of anticipated vacancies on account of retirement etc. The Committee also expect the Ministry to ensure due regard to the policy in matters of appointment of Ambassadors for an efficient carrying out of diplomatic responsibilities.

# **Reply of the Government**

Every effort is always made to ensure appointments of Heads of Mission in a timely manner, with due regard to the requirement of the posts and suitability of the appointees. The movement of personnel between a large number of Missions around the world necessarily entails some gaps between the departure of one HOM and the arrival of another. Different diplomatic procedures in various countries for grant of agree'ment also account for some gaps. The Ministry endeavours to ensure that the movement schedules do not affect the smooth functioning of our Diplomatic Missions, which is looked after by other Mission personnel in the absence of our HOM.

(File No. AA/PARL/125/62/2013)

#### (Recommendation No. 25)

In context of India's partnership with Africa, the Committee in their 14<sup>th</sup> Report had expressed concern over tardy implementation of the decisions taken during India Africa Forum Summit (IAFS-I). However, the Committee are appalled to note that many of the implementing agencies were either directed to delay implementation or their payments were carried forward to the next financial year because of the inadequacy of budgetary allocation. The Committee are of the opinion that Ministry should strive to balance its budgetary allocation between competing demands for various projects. The Committee further take note of the fact that next IAFS Summit is scheduled to be held in 2014 and India has not been able to fulfil its commitment of IAFS- I&II. The Committee recommend that necessary funds should be allocated for these projects. DPA should make efforts for an early

execution of these projects and if required, can approach for fund enhancement at RE stage. However, the Committee would like to urge the Ministry to take due care of the quality aspects in setting up of these institutes.

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

The allocation under Aid to Africa budget is quite inadequate and it is hoped that more funds will be made available at the RE stage.

All the capacity building institutions under IAFS are being implemented by various line Ministries and their chosen Implementation Agencies (IA). MEA has been kept in the loop by various Ministries on this issue. Selection of IAs has also been done after consultation with MEA. MEA has repeatedly stressed on the quality of the proposed institutions, and as far as possible, an MEA representative has been part of the visiting delegation from the line Ministry/implementing agency. Our Missions have also been sensitized about the need for high quality in setting up of these institutions.

#### CHAPTER – V

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

# (Recommendation No. 2)

While analyzing the budgetary allocation of the Ministry of External Affairs, the Committee, observe that it is dismally inappropriate as compared to the mandate assigned to the Ministry. Though, the total outlay for the Ministry for the financial year 2013-14 is Rs. 11719.00 crores yet interestingly, out of the total allocation, Rs. 7343.23 crores, which is 62.66% of total allocation is in nature of mandatory/obligatory expenditure in view of 'Contributions to India's international commitments as it includes International Organization', 'Technical and Economic Cooperation', 'Loans to Foreign Governments'. Only Rs. 4375.77 crores is available with the Ministry that too includes Rs. 1320.00 crores earmarked for 'Special Diplomatic Expenditure' which is discretionary in nature and is not readily available to Ministry for its internal use and Rs. 209.12 crores are earmarked for 'Grants to institutions'. Hence, in real terms only Rs. 2846.65 cores are available to the Ministry to cater to its mandate of conducting India's foreign policy, maintenance of its international relations via establishment of 179 Missions/Posts and rendering of services by Missions/Passport Offices and all other establishments including Indian Cultural Centres/Chairs across the world and conduct diplomacy, political, economic and cultural and maintain high level of services rendered by these offices in India and world and engage with various academic and research institutes. The Committee note that the Ministry has been functioning under immense financial pressures and is hindered in performing upto the expected level due to financial constraints. The Committee, therefore, take a serious note of the state of affairs and recommend that the Ministry must take up the issue of low allocation of funds with Ministry of Finance.

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

The Ministry, as rightly observed by the Committee, has been functioning under severe financial strain, and has not been able to discharge some of its important commitments only for lack of funds. The commitments from the highest levels, if not honoured in time, adversely impact the image of the country, which is why the adequate budgetary allocation is important.

It may also be of relevance to point out that the establishment expenses of the Ministry, comprising of Headquarters, Embassies and Missions, Passport Offices and Hostels/Residential Complexes, added up to about  $\overline{2}$ 498 crore in 2012-13 (provisional). The allocation for the establishment expenses for 2013-14 is only  $\overline{2}$  2390.01 crore, as against the demand of  $\overline{3}$ 3089.18 crore.

The Ministry will take up the issue of augmenting funds at Supplementary Demands and RE stages.

#### (Recommendation No. 3)

The Committee are distressed to note that high level international commitment had to be kept on hold or partially implemented due to lack of budgetary support. The Committee are appalled to note that due to budgetary constraints Government of India was unable to fully implement Cabinet Committee on Security (CCS) decision for 100 million US\$ grant to Bangladesh in pursuance of announcement of a grant of US\$ 200 million to Bangladesh made during the bilateral visit of then Finance Minister in May 2012. The Committee further note that the 2<sup>nd</sup> installment could not be released in 2012-13 as no additional funds were provided by the Ministry of Finance, despite the demand being made in 2<sup>nd</sup> batch of supplementary demands. The Committee also note that resources were augmented for the 1<sup>st</sup> installment from within the already allocated resources of the Ministry.

