

STANDING COMMITTEE

ON EXTERNAL AFFAIRS

THIRTEENTH LOK SABHA

**DEMANDS FOR GRANTS
2003-2004**

ELEVENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 2003/Chaitra, 1925 (Saka)

CONTENTS

COMPOSITION OF THE COMMITTEE (2003)

INTRODUCTION

REPORT

| | | | |
|--|----|--|--|
| | A. | Introductory | |
| | B. | Budgetary Proposals | |
| | C. | Rents, Rates, Taxes | |
| | D. | Advertising and Publicity | |
| | E. | Embassies and Missions | |
| | F. | Passport and Emigration | |
| | G. | Demarcation of Boundaries | |
| | H. | Indian Council of Cultural Relations (ICCR) | |
| | I. | Indian Council of World Affairs (ICWA) | |
| | J. | Financial Allocations for Government of Bhutan | |
| | K. | Financial Allocations for Government of Bangladesh | |
| | L. | ITEC Programme | |
| | M. | Pravasi Bhartiya Divas | |
| | N. | Propagation of Hindi through Missions Abroad | |
| | O. | Foreign Service Training Institute | |
| | P. | Trade & Investment Promotion | |
| | Q. | Capital Section | |

APPENDICES

- I. Minutes of the Sitting of the Committee held on 24.3.2002*
- II. Minutes of the Sitting of the Committee held on 3.4.2002*
- III. Statement of Observations/Recommendations*

**COMPOSITION OF THE STANDING
COMMITTEE ON EXTERNAL AFFAIRS (2003)**

Smt. Krishna Bose - *Chairperson*

MEMBERS

LOK SABHA

2. Shri E. Ahamed
3. Shri R.L. Bhatia
4. Shri Satyavrat Chaturvedi
5. Shri Mohan S. Delkar
6. Shri Bikram Keshari Deo
7. Shri Adv. George Eden
8. Smt. Maneka Gandhi
9. Shri Holkhomang Haokip
10. Dr. A.D.K. Jeyaseelan
11. Shri P. Kumarasamy
12. Shri Suresh Kurup
13. Shri Zora Singh Mann
14. Shri Prakash V. Patil
15. Shri Suresh Prabhu
16. Shri Saiduzzama
17. Shri Dileep Sanghani
18. Smt. Minati Sen
19. Shri Saleem Iqbal Shervani
20. Shri Sushil Kumar Shinde
21. Shri Chandra Vijay Singh
22. Smt. Shyama Singh
23. Dr. S. Venugopal
24. Vacant
25. Vacant
26. Vacant
27. Vacant
28. Vacant
29. Vacant
30. Vacant

RAJYA SABHA

31. Shri S.M. Laljan Basha *
32. Shri R.P. Goenka
33. Shri K. Jana Krishnamurthy \$
34. Shri Ranganath Misra
35. Shri M. Venkaiah Naidu
36. Shri P.G. Narayanan
37. Shri Fali S.Nariman
38. Shri Kuldip Nayyar
39. Shri Mahendra Prasad
40. Shri R. Shunmugasundaram
41. Dr. Karan Singh
42. Dr. L.M. Singhvi
43. Shri K. Natwar Singh
44. Sardar Gurcharan Singh Tohra
45. Vacant**

SECRETARIAT

- | | | | |
|----|------------------|---|-----------------------------|
| 1. | Shri John Joseph | - | <i>Additional Secretary</i> |
| 2. | Smt. P.K. Sandhu | - | <i>Joint Secretary</i> |
| 3. | Shri P.K. Grover | - | <i>Director</i> |
| 4. | Shri R.K. Saxena | - | <i>Under Secretary</i> |

* Dr. C. Narayana Reddy ceased to be Member of the Committee w.e.f. 24.01.2003 consequent upon his change of nomination from the Standing Committee on External Affairs to the Committee on Science and Technology , Environment and Forests. Shri S.M. Laljan Basha nominated to the Committee w.e.f. 14.03.2003.

** Shri Arun Jaitley ceased to be Member of the Committee consequent upon his appointment as Minister w.e.f. 29.1.2003

\$ Nominated to the Committee w.e.f. 27.02.2003

INTRODUCTION

I, the Chairperson, Standing Committee on External Affairs having been authorised by the Committee to submit the report on their behalf, present this Eleventh Report on Demands for Grants of the Ministry of External Affairs for the year 2003-2004.

2. The Committee examined/scrutinized the Demands for Grants pertaining to the Ministry of External Affairs for the year 2003-2004 which were laid on the table of the House on 12th March, 2003.

3. The Committee took evidence of the representatives of the Ministry of External Affairs on 24th March, 2003. The Committee wish to express their thanks to the officers of the Ministry of External Affairs for placing before the Committee the material and information which they desired in connection with the examination of the Demands for Grants of the Ministry for the year 2003-2004 and for giving evidence before the Committee.

4. The Committee considered and adopted the report at their sitting held on 3rd April, 2003.

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

NEW DELHI
3 April, 2003
13 Chaitra, 1925 (Saka)

KRISHNA BOSE,
Chairperson,
Standing Committee on External Affairs

REPORT

A. INTRODUCTORY:

The Demands for Grants of the Ministry of External Affairs for the year 2003-2004 were laid on the Table of the Lok Sabha on 12th March, 2003. The budget of the Ministry of External Affairs is primarily non-Plan. From the financial year 1996-97 onwards, a 'Plan' Budget head was created with the approval of the Union Cabinet for meeting the large expenditure outlay on the projects namely Tala Hydro-electric Project, Kurichu Hydro-electric Project and Dungsum Cement Project, being executed with Government of India assistance in Bhutan. These projects are being funded from "Plan" Budget. The allocation under the Plan Head was Rs. 600.00 crore in BE 2002-2003 which was reduced to Rs. 550 crore at RE stage. In BE 2003-2004, an allocation for Plan and Non-Plan expenditure under the Head "Aid to Bhutan" has been proposed at Rs. 644.00 crore while Rs. 248.00 crore for Plan expenditure under the Head "Loan to Govt. of Bhutan" has been proposed. Besides the three ongoing mega projects, as informed by the Ministry during examination of Demands for Grants for the year 2002-2003, two new Hydro-Electric Projects in Bhutan viz; Mangdechu Hydro-Electric Project and Punatsangchu Hydro-Electric Project were to be launched in the financial year 2002-2003 for which token budgetary provision had been kept for preliminary feasibility work in consultation with the Planning Commission. The Ministry have however now informed that one new project viz. Punatsangchu Hydro-Electric Project has been identified for implementation in future.

2. The Committee took evidence of the representatives of the Ministry of External Affairs on 24th March, 2003 on issues arising out of Demands for Grants of the Ministry of External Affairs under Demand No.30 for the year 2003-2004.

B. BUDGETARY PROPOSALS:

3. Demand No. 30 pertaining to the Ministry of External Affairs contains the figures of Revenue as well as Capital Expenditure under the Charged and Voted Sections for the year 2003-2004 as per details given below:-

(Rs. in crores)

| Section | Revenue | Capital | Total |
|----------------|----------------|----------------|--------------|
| Charged | 0.03 | - | 0.03 |
| Voted | 3038.96 | 371.01 | 3409.97 |
| Total | 3038.99 | 371.01 | 3410.00 |

4. The total allocation in BE 2002-2003 for Ministry of External Affairs under Revenue and Capital Sections was Rs. 3238.34 crore. This allocation was proposed to be lowered by Rs. 38.34 crore in RE 2002-2003 to Rs.3200.00 crore which constituted 1.18% reduction over BE. For BE 2003-2004, the proposed allocation is Rs. 3410.00 crore which is an enhancement over RE 2002-2003 and BE 2002-2003 by Rs.210.00 crore (6.56%) and Rs. 171.66 crore (5.30%) respectively.