The Committee have taken a very serious note of the Ministry of Finance's refusal to grant funds for timely release of 2<sup>nd</sup> installment for grants to Bangladesh, though, it was provided later at the fag-end of the financial year. The Committee are of the opinion that the Ministry of External Affairs should pursue the matter further and CCS must be apprised of the situation. The Ministry of External Affairs must ensure arrangement for funds for 3<sup>rd</sup> and 4<sup>th</sup> installment. The Committee further recommend that the payment of grant to Bangladesh must not be delayed on account of budgetary constraints.

# **Reply of the Government**

It is respectfully submitted that the Ministry of Finance had been sensitized about the commitments made at highest levels and details of these commitments were also shared with them. As per the decision of the Cabinet Committee on Security (CCS), the first instalment of US\$ 50 million was to be released from the existing budgetary allocation of the Ministry. Though not explicitly stated, it was implied that the remaining instalments would be released with additional funding by the Ministry of Finance. The first instalment of US\$ 50 million was released from the savings of Ministry's own resources, after Ministry of Finance acceded to the request for provisions of funds in the form of 'Technical Supplementary' in the 2<sup>nd</sup> Batch of Supplementary Demands for Grants. The request for Cash supplementary for releasing 2<sup>nd</sup> instalment of US\$ 50 million to Government of Bangladesh was not considered favourably by the Ministry of Finance. Hence, the second instalment of US\$ 50 million could not be released within FY 2012-13 due to paucity of funds.

It may be pertinent to mention that provision for only two more instalments of US\$ 50 million each exists in the Ministry's budget of FY 2013-14, out of which one instalment of US\$ 50 million has already been released in May 2013. Therefore, the Ministry would have to approach the Ministry of Finance in the Supplementary Demands stage for augmentation of budget to provide for the last instalment of US\$ 50 million.

# (Recommendation No. 4)

The Committee find that in several case, the MEA has not been able to provide funds for the projects committed and announced by the Head of States/Government/Ministry of External Affairs on strategically important visits to the foreign countries due to budgetary constraints. The Committee, therefore, desire that a separate head may be created for India's International Commitments announced by the Head of State/Government/Minister of External Affairs at international fora, wherein it should be mandatory for Ministry of Finance to provide funds for fulfillment of such commitments without any scope of discretionary reduction of allocation by the Ministry of Finance or the Planning Commission.

# **Reply of the Government**

India's developmental assistance to foreign countries is budgeted under the various heads such as 'Aid to Bhutan', 'Aid to Nepal' etc. under the Major Head 3605. Opening a new budget head dedicated for funds earmarked for India's commitments made at the highest level also may also not guarantee adequate provision of funds as these have to be ultimately provided by the Ministry of Finance. Nevertheless, the Ministry would take up the matter as the suggested by the Hon'ble Committee with the Ministry of Finance.

(File No. AA/PARL/125/62/2013)

#### (Recommendation No. 8)

The Committee note that India's diplomatic efforts have led to global engagement at governmental level. The Ministry's efforts are supplemented by Public Diplomacy, Press and Media Relations. The Committee also acknowledge the Ministry's digital presence in social media. The Committee are of the opinion that in the information age, the virtual social space has provided a unique platform to the Ministry to engage with the public and particularly the young generation. The Committee, therefore, desire that the Ministry should adopt a holistic approach and coordinated efforts must be made in this direction. The Committee, however, would like to emphasize and caution the Ministry that diplomatic paradigms and stringent digital safety standards are adhered to. The guidelines being prepared for safe use of social media should be finalized at the earliest and the Committee should be informed accordingly.

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

- a) Public Diplomacy Division consults with other Divisions on regular basis.
- b) (i) The Department of Electronics and Information Technology, Ministry of Information Technology had issued detailed guidelines for the use of Social media by Government

- organizations (August 2012). These are comprehensive guidelines dealing with various aspects and use of Social media such as account governance, content governance, information security governance, responsiveness, impact analysis, etc.
- (ii) Public Diplomacy Division had issued a circular to all the Missions containing 'Do's and Don't's' of Social media in December 2011.
- c) EG & IT Division is in process of finalizing another set of guidelines which deal specifically with safety aspect of Social media.

(File No. AA/PARL/125/62/2013)

# (Recommendation No. 9)

Indian Missions/Posts form India's resident diplomatic presence in the host country. In light of India's growing international profile and presence, during the meetings with the Committee, various foreign delegations visiting India have expressed their desire to have Indian Mission/Post in their country and several such requests are pending in the Ministry. But, the Committee have been informed that no new proposal has even reached at a stage of consideration of opening of new resident Mission. In this context, the Committee have a view that such proposals should be extensively examined on priority basis and after due diplomatic and other considerations, the Ministry must come to a decision in each case and such efforts should not be stalled or delayed at least due to financial constraints.