5. The BEs of different Major Heads and Minor Heads for the year 2003-2004 are shown separately as under:-

Budgetary Estimates (BE) of Major Heads and Minor Heads under Demand No. 30 for the year 2003-2004:

| (Rs. in crores) | | | | |
|------------------------|--|--|---------------------|----------------|
| Section | Major Head | Minor Head | BE 2003-2004 | Total |
| Revenue | 2052-Secretariat -General Services | | | 129.39 |
| | | 00.090-Secretariat | 128.92 | |
| | | 00.800-Other Expenditure | 0.47 | |
| | 2061-External Affairs | | | 1892.51 |
| | | 00.003-Training | 2.15 | |
| | | 00.101-Embassies & Missions | 811.43 | |
| | | 00.103-Special Diplomatic Expenditure | 824.52 | |
| | | 00.104-International Conferences/Meetings | 1.17 | |
| | | 00.105-Passport & Emigration | 103.87 | |
| | | 00.106-Entertainment Charges | 26.00 | |
| | | 00.798-International Cooperation | 39.12 | |
| | | 00.800-Other expenditure | 84.25 | |
| | 2070-Other Administrative Services | | | 35.00 |
| | | 120-Payment to State Governments/ Union Territories for Administration of Central Acts and Regulations | 35.00 | |
| | 2075-Miscellaneous General Service | | | 00.01 |
| | | 00.791-Loss by Exchange | 00.01 | |
| | 3605-Technical and Economic cooperation With other countries | | | 982.07 |
| | | 00.101-Cooperation with other countries | 982.07 | |
| | | Total – Revenue Section | | 3038.99 |
| Capital | 4059-Capital Outlay on Public Works | | | 68.00 |
| | | 60.051-Construction | 68.00 | |
| | 4216-Capital Outlay on Housing | | | 35.00 |
| | | 01.700-Other Housing | 35.00 | |

| | | | | |
|--|--------------------------------|-------------------------------------|--------|----------------|
| | 7605-Advances to Foreign Govt. | | | 268.01 |
| | | 00.098-Loans to Govt. of Bangladesh | 20.00 | |
| | | 00.097-Loans to Govt. of Bhutan | 248.00 | |
| | | 00.095-Loans to Govt. of Nepal | 00.01 | |
| | 7615-Miscellaneous Loans | | | |
| | | 00.200-Miscellaneous loans | 00.00 | |
| | | Total - Capital Section | | 371.01 |
| | | Total – Grant No.30 | | 3410.00 |

6. The overall budgetary position for the year 2002-2003 and the proposed allocations for the year 2003-2004 under the Revenue and Capital Section under both the Plan and Non-Plan Heads, are given below:

(Rs. in crores)

| | BE 2002-2003 | | RE 2002-2003 | | BE 2003-2004 | |
|--------------------|----------------|--------|----------------|--------|----------------|--------|
| | Non Plan | Plan | Non Plan | Plan | Non Plan | Plan |
| Revenue Section | 2454.54 | 365.60 | 2545.18 | 335.60 | 2636.99 | 402.00 |
| Capital Section | 183.80 | 234.00 | 104.82 | 214.40 | 123.01 | 248.00 |
| Total | 2638.34 | 600.00 | 2650.00 | 550.00 | 2760.00 | 650.00 |
| Grand Total | 3238.34 | | 3200.00 | | 3410.00 | |

Variation between RE 2002-2003 and BE 2002-2003 = (-)38.34 crore = 1.18%

Variation between BE 2003-2004 and RE 2002-2003 = 210.00 crore = 6.56%

Variation between BE 2003-2004 and BE 2002-2003 = 171.66 crore = 5.30%

7. Allocation of funds at RE stage to the Ministry, actual expenditure and the unspent balances from the year 1996-97 onwards are given as under:-

(Rs. in crores)

| Year | Total Grant (RE) | Actual Expenditure | Unspent Balance |
|-----------|------------------|--------------------|-----------------|
| 1996-1997 | 1357.92 | 1286.42 | 71.50 |
| 1997-1998 | 1553.42 | 1509.03 | 44.39 |
| 1998-1999 | 2236.17 | 2073.76 | 162.41 |
| 1999-2000 | 2249.44 | 2133.16 | 116.28 |
| 2000-2001 | 2720.72 | 2488.85 | 231.87 |
| 2001-2002 | 2830.00 | 2624.55 | 175.45 |
| 2002-2003 | 3200.00 | - | - |

8. The comparative figures indicating BE, RE and Actual Expenditure from the year 1999-2000 onwards and the BE for the year 2003-2004 are shown as under:-

(Rs.in crores)

| Major Head | BE 1999-2000 | RE 1999-2000 | Actuals 1999-2000 | BE 2000-2001 | RE 2000-2001 | Actuals 2000-2001 | BE 2001-2002 | RE 2001-2002 | Actuals 2001-2002 | BE 2002-2003 | RE 2002-2003 | BE 2003-2004 |
|--|----------------|----------------|-------------------|----------------|----------------|-------------------|----------------|----------------|-------------------|----------------|----------------|----------------|
| 2052-Sectt.Gen. Services | 86.11 | 89.28 | 87.99 | 101.50 | 111.70 | 107.971 | 120.31 | 121.46 | 118.68 | 123.70 | 123.67 | 129.40 |
| 2061-External Affairs | 1212.87 | 1281.99 | 1219.50 | 1387.67 | 1527.40 | 1380.53 | 1706.34 | 1683.18 | 1604.16 | 1809.70 | 1806.42 | 1892.50 |
| 2070-Other Administrative Services | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 21.93 | 35.00 |
| 2075-Miscellaneous General Services | 0.01 | 0.01 | 0.00 | 0.01 | 0.00 | 0.00 | 0.01 | 0.01 | 0.00 | 0.01 | 0.01 | 0.01 |
| 3052-Shipping | 0.01 | 0.01 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | - | - | 0.00 | 0.00 |
| 3053-Civil Aviation | 0.01 | 0.01 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | - | - | 0.00 | 0.00 |
| 3605-Technical & Economic Cooperation with other Countries | 641.44 | 594.12 | 572.80 | 731.50 | 716.80 | 660.69 | 709.07 | 729.72 | 631.84 | 886.73 | 928.75 | 982.07 |
| 4059-Capital Outlay on Public Works | 70.00 | 60.00 | 63.49 | 70 | 64.00 | 53.65 | 67.20 | 50.78 | 25.43 | 67.20 | 22.66 | 68.00 |
| 4216-Capital Outlay on Housing | 30.00 | 20.00 | 13.83 | 30 | 25.00 | 26.13 | 27.00 | 27.42 | 8.39 | 36.59 | 42.15 | 35.00 |
| 7605-Advances to Foreign Govts | 169.01 | 204.01 | 175.55 | 305.01 | 275.81 | 259.86 | 253.46 | 217.43 | 236.05 | 314.41 | 254.41 | 268.01 |
| 7615-Miscellaneous Loans | 0.01 | 0.01 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | - | 0.00 | 0.00 |
| Total | 2209.47 | 2249.44 | 2133.16 | 2625.72 | 2720.72 | 2488.85 | 2883.39 | 2830.00 | 2624.55 | 3238.34 | 3200.00 | 3410.00 |

9. Explaining the budgetary proposals of the Ministry of External Affairs, the representative of the Ministry informed the Committee during evidence as under:

“So far as the position of the total budget is concerned, the Budget Estimates, at the beginning of the year like, we are doing for 2003-2004, was Rs. 3238.34 crore for MEA. At the RE stage, during the middle of the year, it was reduced to Rs. 3200 crore. Now this reduction was on account of a perception that the plan allocation for Tala Project, Bhutan should not be Rs. 600 crore, but Rs. 550 crore. At that stage, the expenditure levels reported did not justify more than Rs. 550 crore, according to the people who take this decision. But lately, we have got it restored. So, ultimately, what will happen is that our final estimate stage provisioning will be Rs. 3250 crore as against the Budget Estimate of Rs. 3238.34 crore, which will be higher than the Budget Estimate. We are also trying to see that timely readjustment between the divisions are made and the surrender is reduced to the bare minimum. There might still be some surrender but I am happy that this year, the level of surrender will be much less. It may be in the range of Rs. 30 crore to Rs. 40 crore as against Rs. 258 crore of the previous year. We are trying to make it more realistic.”

10. In regard to the increase in budgetary allocations for 2003-2004 over the previous year, the witness stated as under:-

“Now, as to where this increase is coming? This increase between the RE of this year level and the BE of next year is a sum of Rs. 210 crore. Broadly, of this Rs.100 crore is coming under plan. That is to go towards the completion of Tala Project. Then advances to foreign Governments. That is a credit line that has an increase of Rs. 14 crore and the capital expenditure is increasing, that is the construction or purchase of chanceries and Embassy residence. This makes up the incremental amount for the most parts, barring three or four per cent escalation which does take place in the normal course, sometimes also added upon by the exchange rate fluctuation, which is often against us rather than for us in the case of Indian rupee.”

11. As regards non-utilisation of allocated funds, the witness stated during the evidence as under:

“The problem of saving and surrender is endemic in the budget of the MEA, and the level has risen no doubt. We have given the figures which the Hon’ble Committee desired for the last 5 years. They will show that it has risen. The surrender level has risen from approximately Rs. 4 crore to Rs. 46 crore to Rs. 76 crore and then from Rs. 236 crore to Rs. 258 crore. The last, of course, we feel there was an aberration mainly because of mis-calculation under one head.

----- it is because of the Ministry. The major savings are in the area of capital expenditure, namely, construction of Chanceries and the Embassy residence wherever land was allotted or purchased or wherever purchase had to be made. The second area is technical and economic cooperation where savings

have been there in the past years. Take the example of 2001-02, that is the last financial year, there were savings worth Rs. 77 crore on the technical and economic cooperation, about Rs. 60 crore on the capital, and advances to foreign Governments Rs. 17 crore. This made up the most of the savings.”

12. On being asked as to what have been the reasons for non-utilization/under utilization of funds, the Ministry stated that the main reasons for non-utilization/under utilization of funds are delay in implementation of projects/schemes due to non-receipt of approvals from local Governments and postponement/deferment of certain activities because of change or uncertainty in external environment.