# **Reply of the Government**

The Ministry of External Affairs will review all such cases once again in consultation with the concerned Territorial Divisions and take further action as necessary. It is confirmed that no proposal which is otherwise justified and meets the criteria for setting up a resident Mission at any station abroad, shall be allowed to be stalled because of financial constraints.

(File No. AA/PARL/125/62/2013)

#### (Recommendation No. 11)

The Committee note that the Ministry is regularly and increasingly dealing with private parties particularly, in view of outsourcing of visa process/passport process and participation of private sector in various projects. The Committee, however, observe that there is neither any specific Standard Operating Procedure to be followed in that regard nor there is any separate Division to deal with issue of tenders, evaluation of bids, selection of service providers, deciding on terms and conditions and to ensure whether the related terms and conditions are adhered to or not. The Committee, therefore, are of the view that the Ministry must develop a mechanism or create a sub-

division to have a uniform and coordinated approach by creating standard operating procedures and to look into the nitty-gritties of the entire process. The Ministry must ensure regular monitoring and evaluation of services in a due diligent manner. The Committee further suggest that the Ministry should adhere to stringent norms and exercise transparency in the process pertaining to tendering and outsourcing while giving paramouncy to the security concerns.

# **Reply of the Government**

- i) In regard to Standing Operating Procedures (SOP), Ministry's circular Egram of October 24, 2011 forwarding Guidelines from AS (CPV) is considered SOP. Further guidelines were issued vide Ministry's circular Egram March 7, 2013 detailing the procedures to be adopted for award of contract. These two circulars form the instructions for SOP. However, as pointed out in the Recommendation No. 11 Ministry would issue a comprehensive SOP by compiling the information.
- ii) Regarding creation of a separate Cell, it may be mentioned that currently, the outsourcing of visa/passport/consular services have been implemented in 68 Indian Missions/Posts abroad. Besides two more Mission/Post would join the scheme soon while two Missions have limited outsourcing services. Thus the total number of Missions/Posts which have outsourced Visa/Passport/Consular Services would be 72. All legal issues are handled in consultation with Legal and Treaties Division of the Ministry. In rare cases, the opinion of Ministry of Law and Justice is also obtained. All issues are cleared with the approval Secretary/Secretary and Foreign Secretary if required. Considering the volume of work and the mechanism to deal with the matter available with Ministry, the concept for a separate cell for dealing with outsourcing matters was not considered earlier. However, keeping in view the suggestion by the Standing Committee, the matter is being considered separately from the administrative and financial angles as the creation of a Cell would involve additional expenditure and additional staff.
- iii) In regard to monitoring and evaluation of services, it may be mentioned that CPV Division is closely monitoring the tender process being followed by Missions/Posts abroad. The system of outsourcing services is stabilising and CPV Division monitors the implementation of the tender process in Missions/Posts regularly as Missions/Posts have been advised to keep the Ministry informed of every stage of the tender process namely uploading the tender documents, pre-bid conference, opening of the Technical Bids and Financial Bids and finally the signing of the Agreement. Ministry has circulated model tender documents and also issued a detailed proforma to evaluate the Technical Bids to reduce subjectivity to the maximum possible levels. Ministry also takes note of complaints from different quarters and seeks clarification from the Missions/Posts concerned.

- iv) In regard to adherence to stringent norms and transparency, the tender documents are uploaded in the websites of the Mission and Ministry simultaneously. The Request for Proposal is a detailed document which gives information on various aspects of the tender process. The proceedings of the pre-bid conference in the form of Questions and Answers are circulated to all the participating companies. The Technical Bids and Financial Bids are opened in the presence of The Representatives of the participating companies and the members of the Outsourcing Committee. Missions have been instructed to give detailed reasons for disqualification to the disqualified companies. Further Ministry's guidelines are based on CVC guidelines and General Financial Rules (GFRs) and also the Orders of Hon'ble Delhi High Court. Whenever, the bids are disqualified, the reasons for the same are informed to the companies concerned.
- v) In regard to security concerns, it is pointed out that only peripheral work relating to visa, passport, consular services are handled by the outsourcing companies. The policy matters and other security related work pertaining to issue of visas and passports are handled by authorised Indiabased officers. Further as per the extant guidelines, only Indian/Indian origin companies are eligible to take part in the tender process as the principal company with or without a local partner of Indian/foreign origin. Further local partner companies are cleared from security angle by the Ministry in consultation with authorities concerned.