13. The Ministry in a written brief submitted to the Committee informed:

"In the RE 2002-2003, the following Heads have been included for new services:

- (i) Celebration of Pravasi Bharatiya Divas*
- (ii) India-Russia Eminent Persons Group*
- (iii) India-China Eminent Persons Group*
- (iv) Payment to States/Union Territories for passport works”*

14. On being asked about the detailed reasons for inclusion of these Heads at RE stage in 2002-2003, the Ministry stated that the Government of India has taken a decision to celebrate Pravasi Bharatiya Divas on 9th January every year with a view to create collective consciousness amongst people of Indian origin towards India. The expenditure was to be incurred on organising the Pravasi Bharatiya Divas Celebrations as also on conferment of Pravasi Bhartiya Samman Awards on an annual basis. About India-Russia Eminent Persons Group and India-China Eminent Persons Group, it was stated that the EPGs for Russia and China would meet periodically in India, Russia and China respectively and expenditure was required to be met on airfares by the country mounting the delegation and by the host country on hospitality

15. About the payment to States/Union Territories for passport works, it was stated that with the aim of providing quick and trouble free service to citizens and to meet the increasing demand, Passport Rules 1980 have been amended. The State Governments have been authorised to establish District Passport Centres in the State for receipt, scrutiny, verification and forwarding the applications to Passport Offices to reduce the waiting period for issuance of travel document and to facilitate the applicants. For the services rendered by the State Governments/Union Territories, they will be reimbursed an amount of Rs. 200/- per application.

16. The Ministry stated that the above schemes had been introduced after the finalisation of Budget Estimates 2002-2003 and being new services, separate heads with budgetary provisions, through re-appropriation, had been created.

17. It was pointed out that creation of new heads invariably require additional allocation of funds but contrary to that, allocation of Rs. 3238.34 crore at BE stage in 2002-2003 was reduced by the Ministry to Rs. 3200.00 crore at RE stage despite creation of four new heads. On being asked to explain the reasons for such reduction at RE stage, the Ministry stated:

“While creating new heads, a token supplementary of Rs. 1.00 lakh (each) were obtained with a commitment that the expenditure will be met out of matching savings within the budget grant of the Ministry. This has been possible through economy measures as well as close monitoring of expenditure under various heads. Some schemes for a variety of reasons did not progress as originally anticipated, resulting in surrender in such cases”

18. Elaborating the reasons for enhancement of Rs. 210.00 crore in BE 2003-04 over RE 2002-2003 particularly when the Ministry had reduced the allocation at RE stage for the year 2002-03, the Ministry stated:

“Annual budget grants, Budget Estimates and Revised Estimates, are finalised on the basis of projections made by the Ministry of External Affairs of its committed expenditure on on-going schemes/projects and additional activities that the Ministry proposes/anticipates to undertake during the year. The main reasons for enhancement of Rs. 210 crore in BE 2003-2004, compared with RE 2002-2003 are:

- i) Increased requirement of funds for Missions/Posts opened during the financial year 2002-2003,*
- ii) Fulfilment of commitments made at the level of EAM/PM, during the current financial year including humanitarian assistance to Africa, development assistance in diverse fields of Afghanistan etc., which are at initial states of processing and require increased allocations in the next financial year,*
- iii) Increased requirement of funds under Plan heads for implementation of mega projects in Bhutan particularly Tala Hydro-electric Project which will be on stream by end 2005, and*
- iv) Construction projects abroad which are at an advanced stage of processing under Capital Outlay.*

19. In their 9th Report (13th L.S.), the Committee had observed instances of large scale variations in expenditure. The Committee had therefore, recommended that the budgetary exercise in the Ministry should be taken up with all the seriousness it deserved taking into

account the necessary indicators like past trend of expenditure and the state of implementation of various schemes. The Ministry in their Action Taken Note (10th Report – 13th L.S.) stated that the advice of the Committee had been noted for guidance. In this context, the Ministry were asked to explain as to what mechanism has been evolved by them for accurate estimation of funds at BE/RE stage to avoid variations in the expenditure. The Ministry in a written reply stated as under:

“A mechanism has been evolved to closely monitor expenditure under various heads through interaction with the expending units/Division of the Ministry on a regular basis and corrective actions are being taken for better expenditure management.”

20. The Committee enquired as to the need to create a new major head 2070 when the different units of expenditure in passport related matters were already accounted for under the existing head 2061-00.105. The Ministry responded as under:

“The head ‘2061-00.105’ is meant for ‘Office Expenses’ relating to CPV Division and all RPO/Pos. The reimbursement to State Governments being new service, a new head has been created. A separate head also facilitates monitoring of expenditure on this account.”

21. The Committee’s examination of Demands for Grants of the Ministry of External Affairs for the year 2003-04 has revealed that projected budgetary allocation for 2003-04 at Rs. 3410.00 crore is Rs. 210.00 crore more than the RE of Rs. 3200.00 crore for 2002-03. The increased requirements of funds are stated to have been made to meet the expenditure for Missions/Posts opened during the financial year 2002-03, fulfillment of commitments made at the level of External Affairs Minister/Prime Minister, implementation of mega projects in Bhutan and construction of projects abroad. From the analysis of actual expenditure incurred by the Ministry during the past years, the Committee observe that the unspent balances which were Rs. 44.39 crore in 1997-98 had risen to the level of Rs. 231.87 crore in 2000-2001. The continuous and steep increase in unspent balances left with the Ministry year after year clearly demonstrates the unrealistic budgetary projections by the Ministry in each subsequent year ignoring the vital inputs of actual requirement of funds under different heads of the grant. The Committee have been emphasizing in their reports in the past years about the need of realistic budgetary projections. The Ministry

were candid to admit during evidence that the problem of saving and surrender was endemic in the budget of the MEA. The Committee strongly express their displeasure over this trend and recommend that every effort should be made for realistic projection of budgetary proposals under different heads of the grant taking into account not only the past trend of expenditure on a particular item but also all other factors affecting the actual disbursement of funds under the heads. The Committee trust that the budgetary allocations under different heads of the Grant will be fully utilized by the Ministry at least during the year 2003-04 with vigorous monitoring and even disbursement of funds commensurate with the progress of different activities/projects. The Committee would also like to emphasize that the Ministry should devise a mechanism to ensure that the allocated funds are not kept parked for whole of the year resulting in their ultimate surrender.

(Recommendation No. 1)

22. The Committee observe that the Ministry created four new heads namely (i) Celebration of Pravasi Bharatiya Divas (ii) India-Russia Eminent Persons Group (iii) India-China Eminent Persons Group, and (iv) Payment to States/Union Territories for passport works, at RE stage in 2002-03. The heads were created to meet the expenditure on organizing Pravasi Bharatiya Divas celebration and conferment of Pravasi Bharatiya Samman Awards, airfares and hospitality on India-Russia and India-China Eminent Persons Groups, and reimbursement of Rs. 200 per application to the State Governments/Union Territories for the services rendered by them in passport works. While the first three new heads are minor heads, the head “Payment to States/Union Territories for passport works” have been opened by the Ministry under a new major head “2070 – Other Administrative Services” with the initial allocation of Rs. 21.93 crore in RE 2002-03. The Committee observe that all the expenses being incurred in passport related matters are presently being accounted for under the existing head “2061- External Affairs – 00.105 – Passport and Emigration”. The reasoning given by the Ministry for creation of the new major head that the reimbursement to State Governments is a new service, is not at all acceptable to the Committee as the Demands for Grants clearly exhibit that expenditure being incurred under the “Passport and Emigration” (minor head) cover a variety of services not related to each other namely salaries, wages, overtime allowance, domestic travel expense, office expenses, rents, rates and taxes and professional services

etc. The Committee observe that the Ministry have not been able to furnish any plausible explanation for creating a new major head “2070” for reimbursement of cost of services rendered by State Government in passport matters. The Committee, therefore, recommend that the new major head “2070 – Other Administrative Services” exclusively created for reimbursement to the State Governments/Union Territories should be deleted and the appropriate sub-head under the existing head “2061- External Affairs – 00.105 – Passport and Emigration” should be created to cater to the new unit of expenditure for reimbursement of cost of passport related services rendered by States/Union Territories .

(Recommendation No. 2)

23. The Committee observe from the overall analysis of budgetary proposals during the last few years that the BE projection to meet the expenses of administrative natures vis-à-vis capital outlay exhibit a surprising phenomenon. To cite a few, BE under the head “2052 – Secretariat General Services” has gone from Rs. 86.11 crore in 1999-2000 to Rs. 129.40 crore in 2003-04 i.e. 50.27% rise, and BE under the Head “2061 -External Affairs” has gone from Rs. 1212.87 crore to Rs. 1892.50 crore in 2003-04 i.e. 56.03% rise but the BE under the head “4059- Capital Outlay on Public Works” has gone down from Rs. 70.00 crore to Rs. 68.00 crore during the same period and BE under the head “4216 – Capital Outlay on Housing” has shown only a marginal increase i.e. from Rs. 30.00 crore to Rs. 35.00 crore during the period. The Committee observe that this is a clear testimony of the functioning of the Ministry where the administrative expenses have shown a steep rise on one side and the expenses on Capital Outlay have either gone down or have shown a negligible increase during the period from 1999-2000 to 2003-04. The Ministry have not taken seriously the Committee’s oft repeated recommendations for early acquisition of properties and speedy completion of construction projects to enable it to reduce the rental liability of the Ministry. While expressing their anguish over such lopsided increase in the budgetary proposals, the Committee recommend the Ministry to initiate measures not only to enhance the budgetary allocations under the head Capital Outlay with well defined/time bound construction programmes but also to examine the feasibility of reducing the administrative expenses as far as possible.