(File No. AA/PARL/125/62/2013)

# (Recommendation No. 12)

The Committee in their deliberations and Reports over the years have expressed serious concern over the lower establishment strength of the Ministry but there is no satisfactory improvement. The Committee once again observe that there is a huge gap between the actual number of employees and approved strength in Group A & B services. As against the total number of 7346 posts, 5761 employees are in position. The Committee are not convinced with the reasons furnished by the Ministry for such gap. The Committee, therefore, desire that sincere efforts should be made by the Ministry to take up the matter with the Ministry of Personnel and Training to fill the vacant posts at the earliest. The Committee also take note of the 'Medium Term Expansion Plan' and various methods for induction through different channels. The Committee, however, are not convinced with such slow pace of expansion of service spanning over ten years. The Committee would like to suggest that the Ministry must approach the Ministry of Personnel and Training with fresh proposals for further expansion in the cadre of the Ministry in both Gazetted as well as Non-gazetted posts during a shorter period. The Committee make a note of the lateral entry scheme to build in-house capacity within the Ministry and appreciate Ministry's efforts for recruitment of experts for Technical Cell in Projects Division as well as Development Partnership Administration (DPA). The Committee, however, note that the present approach of lateral induction and those with domain knowledge at various levels both in Headquarter and in Embassy is far too slow. In Committee's view with such approach, shortage of personnel will continue to handicap the Ministry's work. The Committee, therefore, desire that lateral induction must be substantially accelerated at various levels through contractual or deputation so that in the course of the next three years, the current shortages are substantially overcome. However, the Committee would like to caution the Ministry that while engaging the experts, through deputation or outsourcing consultants, the Ministry must give due consideration to the security and diplomatic aspects. The Committee suggest that Ministry should come up with innovative ways for attracting the desired expertise and specialists to conduct various activities in view of increased arenas of diplomatic engagement particularly in terms of emerging contours of economic and environmental diplomacy.

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

Ministry of External Affairs has undertaken an extensive exercise of Cadre Review to cover the shortages at staff level and an expansion plan to address the deficit at the officer level. MEA has submitted revised indents to the concerned recruitment agencies such as Union Public Service Commission (UPSC) and Staff Selection Commission (SSC) to increase the intake to adequately address the gap in existing and required manpower.

Till the recruitment agencies are able to provide regular candidates against vacant posts, the Ministry has been hiring consultants for specialized jobs in addition to filling routine secretarial vacancies through temporary engagement of outsourced staff.

For the specific requirement of domain expertise in Development Partnership Administration, MEA has been regularly inviting nominations/applications from other specialized Cadres/Departments, with the result that the immediate needs of the DPA for ex-cadre expertise have been met. This is an ongoing process and as and when further expertise is required, the Ministry will take necessary steps.

While selecting ex-cadre officers, the Ministry pays due attention to meeting the need for necessary diplomatic skills for the identified jobs besides adhering to the standard security precautions.

(File No. AA/PARL/125/62/2013)

# (Recommendation No. 15)

The Committee are concerned to note that there is no connectivity between the Central Passport Organization (CPO) and the Missions/Posts and the Missions/Posts have access to Passport Central Data (PRIDE) only to check data but passport related services are rendered by Mission/Post only through old system and that the process of data migration from old system to new system is done and the work is in progress for bringing Missions/Posts under the Passport Application System. The Committee, therefore, strongly

recommend that the Ministry should prepare a dedicated action plan and implement it with a fixed time frame for establishing connectivity between the Headquarters and Missions/Posts as well as with the Passport Seva Application.

The Committee are concerned that the Ministry is only in initial phase of the digital process in the project for 'creation of image retrievable database' and the Ministry is yet to embark on the phase-II which includes capturing of data only of 34 Missions/Posts. The Committee, therefore, strongly recommend that the Ministry should expedite the process of digitization of data, across its establishments. The Committee also desire that the Ministry must take necessary steps on urgent basis for data management in the Missions/Posts.

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

It is submitted that currently Missions/Posts are working as part of pre-PSP application while rendering the Passport related services and PRIDE is used for checking duplication and antecedents of the applicant. At present, 25 Missions/Posts are classified as large and 155 as small. The pre-PSP passport-service related data is migrated to PRIDE. In the large Missions/Posts, passport printing is done there itself like RPOs, whereas small Missions/Posts transmit the data digitally to Central Indian Passport Printing System (CIPPS) Unit.CPV Division, MEA for printing of passports which are then sent back to originating Mission/Post for handing over to applicants.

Ministry proposes to commence 'AS-IS' study by 15<sup>th</sup> July 2013 for integration of Missions/Posts with Passport Seva Application, including its mode of connectivity to PSP data centre. Two (2) Small and Two (2) Large Missions/Posts would be taken up as part of Pilot 'AS-IS' study for preparation of detailed project report (DPR). In the DPR, the roadmap and timelines to integrate all the Missions/Posts (location-wise) with the Passport Seva application as part of centralised application/database (PRIDE) would be outlined. It may take 6-8 months (after the DPR process is over) for establishing connectivity to the Missions/Posts including integration with PSP application.

As informed earlier, the digitization project commenced in June 2012 in 5 Indian Missions viz. at London, San Francisco, Dubai, Abu Dhabi and Riyadh, having nearly 50% of the total anticipated volume of the consular documents to be digitized. The digitization job has been completed in these Missions. In the IInd phase, the Ministry is undertaking the digitization project in another 34 Indian Missions/Posts having another 40% of the balance consular documents to be digitized. Out of these 34 Indian Missions/Posts, the work orders for 5 Missions have been issued to the vendors, who have commenced their work. There was a slight delay in execution of project in these 34 Indian Missions/Posts on account of delay in payment to the vendors for the job undertaken earlier in the 5 Indian Missions/Posts due to budgetary problems. The project, as intimated earlier, is likely to be completed in 2014.

(File No. AA/PARL/125/62/2013)

#### (Recommendation No. 17)

The Committee have been pursuing the matter of establishment of The Ministry had assured the Mini PSKs in North-Eastern States. Committee that Mini PSKs would be established in Aizwal by 2010 and in other States of North-East by December, 2011. However, the Committee note that Mini PSK has been established only in Aizwal after much delay in 2012 and all the other PSKs in North East are yet to be established. As per the information furnished to the Committee, the work is in progress at Passport Seva Laghu Kendra (PSLK) at Shillong, while at Gangtok and Agartala only the location has been identified. The Ministry is still silent on the establishment of PSLK or Mini-PSK in other States of North-Eastern Region and has also shown its inability in providing defined timelines for the establishment of these PSLKs. The Committee deplore such approach of the Ministry and strongly recommend that Ministry should expedite its efforts to ensure establishment of all the PSLKs/Mini-PSKs in North-Eastern States at the earliest though active engagement with State Governments for overcoming the problems with creative solutions.

# **Reply of the Government**

The Ministry has noted the observations of the Committee as regards speeding up setting up of mini-PSKs, especially in the North-East. It is, however, submitted that the Ministry would not like to indicate any artificial timeline. It is also submitted that it is essential for the Ministry to strictly comply with Financial Rules and Procedures in the matter of acquiring goods and services for setting up of mini-PSKs so as to avoid any audit objections.

The Hon'ble Committee is informed that out of 8 NE States, PSKs/PSLKs have been made operational in Guwahati and Aizawl. PSLK in Shillong is likely to be made operational over the coming months. Similarly, site has been taken over in Sikkim. A site has been identified in Agartala and a team will be visiting soon to take the property on rent. The Ministry will be speeding up liasioning with the remaining State Governments i.e. Manipur, Nagaland and Arunachal Pradesh.

(File No. AA/PARL/125/62/2013)

# (Recommendation No. 21)

The Committee note that the three ongoing Hydro-power Projects in Bhutan have continuously been facing a situation of paucity of funds. The Committee are aware that India is committed to the Government of Bhutan for generation of 10000 MW of power by 2020 and for so the Ministry of External Affairs, along with the Government of Bhutan have identified few projects and are considering and working upon the modalities of new Hydro-Power projects. During the course of evidence, the Committee were informed that the Ministry is considering a new creative model through joint venture

and formation of Special Purpose Vehicle. The Committee are of the view that to avoid lack of continuous and timely budgetary support, the Ministry must explore alternative options and come up with innovative procedures to ensure that the ongoing as well as new projects do not come across budgetary constraints and continuous cash flow is available to them, so that implementation of project is ensured without any element of time overrun and cost escalation. However, the Committee are also of the opinion that since, these projects are bilateral projects, the Ministry must dwell upon the diplomatic considerations while giving due regard to the sensitivities of both the sides and Ministry must adopt a holistic view and consider all the aspects of alternative models for funding of the Hydro-Power Projects in Bhutan.

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

Government of India (GoI) and the Royal Government of Bhutan (RGoB) signed an umbrella agreement on cooperation in the hydropower sector under which India committed to import 10,000 MW hydropower from Bhutan by 2020. Ten HEPs with an estimated capacity of 11,576 MW were identified to meet the target. Of the ten projects, the following four projects have been identified for execution in the Joint Venture (JV) mode,

- 1. Chamkharchhu-I (670 MW)
- 2. Bunakha (180 MW)
- 3. Kholongchhu (486 MW)
- 4. Wangchhu (600 MW)

During the 9<sup>th</sup> EJG meeting held in Thimpu on 11-12 June 2012, the EJG nominated the Secretary, MoEA from the RGoB side and JS (Hydro), MoP from the GoI side to lead the Sub Group of the EJG and finalize the JV Agreement by involving DGPC and the designated JV partner PSUs from India and resolve all outstanding issues without further delay.

The sub Group met in New Delhi in July 4-5, 2012 and discussed all outstanding issues with DGPC and Indian PSUs. The following issues were discussed:-

- (i) Financing of the project
- (ii) Royalty energy for the Royal Government of Bhutan
- (iii) Management structure of the project
- (iv) Reversion of the project
- (v) Dividend policy
- (vi) Power Purchase Agreement
- (vii) Signing of IG MOU for the implementation of JV projects
- (viii) Infrastructural facilities
- (ix) Implementation of Sankosh and Amochhu Projects

On the issue of financing the projects the following decisions were taken

□ The debt will be raised on the JV Company
 □ Indian CPUs shall ensure the raising of loan as required for the project
 □ The project assets shall be mortgaged
 □ If required by bankers, PPA shall also be concluded; and

 $\Box$  The shareholding pattern shall be that of equal partners with 50% basis each, subject to clearance by both Governments

Decision was taken to implement the JV projects as equal partners with 50% stake each. M/o Finance has given its clearance for the formation of JV's with a 50% stake for Indian and Foreign entites.