(Recommendation No. 3)

C. RENTS, RATES, TAXES

a. Secretariat: 2052-02.00.14

(Rs. in crores)

| Year | BE | RE | Actual |
|-------------|-----------|-----------|---------------|
| 1998-1999 | 4.77 | 4.74 | 6.13 |
| 1999-2000 | 5.20 | 6.50 | 5.77 |
| 2000-2001 | 8.58 | 13.00 | 11.78 |
| 2001-2002 | 13.65 | 13.65 | 10.63 |
| 2002-2003 | 13.65 | 11.65 | - |
| 2003-2004 | 12.00 | - | - |

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

(Rs. in crores)

| Year | BE | RE | Actual |
|-------------|-----------|-----------|---------------|
| 1998-1999 | 130.31 | 138.75 | 145.97 |
| 1999-2000 | 149.85 | 163.34 | 156.23 |
| 2000-2001 | 165.00 | 167.00 | 157.25 |
| 2001-2002 | 175.00 | 180.00 | 170.68 |
| 2002-2003 | 189.44 | 188.44 | - |
| 2003-2004 | 195.02 | - | - |

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

(Rs. in crores)

| Year | BE | RE | Actual |
|-------------|-----------|-----------|---------------|
| 1998-1999 | 2.33 | 2.71 | 1.56 |
| 1999-2000 | 2.85 | 3.80 | 1.85 |
| 2000-2001 | 3.80 | 7.50 | 4.16 |
| 2001-2002 | 7.75 | 8.10 | 5.92 |
| 2002-2003 | 7.80 | 7.00 | - |
| 2003-2004 | 8.00 | - | - |

24. In response to a question as to what were the reasons for variation in BE and actual expenditure under these heads and what measures had been taken to avoid such variations, the Ministry in a written submission stated:

“The variation in BE and actual is due to delay in opening of new Passport Offices as also deferment of shifting of some of the Passport Office to a more spacious premises. Similarly the rental liabilities for Embassies and Missions are paid in hard currencies and major portion of the increases projected in Indian Rupees are on account of devaluation of Indian Rupees vis-à-vis major European currencies.

The Ministry have initiated several measures in the past few years to reduce the rental liabilities abroad. These include acquisition of properties for Chancery and residences of India-based officers and staff, construction of properties abroad, and signing of long-term lease-deeds with a view to keeping the rentals at low levels. Strict financial control is also being exercised to reduce the rental liabilities abroad.”

25. About the failure of the Ministry in accurate estimation of requirements under these heads even at RE stage, the Committee were informed as under:

“The main reasons for variation under these heads are, rising cost of property and municipality taxes, rising cost of maintenance, escalation of rents because of inflation and exchange rate fluctuations. Delay in receipt of necessary clearances and approvals also result in surrendering of funds to the extent required for renting of alternate Chancery premises/Residential accommodations/Passport Offices for which provisions are made at BE/RE stage.”

26. During the course of examination of Demands for Grants of the Ministry for the year 2002-03, similar question was posed to the Ministry about the projection of higher RE despite apparent trend of less requirement of funds. The position as explained then by the Ministry were narrated in para 22 of 9th Report of the Committee (13th L.S.). The same is reproduced below:-

“The Ministry were asked to state the reasons for projecting higher REs despite apparent trend of less requirement of funds as visible from the actual expenditure of previous year. The Ministry stated that major reasons were rising cost of property, municipal tax, electricity, maintenance, escalation of rents because of inflation and non-obtaining of necessary clearance and approvals in respect of shifting of some passport offices. On being asked as to what measures had been taken to avoid such variations, the Ministry stated that points had been noted for future compliance as far as possible.”

27. The following figures indicate the rental outgo of Ministry of External Affairs during the last 5 years and BE of 2003-2004:

| (Rs. in crores) | | | | |
|------------------------------|---------------------------------------|---|---|--------------|
| Year | Major Head 2052 – Sectt. (MEA) | Major Head 2061- External Embassies & Missions | Minor Head – Passport & Emigration | Total |
| 1998-99 (actual) | 6.13 | 145.97 | 1.56 | 153.66 |
| 1999-2000 (actual) | 5.77 | 156.23 | 1.85 | 163.85 |
| 2000-01 (actual) | 11.78 | 157.25 | 4.16 | 173.19 |
| 2001-02 (actual) | 10.63 | 170.68 | 5.92 | 187.23 |
| 2002-03 (BE) | 13.65 | 189.44 | 7.80 | 210.89 |
| (RE) | 11.65 | 188.44 | 7.00 | 207.09 |
| 2003-04 (BE) | 12.00 | 195.02 | 8.00 | 215.02 |

28. The above table indicates the increasing trend of total rental liabilities of the Ministry. In this context, the Ministry were asked to inform as to what plans have been devised by the Ministry to reduce the rental liability in the coming years. The Ministry replied:

“Considering the figures of the total Budget Estimates (BE) for 2003-2004 over 2002-2003, the percentage hike of 1.95 is negligible. Since the major portion of the rentals is under the Head 2061 for Missions abroad and the rentals are payable in hard currencies, savings in rentals get off-set due to appreciation of hard currencies against the Indian Rupee. The Ministry have identified Missions abroad where the rental liabilities are the highest. The Heads of Mission have been advised to short-list properties for purchase so that rental liabilities can be reduced.”

29. In response to a question as to how many properties in India and abroad had been acquired on rent by the Ministry of External Affairs during the year 2002-03 and what was their rental outgo, the Ministry stated:

“Properties have been acquired abroad on rent in Herat, Mazar-e-Sharif, Kandahar and Mandalay, where new Consulates general were opened during the year 2002-2003. Properties for Chancery, Embassy Residence and other residences of the Ambassador-at-Large in the USA were also acquired on rent. Annual rental outgo during 2002-2003 for the Consulates in Afghanistan is Rs. 59,98,650/- and for the properties rented for the Ambassador-at-Large is Rs. 2,11,66,304/-.”

30. Details regarding properties taken on rent in India by the Ministry during 2002-2003 are as follows:-

| Sl.No. | Passport Office | Purpose for which acquired | Rental outgo per annum (Rs.) |
|---------------|------------------------|-----------------------------------|-------------------------------------|
| 1. | Ranchi | Office Building | 3,47,724 |
| 2. | Guwahati | Additional Office Space | 2,87,460 |

31. The Ministry were also asked to intimate as to how many offices and residential accommodations in India and abroad had been shifted by the Ministry from rented premises to their own constructed/purchased buildings and how much amount as rental savings had been made during the year 2002-03. As per details furnished by the Ministry, the offices/residence shifted to Government owned premises during the year 2002-2003 and the rental savings are as under:-

(Rs. in lakhs)

| Sl.No. | Offices/Residence shifted to Govt. owned premises | Annual Rental Savings |
|--------|---|-----------------------|
| 1. | The Indira Gandhi Centre for Indian Culture (IGCIC) Office and 8 residences | 18.45 |
| 2. | Permanent Representative of India to the UN | 112.00 |
| 3. | Passport Office, Patna | 5.56 |
| 4. | Passport Office, Panaji | 5.04 |
| | Total | 141.05 |

32. The Committee in their 9th Report (13th L.S.) had recommended the Ministry to draw a comprehensive long term policy to gradually accommodate all their offices, Missions, residences in their own buildings to be acquired/constructed in a time-bound matter with adequate budgetary support and regular monitoring. The Ministry in their action taken note (10th Report – 13th L.S.) had stated that as a part of the long term policy, it has been aiming to acquire and construct own properties through short and medium term planning and the Heads of Missions and Posts are sounded from time to time to send comprehensive proposals to the Ministry for examination so that based on economic viability of the proposals, decisions can be taken. In this context, the Ministry were asked to inform as to whether a comprehensive long term policy as recommended by the Committee, had been drawn by the Ministry to gradually accommodate all their offices, Missions, residences in their own building to be acquired/constructed in a time-bound manner. The Ministry informed that in order to draw a long term policy to accommodate all offices, Missions, residences in its own buildings, the Ministry had identified the Missions abroad where rental liabilities are the most. As per information supplied by the Ministry, the stations where high rentals are being paid are as under:

| Sl. No. | High Rental for Chancery Buildings | High Rental for Embassy Residence Building | Collective rentals On account of Large size of Mission |
|---------|------------------------------------|--|--|
| 1. | Prague | Geneva | Kathmandu |
| 2. | Chicago | Baku | Dhaka |
| 3. | Houston | Sofia | Moscow |
| 4. | Muscat | Tashkent | Beijing |
| 5. | Sanghai | Panama | |

33. The budgetary allocations for construction/purchase of buildings during the year 2003-04 as informed by the Ministry, are as under:

| (Rs. in crores) | |
|--|----------------------------------|
| Particulars of the Work | Provision in Budget 2003-2004 |
| I. Purchase of Built up Property | 40.75 |
| II. R & M of Govt. owned property | 25.00 |
| III. Construction Projects | |
| 1. Muscat (Chancery, Embassy Residence & Essential staff quarters) | 9.00 |
| 2. Foreign Service Institute | 6.00 |
| 3. ICCR Calcutta | 5.25 |
| 4. Port of Spain (Mahatma Gandhi Institute for Cultural Cooperation) | 5.00 |
| 5. Misc. (Tashkent, Beijing, Gaborone, Videsh Bhawan, Moscow, Videsh Bhawan Kolkata, Asian-African Legal Consultative Organization (AALCO) Hqrs., Chanakyapuri Housing, Kathmandu, etc.) | 12.00 |
| TOTAL | 103.00 |

34. The Ministry were asked to elaborate the short and medium term planning made by them and also to indicate as to how many proposals in all had been finalized by the Ministry during each of last three years. The Ministry informed:

“As a short-term measure the Ministry have identified the properties on the basis of the high rental being paid by the Government of India and the possibility to acquire/construct our own buildings. Ministry have accorded impetus to the construction and renovation projects, which were under consideration for a long time. The present strategy is under which the Ministry is currently working may be termed as short-term, as well as, a medium term policy to acquire its own properties.”

35. The Ministry were asked as to how many Missions/Posts had sent the comprehensive proposals during each of the last three years to the Ministry for construction/ purchase of properties and what had been the Ministry’s response to these proposals. The information furnished by the Ministry in writing in this regard is reproduced below in tabular form:

| Year | Missions/Posts from where Proposals received for purchase of Properties | Decision Taken/Progress |
|------|---|--|
| 2000 | Sydney (Ten Flats for Staff Members) Toronto (Chancery) Rome (Chancery) Jaipur (Passport Office) | No decision Taken -do- -do- Construction at planning stage |
| 2001 | Damascus (purchase of alternate Chancery) Seol (6 apartments for staff) New York (addl. Space for Chancery) Buenos Aires (alternate Chancery) | Chancery purchased 3 apartments purchased Some additional documents were asked for which could not be provided Could not materialise as the alternate use or sufficient return via disposal of the existing chancery building could not be ensured. |
| 2002 | Ulaanbaater (Chancery and residential Complex) Panama (alternate Embassy residence) Buenos Aires (Embassy residence) Prague (Chancery) Bangkok (addl. Plot for Chancery) Dushanbe (Chancery) Construction proposals for Chancery Complex received afresh: <i>Kathmandu</i> <i>Paramaribo</i> <i>Kuwait</i> <i>Phuentsholling</i> <i>Canberra</i> <i>Dar-es-Salaam</i> | Not found economically viable. -do- Visit of team to examine the proposal deferred due to Argentinian economy crisis. Utilization doubts raised. Being examined further Addl. inputs awaited from Mission Suitability of the property being assessed A few of them have been approved. Others are under active consideration of the Ministry |

36. On being asked, the Ministry furnished a list of properties presently under construction, date of original approval of the project, total estimated cost, expenditure incurred so far, progress of construction and expected date of completion, in respect of each property.

| Particulars Of the Work | Date of original approval | Estimated cost of the work | Expenditure Incurred till End of January, 2003 | Progress of Construction | Expected Date of Completion | Cost/time Overrun, if any |
|--|---------------------------|----------------------------|--|---|-----------------------------|--|
| 1. Foreign Service Institute | May, 99 | Rs. 23.65 crore | Rs. 7.96 crore | Construction of Institute and hostel blocks is in progress. Planning for residences is in process and the work is expected to start in Sept., 2003. | May 2004 | No assessment of cost overrun as yet. (being constructed by CPWD) |
| 2. ICCR, Kolkata | April,99 | Rs. 14.75 crore | Rs. 2.27 crore | Pile foundation Completed. Contract for Superstructure awarded | April, 2005 | Construction of the superstructure is slow. Consultants have been asked to clarify |
| 3. Asian-African Legal Consultative Organization (AALCO) Hqrs. | April,97 | Rs. 4.46 crore | Rs. 2.5 crore | Excavation for foundation and basement completed | April, 2004 | No assessment of cost overrun as yet. (Being constructed by CPWD) |
| 4. Gaborone (HC's Residence) | March,97 | Rs. 2.32 crore | Rs. 66.18 lakh | 75% of the construction has been completed | April, 2003 (Civil work) | Delay of 2 months |

37. In regard to acquisition of properties by purchase or construction, the Ministry informed as under:

“However, acquisition of properties by purchase or construction is made after establishment of the economic viability of the projects, which is worked out based on the cost of construction weighed against the rental option. Economic viability can be established only if the rentals being paid are excessively high as compared with the cost of construction/acquisition. Ministry examines each proposal on case-to-case basis in light of the above factors. Therefore, it is not economically viable to accommodate all offices, missions and residences in own buildings. However, based on the inputs received from the Missions regarding availability of the suitable built-up properties vis-à-vis purchase of plot and construct thereon, all proposals are examined favourably.”

38. The Committee in their 9th Report (13th L.S.) had observed that the Ministry had not taken any decision for more than three decades in constructing the Embassy complex on the plot gifted by the Government of Brazil in 1965. In response to the Committee's recommendations to prepare within 3 months a schedule of construction and to initiate all necessary steps to complete the project on priority basis, the Ministry in their Action Taken Note had furnished broad schedule of activities covering the time range from 1.7.2002 to 31.12.2005. The Committee in their 10th Report (13th L.S.) observed that the project had already been delayed for over 37 long years resulting in cost escalation from an estimated US \$ 3.37 lakh in 1971 to an estimated US \$ 20 Lakh in June, 2000 and the framework of time for construction had been unduly prolonged. The Committee, therefore, desired that the time span should be substantially shortened and the Ministry should make earnest efforts to complete the construction project in Brazil on priority basis. In this context, the Ministry were requested to indicate as to what steps had been taken by the Ministry in pursuance of the Committee's recommendation for shortening of time span of the schedule and early construction of Embassy Complex in Brazil, the Ministry informed as under:

“Though, the time schedule drawn for the project is a standard one for any project of this magnitude, all endeavours are being made to cut down the estimated time schedule by giving the project a top-priority. Local architects have been short-listed afresh to cut down any practical delays involving project management by an India-based architect. Design Brief for the project has been finalised and short-listed architects have been invited to participate in the design competition.”

39. **Examination of the expenses being incurred by the Ministry on account of rents, rates and taxes has revealed that there has been a wide gap between the actual expenditure and the budgetary projections under different heads. The reasons for variation in BE and actual expenditure under these heads have been stated to be the delay in opening of new Passport Offices, deferment of shifting of some of the Passport Offices to more spacious premises, payment of rentals in hard currencies, increased projection on account of devaluation of Indian rupees vis-à-vis major European currencies. The Committee observe that the Ministry have failed to make accurate estimation even at RE stage. They are surprised to find that unrealistic projection of budgetary requirements has become order of the day in the Ministry and the reasons cited therefor appear to be the explanations explored and submitted in a routine manner as is evident from the fact that the Ministry had cited similar reasons last year also for variation in BE/RE and actual expenditure under these heads. The assurances given by the Ministry last year have not yielded any**

results at ground level as the variation still continues. The proportion of unrealistic assessment of requirements under these heads have even grown at the RE level at least from the year 2000-2001. The actual expenditure was Rs. 157.25 crore in 2000-01 and Rs. 170.68 crore in 2001-02 under the head “Embassies and Missions : 2061 – 00.00.14”, against the BE/RE of Rs. 165.00/167.00 crore and Rs. 175.00/180.00 crore respectively during these years. Similarly under the head “Passport and Emigration : 2061 – 00.105 – 00.00.14”, the actual expenditure was Rs. 4.16 crore in 2000-01 and Rs. 5.92 crore in 2001-02 against the BE/RE of Rs. 3.80/7.50 crore and Rs. 7.75/8.10 crore respectively. The Committee are of the considered opinion that most of the reasons cited by the Ministry were not such as could not have been anticipated in advance and therefore, the Committee are not at all inclined to accept the explanations given by the Ministry in this regard. In the opinion of the Committee, the variation in actual expenditure and the BE/RE year after year clearly reflects the lack of seriousness with which the requirement of funds are assessed and budgetary projections are made under these heads. The Committee, therefore, strongly recommend the Ministry to take concrete steps at least now to make realistic budgetary projections in future taking into account all the inputs available with the Ministry and anticipated happenings in the financial year so as to avoid huge unspent balances at the close of the year.