Royal Government of Bhutan has forwarded the draft intergovernmental agreements proposed to be signed between Royal Government of Bhutan and Government of India for the development of Joint Venture Hydropower Projects. It has been forwarded to the Ministry of Power, Planning Commission and other agencies for their comments. Consultations with the Ministry of Finance, Ministry of Power, Planning Commission are therefore ongoing.

The Ministry of External Affairs has also been in constant touch with the Project Implementing Authorities of the concerned projects in order to ascertain the exact fund requirements to ensure that sufficient funds are available for the implementation of the projects. As far as financial allocation for the HEPs in Bhutan, the Ministry takes necessary actions to get sufficient allocation. In inter-Ministerial meetings held in PMO to review progress of our cooperation agenda with Bhutan in the hydropower sector MEA has been drawing attention to the fact that allocation of Plan funds for HEPs in Bhutan had been consistently lower than projected requirements.

Request for funds has been made in accordance with the requirements received from the Project Implementing Authorities, as given below:

(In Crores)	(Crores
-------------	---------

Project	BE requested	BE/RE	Additional Funds	BE requested	Allocated BE
	for 2102-13	Allocated	over Allocated RE		2013-14
Punatsangchhu-I HEP	1050	500	198	1950	735
Mandechhu HEP	315	160	101	896	885
Punatsangchhu-II	680	478	101	880	900
	2045	1138	400	3726	2520

In addition, another Rs. 1 Crore each has been provided for the five projects on which work is expected to be started soon viz.Sankosh, Chamkharchu, Bunakha, Kholongchhu and Wangchu. The allocation has been made against a demand for 120 Crores, 84.50 Crores, 36.00 Crores, 45.10 Crores and 55.70 Crores respectively ie Rs. 5 Crores has been allocated against a demand of 341.3 crores.

The efforts of the Ministry are directed towards the goal that the effective implementation of these projects does not suffer due to any inadequacy of funds. In the financial year 2012-13 an amount of Rs. 1138 crore was allocated at RE stage against projected requirement of Rs. 2045 crore. There was no augmentation of funds at RE stage. However, in March 2013, an amount of Rs. 400 crore was provided to the Ministry against the additional projected requirement of Rs. 907 crore.

The Ministry from time to time is drawing the attention of the authorities concerned about the requirement of funds to three projects. EAM wrote to the Finance Minister on December 3<sup>rd</sup>, 2012 about the importance of providing necessary funds. Foreign Secretary also wrote to the Finance

Secretary on 22<sup>nd</sup> January, 2013 about the necessity of providing funds in an urgent manner to these projects. The issue was also brought to the notice of the PMO by FS, through a letter addressed to PS to PM in February 2013.

The Ministry thankfully acknowledges the appreciation of the Hon'ble Committee for its efforts to reduce financial burden on Govt. of India vis-àvis the new Hydroelectric Power Projects (HEPs) to be taken up for implementation in Bhutan. Preliminary meetings have already been held in the Ministry with the representatives of the EXIM Bank and some PSU banks to explore the possibility of raising funds from the Indian capital market for the HEPs proposed under the Joint Venture model. Further, the matter has been discussed in detail in a meeting of the Empowered Joint Group (EJG) of India and Bhutan held in Thimphu on April 4 2013.

(File No. AA/PARL/125/62/2013)

# (Recommendation No.24)

The Committee take note of the new "Connect Central Asia" policy of Government of India to deepen their engagement with Eurasian countries. In context of the developmental engagement, the Committee would like to suggest the Ministry to expand areas of cooperation and come up with more proposals for projects in the region. The Committee appreciate the Government's proposal for Central Asian e-network project for Tele-Education and Tele-Medicine and hope that India's experiences in Africa will be fully utilized for quicker and efficient implementation of the project. The Committee further hope that Project Manager cum Consultant (PMC) for implementation of the project is finalized soon so that the process for actual execution of the programme is initiated.

The Committee are concerned over the pace of Turkmenistan-Afghanistan-Pakistan-India (TAPI) Pipeline Project. However, the Committee are happy to note that the countries have created alternative arrangement to finance the project. The Committee hope that finalization of the modalities is reached upon so that further process may be initiated. The Committee urge the Ministry to approach the Cabinet regarding India's contribution to the Special Purpose Vehicle at the earliest and the Committee may be kept apprised of India's effort for execution of the Project.