(Recommendation No. 4)

40. The Committee observe that inspite of several recommendations of the Committee to reduce the rental liability of the Ministry, there is an alarming increasing trend which is evident from the fact that it has gone up from Rs. 153.66 crore in 1998-99 to Rs. 215.02 crore in 2003-04 which constitutes 39.93% increase during the last five years. The explanation of the Ministry that considering the total figure of BE for 2003-04 over 2002-03, the percentage hike of 1.95 is negligible, is in isolation and therefore does not present the true picture about the abnormal increase in the rental liabilities of the Ministry year after year. It is observed that only four offices/residences have been shifted to Government owned premises during the year 2002-2003 involving rental savings of mere Rs. 1.41 crore. The Committee find from the submission made by the Ministry that 14 Missions have been identified where rental liabilities are the most. These Missions are Prague, Chicago, Houston, Muscat, Sanghai, Geneva, Baku, Sofia, Tashkent, Panama, Kathmandu, Dhaka, Moscow and Beijing. Interestingly, the Ministry in their action taken note (10th report – 13th L.S.) had mentioned that the Heads of Missions and Posts are sounded from time to

time to send comprehensive proposals to the Ministry for examination so that based on economic viability of the proposals, decisions can be taken. But the Committee are surprised to find that despite Ministry's claim about sounding of Missions in this regard, only 3 Missions namely Prague, Panama and Kathmandu, out of the above 14 identified Missions, have sent the proposals for purchase of properties. Curiously enough, out of 20 proposals received during the last three years from 2000 to 2002, some of them being repetitions, only a few of them have materialized and most of them are still awaiting final decision. The Committee are unable to understand as to how the Ministry would be able to substantially reduce the rental liabilities in the near future. The Committee therefore recommend the Ministry to initiate immediate steps to acquire/purchase properties during the current year at least for the 14 Missions which have already been identified incurring high rentals. The Committee further recommend the Ministry to take early decisions in respect of all those proposals received from the Missions in the past but still lying undecided. The Committee would also like to emphasize the need for timely completion of all the ongoing construction projects and recommend the Ministry to initiate suitable measures in this regard.

(Recommendation No. 5)

41. The Committee had recommended in their 9th Report (13th L.S) that the Ministry should draw a comprehensive long term policy to gradually accommodate all their offices, Missions, residences in their own buildings to be acquired/constructed in a time-bound manner with adequate budgetary support and regular monitoring. The Ministry in their action taken note (10th Report-13th L.S.) had inter alia stated that as a part of the long term policy, it has been aiming to acquire and construct own properties through short and medium term planning. The Committee however observe that except follow-up of earlier proposals and recent identification of Missions, the Ministry have not been able to draw a long term comprehensive policy in this regard. The Ministry's view that it is not economically viable to accommodate all offices, Missions and residences in own buildings is also not acceptable to the Committee. In their opinion whether a property is on rent or there is delay in completion of construction projects or acquisition of built up properties, the ultimate result is loss for Exchequer. Considering the long term benefits, the Committee, therefore, strongly recommend the Ministry to devise a well defined long term

policy to accommodate their offices, Missions, residences in their own buildings to be acquired/constructed in time-bound manner with sufficient budgetary allocations and continuous monitoring, evaluation and control.

(Recommendation No. 6)

42. While observing that the Ministry had not taken any decision for more than three decades on construction of the Embassy complex on the plot gifted by the Government of Brazil in 1965, the Committee had recommended in their 9th Report (13th L.S.) the preparation within 3 months of a schedule of construction and to initiate all necessary steps to complete the project on priority basis. On examining the time schedule furnished by the Ministry, the Committee in their 10th Report (13th L.S.) had observed that the project had already been delayed for over 37 long years resulting in cost escalation from an estimated US\$ 3.37 lakh in 1971 to an estimated US\$ 20 lakh in June, 2000 and the time frame for construction ranging from 1.7.2002 to 31.12.2005 had been unduly prolonged. The Committee had therefore recommended for substantial shortening of time span and to make earnest efforts to complete the construction project in Brazil on priority basis. Instead of enumerating the specific steps taken in this regard, the Ministry have now just informed that “all endeavours” are being made to cut down the estimated time schedule by giving the project a top priority. The Committee would again emphasize the need for early completion of the project in Brazil not only by shortening the time span of construction work but also by regular follow-up and persuasion with the agencies concerned.

(Recommendation No. 7)

D. ADVERTISING AND PUBLICITY

a. Secretariat : 2052-02.00.26

(Rs. in crores)

| Year | BE | RE | Actual |
|-----------|-------|-------|--------|
| 1998-1999 | 12.75 | 14.00 | 10.50 |
| 1999-2000 | 16.50 | 11.00 | 10.10 |
| 2000-2001 | 17.50 | 13.00 | 15.06 |
| 2001-2002 | 17.50 | 20.00 | 22.52 |
| 2002-2003 | 20.00 | 20.25 | - |
| 2003-2004 | 23.50 | - | - |

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

(Rs. in crores)

| Year | BE | RE | Actual |
|-----------|-------|-------|--------|
| 1998-1999 | 15.23 | 17.50 | 13.15 |
| 1999-2000 | 22.50 | 22.38 | 15.68 |
| 2000-2001 | 23.65 | 24.40 | 15.18 |
| 2001-2002 | 25.62 | 19.68 | 15.08 |
| 2002-2003 | 25.62 | 25.34 | - |
| 2003-2004 | 25.64 | - | - |

43. The following table indicates the expenditure actually incurred during the past years and proposed to be spent during the year 2003-2004:

(Rs. in crores)

| Year | Major Head 2052-Sectt. | Major Head 2061-External Affairs(Embassies & Missions) | Total |
|-----------------------|------------------------|--|-------|
| 1998-99 (actual) | 10.50 | 13.15 | 23.65 |
| 1999-2000 (actual) | 10.10 | 15.68 | 25.78 |
| 2000-01 (actual) | 15.06 | 15.18 | 30.24 |
| 2001-02 (actual) | 22.52 | 15.08 | 37.60 |
| 2002-03 (RE) | 20.25 | 25.34 | 45.59 |
| 2003-2004 (BE) | 23.50 | 25.64 | 49.14 |

44. On being asked as to what were the reasons for non-utilization of allocated funds under the head "Embassies & Missions" over the last several years, the Ministry in a written reply stated as under:

"Underutilization of allocated funds by our Missions is due to several reasons : First, the period since May 1998 has been in many ways unprecedented from the point of view of publicity work. Major unexpected events have taken place e.g., India's nuclear tests, the Kargil incursion, IAC hijacking, Gujarat earthquake, World trade Centre attacks on September 11 and terrorists attacks such as the one on the Indian Parliament. These events have required instant responses by the publicity wings of our Missions, more in the nature of crisis management to ensure objective and correct portrayal of these events in the world media. This work though extremely demanding in terms of time and effort, is not necessarily hard on the budget.

XX

XX

XX

XX

Secondly, Missions are sometimes unable to fulfill their publicity plans because of local conditions prevailing in their countries such as civil wars or other conflicting situations, cancellation of expected visits by dignitaries from India, constraints on operations of local media by local government and postponement of projects due to conditions beyond the control of the Missions.

“Another major reason for the actual expenditure being lower than estimated has been the increased reliance by our Missions abroad on modern communication technology, e.g., electronic monitoring of media reports, use of e-mail for communication, dissemination of press releases and publicity material including Missions’ own publications through internet, thereby affecting progressive savings in this area”

45. In response to a question as to what were the activities which could not be undertaken because of unutilisation of substantial funds under the head “Embassies & Missions” in the past, the Ministry stated:

“Primarily the work was news-driven and certain long-term projects had to be kept in abeyance.”

46. The Ministry were asked to indicate as to what were the reasons for projection of higher BE again for the year 2003-2004 when the actual expenditure under the Head “Embassies & Missions” had been substantially lower than the BE & RE over the years. The Ministry replied:

“It has been the consistent endeavour of the Ministry to provide sufficient funds for publicity-related work to all the Missions abroad in order to ensure that they are not put under budgetary constraints in meeting the country’s foreign policy objectives and that special initiatives undertaken by Missions abroad are not adversely affected due to paucity of funds. Publicity being, by definition, time sensitive, availability of funds with Missions is essential. The liberal allocation of funds to Missions abroad needs to be viewed in the context of the Ministry’s efforts to provide a fillip to our collective exercise for a more proactive and positive projection of India abroad.”