# **Reply of the Government**

Through our reformulated Connect Central Asia Policy, publicly articulated in June 2012, we have a balanced strategy of engaging with Central Asia, based on political, strategic, economic, cultural and multilateral elements. The Ministry of External Affairs is engaged in deepening its engagement with countries in Central Asia with its more pro-active policy. Some of the flagships projects that we are working on are setting up of a Central Asian University in Kyrgyzstan which will impart high level education in fields like IT, Management, languages, philosophy etc. We are also considering setting up a few multi-speciality hospitals in the region. A

special package for Tajikistan is under implementation and this includes industrial projects like fruit and vegetable processing, an entrepreneurship development centre, an IT centre for excellence, language laboratory for teaching English and Hindi and emergency medical centres.

- 2. Another flagship project for connecting India with Central Asia through e-network for delivery of tele-education and tele-medicine has been announced. Bids have been called for Project Manager-cum-Consultant (PMC) for implementation of the project. The bids are presently under evaluation.
- 3. The Government of India had already approved the formation of the Special Purpose Vehicle (SPV) for the Turkmenistan-Afghanistan-Pakistan-India (TAPI) Pipeline Project and to permit GAIL India Ltd. to join the SPV.
- 4. The SPV will take up the Feasibility Study and Design work of the TAPI pipeline to meet the agreed timelines for the project, as well as search for a consortium lead.
- 5. The Committee will be kept apprised of India's effort for execution of the TAPI Project.

(File No. AA/PARL/125/62/2013)

#### (Recommendation No. 27)

The Committee observe that South Asian University (SAU) Act was passed by the Parliament in 2008 and it was notified in January, 2009. The first academic session commenced in August 2010 and during 2012-13, the University work with 323 students and 57 faculty members. At present, the SAU is working from Akbar Bhawan. It is very painful to observe that they are paying around Rs. 1.5 crores as rent every month. They have 5.32 acres of land in possession since 2010. But they have still not reached upto the Master Layout Plan level. The Committee, therefore, strongly recommend that South Asian University (SAU) authorities must expedite the process of pre-construction activities and initiate the construction process, on the undisputed area, particularly in view of higher rental liabilities. Committee note that out of the annual projection of Rs. 557.60 crores, only Rs. 43 crores have been allocated at BE stage which will not even be able to cover the operational costs of the projects. The Committee, therefore, desire that for SAU allocation should be enhanced during RE stage as per their actual annual budgetary projections so that it is able to fulfil its obligations.

The Committee also observe that SAU is not able to get desired number of experts/faculty to run the specific courses in the University. The Committee, therefore, desire that SAU should also find non-SAARC experts with expertise in South Asia so that the University could truly emerge as a pan South Asian Institution.

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

The Committee's recommendations pertaining to the South Asian University (SAU) have three components. Action Taken Replies to these three recommendations are furnished below:

- III. With regard to the Committee's recommendation that South Asian University (SAU) authorities must expedite the process of preconstruction activities and initiate the construction process, on the undisputed area, the SAU has, on May 10, 2013, conveyed the following with regard to its construction project at Maidan Garhi:
  - (i) The contour survey of the plot to establish topography, details of vegetation/trees have been prepared. Also soil investigation has been done to facilitate foundation design of structures.
  - (ii) Master Layout Plan of the project has been approved by the Building Works Committee of SAU and estimate framed on this plan has been submitted to MEA for approval and release of funds.
  - (iii) Layout plan already submitted to the South Delhi Municipal Corporation for approval, after obtaining NOC from the DDA.
  - (iv) Application for environmental clearance of the project filed with Delhi Pollution Control Committee which is under process of approval after examination by the State-level Expert Assessment Committee (SEAC).
  - (v) A leading Project Management Consultancy firm, namely M/s Tata Consulting Engineers Ltd. has already been engaged for project management activities of the construction project.

SAU has also conveyed that it is ready to take up the construction activity as soon as statutory clearances are obtained and funds are made available to them.

This Ministry got a communication from DDA on May 6, 2013 that it has allotted land measuring 17397.85 sqm in an isolated pocket adjacent to the SAU's plot including few pockets of Gram Sabha land in lieu of the land affected by proposed Master Plan/Zonal Plan Road with the approval of the Hon'ble Lieutenant Governor of Delhi. In order to proceed further on the construction of the campus at the land, this Ministry has requested DDA vide its letter of May 9, 2013 to take urgent action on the following:

- (d) Intimate the date on which MEA could take over the land from DDA formally, as has been done on the previous two occasions.
- (e) Issue a revised NOC to enable SAU to obtain approval of the civic bodies to its Master Layout Plan; and

(f) Get the revised boundary physically marked on the ground to enable the SAU to construct the boundary wall.

A reminder letter to DDA has been issued.