47. In pursuance of the Committee’s recommendation in their 9th Report (13th L.S.), the Ministry in their Action Taken Note (10th Report – 13th L.S.) inter alia stated that the Missions had been advised i) to draw up well defined action plans for publicity, ii) to draw up specific plans of action for involving overseas Indian Communities, NRIs & PIOs, iii) to provide the Ministry with monthly reports of action taken on the press and publicity. In this context, the Ministry were asked as to whether the monthly reports of action taken on the press and publicity front were regularly being sent by the Missions and if so, what follow-up action had been taken by the Ministry thereon. The Ministry in a written reply informed:

“In order to address the variations in funds allocated and actual expenditure incurred, the Ministry had decided to put in place a perspective plan for both headquarters and Missions abroad. The Missions were also advised to monitor their publicity activities on a regular basis and furnish monthly reports. A positive beginning has been made in this regard and several Missions have already

instituted the mechanism of periodic utilization reports on publicity activities undertaken by them, while others are expected to follow suit. Increasing reliance on e-mail communication between Ministry and Missions has in fact increased the periodicity of reporting. Publicity-related events are often reported by the Mission and received in the Ministry the same day. The Ministry have been periodically reviewing the requirements of Missions for a more effective projection of India's foreign policy objectives and concerns. This ongoing dialogue between the Ministry and the Missions has been a useful mechanism in identifying specific goals and removing the constraints."

48. The Committee desired to know the basis on which the Ministry evaluated their advertising and publicity activities and in the light of such evaluation, whether the Ministry have evolved any standard mechanism to review the different modes of Advertising and Publicity. The Ministry replied:

"The Ministry is in regular touch with the Missions regarding the publicity activities being undertaken by them and the evaluation of the efficacy of these activities. The mechanism of perspective plans of the Missions ensures that sufficient thought is put into planning publicity activities each year keeping in view local conditions, requirements, size of the Mission, budgetary allocation, language of interaction, and so on. This mechanism strengthened by regular reporting by the Missions, results in constant review by the Ministry."

49. The Committee came across a news report in the "Times of India" dated 9.1.2003 that the Indian Government was looking to hire a new lobbying firm in Washington for the year ahead following the end of its contract with M/s Verner Liipfert which did not fully meet Indian needs. On being asked to indicate the areas where the lobbying firm failed to meet the Indian needs and also to explain the factual details indicating the methodology to be adopted for selection of new lobbying firm in the eventuality of change of the old one, the Ministry replied as under:

"M/s Verner Liipfert was taken over by another law firm, M/s Piper Rudnick, on October 1, 2002. The take-over of M/s Verner Liipfert by M/s Piper Rudnick created a new situation: M/s Liipfert ceased to exist in its erstwhile form and became a part of a new and larger entity whose main strengths were in the area of corporate law and not in the area of lobbying. Further, there was uncertainty as to whether leading assets and personalities of M/s Verner Liipfert,..... would continue to be associated with the new entity M/s Piper Rudnick. As a result, it was decided to invite fresh offers from some of the leading lobbying firms in Washington to select and hire a new lobbying firm.

The fresh offers that were received were evaluated in the Indian Embassy at Washington by a Committee chaired by the Ambassador and comprising senior officers of the Embassy. After examining the various offers, the committee

personally interviewed senior representatives of the various firms that had tendered offers. During the selection process, the committee gave weightage to firm's standing and prestige, lobbying revenues, rankings given by independent publications, involvement of former Congressmen and other politicians, influence and linkages with political parties, quality and number of professionals employed, access to White House, select Departments of Administration and key Congressional Committee Chairs and others, previous experience of representing foreign governments, and strategy proposed and suggested plan of action to represent Indian interests. After a detailed examination, thorough vetting and at the recommendation of our Mission in Washington, the Ministry have approved the hiring of a new lobbying firm M/s Akin Gump Strauss Hauer & Feld w.e.f. March 10, 2003."

50. The Ministry informed that the remuneration of M/s Akin Gump Strauss Hauer and Feld has been fixed at US \$ 50,000 per month (inclusive of all expenses). The remuneration of the earlier firm M/s Verner Liipfert was the same. About the assessment of the influence of the new lobbying firm with the US law makers, politicians and other influential people in the administration, the Ministry informed the Committee as under:

"The firm's influence was one of the criteria for evaluation. Of the six lobbying firms evaluated by our Embassy in Washington DC, M/s Akin Gump Strauss Hauer Feld was ranked the highest by the U.S. National Journal in its ranking of top ten lobbying firms in the U.S. The firm also had the highest revenues among all the six lobbying firms evaluated. The firm enjoys bipartisan links. Several of the firms' partners and advisors - - - - - are perceived to be influential."

51. From an analysis of BE/RE and the actual expenditure for advertising and publicity activities under both the heads namely "Secretariat" and "Embassies and Missions" the Committee find that there has been substantial variation in the expenditure over the years. The Committee are astonished to find that similar reasons as had been mentioned last year have been advanced by the Ministry this year also for non-utilization of allocated funds. The Committee had already analysed those reasons and had pointed out in their 9th Report (13th L.S.) that the unexpected contingencies cited by the Ministry required all the more aggressive advertising and publicity in extensive and intensive manner to solicit world opinion in our favour which would have definitely required additional funds instead of under-utilization of the allocated fund. The Committee therefore do not find the reasons advanced by the Ministry such as India's nuclear tests, the Kargil incursion, IAC hijacking, Gujarat Earthquake, World Trade Centre attacks as really responsible for less expenditure for advertising and publicity activities because these incidents by their nature could have involved more requirement of fund under this Head. The variation in actual expenditure vis-à-vis BE/RE continuously over the past years clearly reflects the faulty

budgetary estimation of the Ministry for advertising and publicity activities which in the opinion of the Committee needs to be rectified at the earliest. The Committee are of the firm opinion that mere higher allocation of funds, as the Ministry have been doing during the past years particularly under the head “External Affairs – Embassies and Missions : 2061 – 00.00.26” would not serve any purpose unless the Ministry gear up its machineries to spend the allocated funds appropriately and gainfully during the financial year. Much more needs to be done to create greater awareness and perception for India’s foreign policy objectives abroad. To achieve its goal, the Committee feel that making available more effective publicity material to our Missions/Posts for distribution, use of modern communication systems and stepping up of lobbying efforts are very necessary. The Committee therefore, strongly feel that the Ministry should ensure that the funds made available for “Publicity and Advertisement” particularly for “Embassies & Missions” do not remain unutilised.

(Recommendation No. 8)

52. The Committee observe that in pursuance of their earlier recommendation in the 9th Report (13th L.S.), the Missions had been advised to (i) draw up well defined action plans for publicity, (ii) to draw up specific plans of action for involving overseas Indian Communities, NRIs & PIOs, and (iii) to provide the Ministry with monthly reports of action taken on the press and publicity. However, from the reply of the Ministry, it appears that some of the Missions are yet to comply with the directions of the Ministry in this regard. The Committee need hardly emphasise that the objectives of advertising and publicity to present India in the right perspective across the globe can not be achieved without activating the Indian Missions in this direction. They, therefore, recommend the Ministry to secure full compliance from the Missions of their earlier instructions and to furnish in advance their proposed action plan in regard to advertising and publicity activities during the year.

(Recommendation No. 9)

53. The lobbying firm M/s Verner Liipfert engaged in USA for the purpose of presenting India’s view point was taken over by another law firm, M/s Piper Rudnick on 1st October, 2002. After a detailed examination, thorough vetting and at the recommendation of our Mission in Washington, the Ministry have approved the hiring of a new lobbying firm M/s Akin Gump Strauss Haurer & Feld with effect from. 10th March, 2003. The

Committee would like to point out that the role of the lobbying firm in USA to present India's view point in proper perspective has been becoming increasingly important in view of fast changing global scenario. The Committee therefore recommend that concerted and specific efforts be made by the Indian Mission in USA to increase the effectiveness of the lobbying firm not only to counter the anti-India propoganda but also to present positive strength of Indian polity and economy. The Committee would also recommend the Ministry to ensure that periodic assessment of lobbying firm's performance is sent by the Indian Mission regularly to the Ministry to facilitate close monitoring.

(Recommendation No. 10)

E. EMBASSIES AND MISSIONS

(2061-00.101)

(Rs. in crores)

| Year | BE | RE | Actual |
|-----------|--------|--------|--------|
| 1998-1999 | 600.00 | 596.61 | 629.26 |
| 1999-2000 | 617.23 | 652.85 | 660.01 |
| 2000-2001 | 674.75 | 727.01 | 691.61 |
| 2001-2002 | 756.09 | 759.92 | 719.96 |
| 2002-2003 | 787.82 | 783.54 | - |
| 2003-2004 | 811.43 | - | - |

54. The Committee in their 9th Report (13th L.S.) had recommended as under :

“The Committee, therefore, recommend that a thorough study may now be undertaken by the Ministry to rationalise the requirement of the Indian Missions abroad and to evolve the concept of Joint Missions for two or more countries. The

Committee also desire that all other necessary measures may be initiated by the Ministry to reduce the administrative expenses in these areas as far as possible.”

55. In their Action Taken Note (10th Report – 13th L.S.), the Ministry had inter-alia submitted as under :

“The concept of a Mission accredited to two or more countries already exists in the Ministry. At present 42 Ambassadors/High Commissioners are concurrently accredited to 78 countries thereby resulting in savings on account of resident Missions in these countries. The criteria for opening and continuing Missions is constantly reviewed by the Ministry. As a result of such a review, Ministry have decided to close down the High Commission of India in Malta and the Embassy of India in Burkina Faso. This has led to economies on maintenance of a resident Mission in these countries.”