- IV. With regard to Committee's recommendation that allocation for SAU should be enhanced during RE stage as per their actual annual budgetary projections so that it is able to further its obligations, the Finance Division of this Ministry has conveyed that the initial allocation at the BE stage for SAU is Rs. 43 crore. This was the allocation which could be made within the overall non-plan allocation of Rs. 8719 crore for BE 2013-14. The augmentation at RE stage would depend upon the RE 2013-14 ceiling, the augmentation in the Supplementary Demands for Grants, if acceded to by the Ministry of Finance and also any foreseen savings in any other head of account during the course of the FY. The Ministry proposes to project the demand in the first Batch of Supplementary Demands for Grants.
- III. Committee's recommendation that SAU should also find non-SAARC experts with expertise in South Asia is being conveyed appropriately to SAU.

(File No. AA/PARL/125/62/2013)

#### (Recommendation No. 29)

The Committee in their reports over the years have recommended to the Ministry to enhance budgetary allocation for Indian Council for Cultural Relations (ICCR) in view of emerging contours of cultural diplomacy. The Committee note that it is essential to expand the network of Indian Cultural Centres and establishment of chairs abroad, however, these endeavours will be requiring additional funds. With the funds allocated to ICCR, they are not even able to manage the established Centres outside India, then how can they think about new centres? The Committee observe that though the matter of enhanced allocation has been taken up even at PMO level, but not much headway is made. The Committee, therefore, once again strongly recommend that the Ministry should be allocated additional funds to ICCR at RE stage in view of their proposed requirements and further expansion. However, at the same time, the Committee suggest that ICCR must explore alternative ways to generate revenue for conduct of its regular activities.

# **Reply of the Government**

For enhancement of budget allocation up to BE of Rs. 282.50 Cr for the CFY 2013-14, Finance Division of MEA is being requested to take up the matter at appropriate level and at appropriate stage i.e. at Ist Batch of Supplementary or at RE stage. FS is also being requested to approach the Finance Secretary in this regard.

As far as generation of revenue is concerned, there is little scope of revenue generation for ICCR being an Indian Culture Promotion Agency propagating Indian Culture in abroad. However, the Indian Cultural Centres in abroad have been advised to charge registration fees and periodical nominal tuition fees from the foreign students while imparting training in various streams viz Yoga, Dances etc. But no substantial receipt is reported from any of the Centres fearing low turnout which defeats the very purpose of propagation of Indian Culture in abroad.

The Council has also explored for ticketing of shows, Public – Private Partnership and Corporate sponsoring of events.

Further, the Council has certain revenue generation areas as depicted below which contribute very meager income:

- 6. Sale of Publications
- 7. Summer Camp/Study tour Fee
- 8. Sale of Africa Quarterly
- 9. Admn expenses from British library
- 10. Rental income from Auditorium/Art Gallery/Foyer

(File No. AA/PARL/125/62/2013)

NEW DELHI 23 August, 2013 Bhadrapada 01, 1935 (Saka) ANANTH KUMAR, Chairman, Standing Committee on External Affairs

# **Appendix-I**

# MINUTES OF THE TWENTY-EIGHTH SITTING OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS HELD ON $14^{\mathrm{TH}}$ AUGUST, 2013

The Committee sat on 14<sup>th</sup> August 2013 from 1510 hrs. to 1600 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

# **PRESENT**

#### Shri Ananth Kumar – Chairman

# MEMBERS LOK SABHA

- 2. Shri Bhudeo Choudhary
- 3. Shri Suresh Kalmadi
- 4. Shri Jose K. Mani
- 5. Shri Gobinda Chandra Naskar
- 6. Dr. Bhola Singh
- 7. Shri Inder Singh Namdhari

# **RAJYA SABHA**

- 8. Dr. Najma A. Heptulla
- 9. Dr. Karan Singh
- 10. Shri D. P. Tripathi

#### **SECRETARIAT**

- 1. Dr. Ram Raj Rai Director
- 2. Smt. Rita Jailkhani Additional Director

- 2. At the outset, the Chairman welcomed Members to the sitting of the Committee.
- 3. The Committee then took up for consideration the draft Report on Action Taken by Government on the recommendations contained in the 20<sup>th</sup> Report (15<sup>th</sup> Lok Sabha) of the Committee on Demands for Grants of the Ministry of External Affairs for the year 2013-14. The Chairman invited the Members to offer their suggestions, if any, for incorporation in the draft Report. The Members suggested some minor modifications.
- 5. The Committee then adopted the draft Report and authorized the Chairman to finalize the Action Taken Report incorporating the suggestions made by the Members and present the same to Parliament.

The Committee then adjourned.

#### (Vide Para 4 of Introduction of Report)

# ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE TWENTIETH REPORT OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS (15<sup>TH</sup> LOK SABHA)

(i) Total Number of Recommendations

29

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

Recommendation Nos. 1, 5, 6, 7, 10, 14, 16, 18, 19, 20, 22, 23, 26 and 28.

Total-14

Percentage: 48.28%

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

Recommendation Nos. NIL.

Total-00

Percentage: 00.00%

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

Recommendation Nos. 13 and 25.

Total- 02

Percentage: 6.90%

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

Recommendation Nos. 2, 3, 4, 8, 9, 11, 12, 15, 17, 21, 24, 27 and 29

Total-13

Percentage: 44.83%