56. The Ministry have stated in the brief that the enhanced allocations (besides other things) would also cater to the expenditure of the newly opened Indian Missions/Posts viz. E/I Kabul, CGI, Mandalay, CGI Mazare Sharief, CGI Herat, CGI Kandhar and CGI Jalalabad.

57. On being asked to explain the grounds for opening the above mentioned E/I and CGIs, the Ministry stated:

“The structure of Afghan polity, the role that Herat, Kandahar, Mazar-e-Sharif and Jalalabad have played in Afghan politics and the evolving situation in Afghanistan have made it necessary to establish Consulates General of India in all these cities.”

XX XX XX XX XX

Given the strategic location of Mandalay near the Sino-Myanmar border, broad-based constructive engagement between the two countries leading to important projects spread throughout Myanmar as well as the presence of a sizeable Indian/Indian origin communities in the surrounding areas, Government decided to re-open the Consulate in Mandalay.”

58. To a query as to whether some more E/Is and CGIs are proposed to be opened during the year 2003-2004, the Ministry stated that there are proposals for opening of resident Indian Missions/Posts in the following countries viz. 1. Democratic Republic of Congo, 2. Cameroon, 3. Chad, 4. Burkina Faso, 5. Lithuania, 6. Slovenia, 7. Bosnia, 8. Georgia, 9. Albania, 10. Moldova, 11. Luxembourg, 12. Uruguay.

59. The Committee enquired as to what was the mechanism for review of the functioning of Indian Missions/Posts abroad and whether any such review had been conducted so far, the Ministry replied:

“The Ministry have a detailed mechanism for exchange of information with our Missions/Posts abroad on all spheres of work of the concerned Mission/Post. Apart from reporting regularly to the concerned Divisions in the Ministry, the Missions/Posts also send annual reports and special assessment reports. The Ministry continuously assesses and reviews the functioning of the Mission in the backdrop of stated goals and objectives of the Government in respect of that country.

60. To a question as to what deficiencies had been noticed in the functioning of Indian Missions abroad during the last three years and also what steps had been taken by the Ministry to

bring improvements in the functioning of Indian Missions/Posts abroad. The Committee have been informed that the functioning of Indian Missions/Posts, in some cases, has been hampered by staffing deficiency, which has arisen as a result of increasing workload. Also, the Missions/Posts due to comparatively lower scale of pay.

61. The Foreign Secretary also stated during evidence:

“On the issue of manning our Missions, we are caught between a rock and a hard place. On the one hand, the Ministry of Finance has given a directive that we have to cut down our posts, in fact, to the entire Government of India, and on the other hand, it is a fact that specifically in some Missions because of local requirements, we may need extra posts. Now, we cannot create new posts. So, what we do, and that obviously will be a limited exercise, is to transfer posts from one Mission to another Mission which may mean denuding one Mission and strengthening another Mission. But we do that.”

62. The C&AG in their Report No. 2 of 2002 made observations in Para 9.7 that inefficient monitoring system and lack of Internal control of Ministry of External Affairs in providing Passport, Visa and Consular Services in the Missions/Posts abroad resulted in loss of revenue of Rs.8.90 crore. The relevant observations of C&AG are reproduced as under :

“Deficient internal control and monitoring system in the Ministry of External Affairs (MEA) in realisation of Visa and Consular Service fees by the Missions/Posts abroad leading to a loss of revenue of Rs.9.52 crore was pointed out in paragraphs 8.2 and 8.3 of Report No.2 of 2000 of the Comptroller & Auditor General of India.

In the Action Taken Note on the above paragraphs, Ministry stated in September, 2000 and January, 2001 that instructions had been issued to all Missions to ensure that latest instructions on Visa fees are strictly followed.

Sample check of records of some Missions/Posts in Europe and Commonwealth of Independent States (CIS) countries disclosed that the MEA has still not introduced an efficient system of monitoring and internal control in the matter of realisation of fees for Passport, Visa and Consular services. Sample check in 14 Missions/Posts disclosed further loss of revenue of atleast Rs.8.90 crore....., which was attributable to the negligence of the Missions and deficient monitoring system in the Ministry of External Affairs.”

63. When the Committee asked for the comments of the Ministry in this regard, they were informed as follows:

“The perceived loss is due to fluctuation in the exchange rate. Partly due to exchange regulations applicable in the countries and taking regard of local sentiments, collection of fee in US Dollar was not enforced by the Missions in South East Asia and South Korea. The then prevailing commercial rate of exchange between the local currencies and the US Dollar had been adopted by these Missions for collection of visa fees. Viewed differently, there was no loss as the dollar equivalent of fees realized in local currency could not have been less than the amount that would have been collected had the fees been charged in US Dollars.”

64. In response to another related question as to what remedial/corrective measures have been taken to avoid recurrence of such incidents, the Committee were informed that:

“The Ministry has evolved a system to monitor consular receipts. Circulars regarding revision of visa fee are sent to all the Missions and the Missions are required to acknowledge the receipt.”

65. **The Committee observe that budgetary allocation of Rs.811.43 crore has been projected at BE stage for the Head “Embassies and Missions” for the year 2003-2004. The proposed allocation is 23.78% of the total grant (BE) of the Ministry of External Affairs for the year 2003-2004. The Committee had previously recommended to the Ministry to reduce the administrative expenses as far as possible and the Ministry had also responded that certain measures including the concept of Joint Missions and closing down some Missions, were adopted by them resulting in economies in the expenditure. The Committee, however, observe from the written submissions now made by the Ministry during the course of examination of Demands for Grants that 6 new Indian Missions/Posts have already been opened in Kabul, Mandalay, Mazare Sharief, Herat, Kandhar and Jalalabad, and further new Indian Missions/Posts in 12 countries namely, Democratic Republic of Congo, Cameroon, Chad, Burkina Faso, Lithuania, Slovenia, Bosnia, Georgia, Albania, Moldova, Luxembourg and Uruguay are proposed to be opened during the year 2003-2004. The opening of new Indian Missions/Posts invariably involves additional requirement of funds. Since 6 new Indian Missions/Posts have already been opened and 12 are proposed to be opened in the next financial year, it would definitely involve huge administrative expenditure. The Committee are, therefore, unable to comprehend as to how the Ministry would achieve the economies and reduce the administrative expenses by moving exactly in the opposite direction with opening of new Indian Missions/Posts instead of reducing the number of Missions/Posts or exploring the possibility of having Joint Missions. The**

Committee, therefore, recommend that with a view to reducing the administrative expenses, the Ministry should conduct a thorough review to assess the need and desirability of opening and operating Indian Missions/Posts in different countries of the world and also to explore feasibility of having more Joint Missions for two or more countries. This would also resolve to some extent the problem of shortage of staff being faced by some of the Missions.

(Recommendation No. 11)

66. The Committee observe that there is apparent need of evaluation of the functioning of the Indian Missions/Posts abroad with a view to bring improvement in their functioning. The detailed mechanism as has been claimed by the Ministry to be in existence is understandably for only exchange of information and reporting to the Ministry and, therefore, the mechanism does not appear to be effective to evaluate the functioning of the Missions as such. Taking into account the fact that the performance of the personnel posted in the Missions has far reaching impact on the relationship between India and the respective country, the Committee strongly recommend for strict evaluation of the performance of all the officials deployed in different Indian Missions/Posts so as to bring improvement in their functioning, which will not only provide better and efficient services to Indian nationals residing there but also improve our relations with that country.

(Recommendation No. 12)

67. The Committee observe that C&AG in Para 9.7 of their Report No.2 of 2002 had commented upon inefficient monitoring system and lack of internal control of Ministry of External Affairs in providing Passport, Visa and Consular services in the Missions/Posts abroad which resulted in loss of revenue to the extent of Rs.8.90 crore. Surprisingly, this has happened despite similar lapses in the past resulting in loss of revenue to the extent of Rs.9.25 crore, having been pointed out by C&AG in paragraphs 8.2 and 8.3 of Report No.2 of 2000. The Committee view such lapses very seriously and recommend the Ministry to devise a uniform system for all Indian Missions/Posts abroad to avoid recurrence of such incidents. They would also like to emphasise the need for regular monitoring of all the Embassies/Missions to ensure strict compliance of all the instructions of the Ministry to bring uniformity in their functioning as far as rules, regulations, procedures etc. are concerned.

(Recommendation No. 13)

F. PASSPORT AND EMIGRATION
(2061 - 00.105)

(Rs. in crores)

| Year | BE | RE | Actual |
|-----------|--------|-------|--------|
| 1998-1999 | 86.00 | 65.55 | 64.93 |
| 1999-2000 | 68.87 | 87.57 | 76.88 |
| 2000-2001 | 88.41 | 95.96 | 79.75 |
| 2001-2002 | 98.48 | 99.64 | 94.26 |
| 2002-2003 | 101.23 | 93.76 | - |
| 2003-2004 | 103.87 | - | - |

68. An amount of Rs. 101.23 crore was allocated to the Ministry at BE stage in the year 2002-2003 but the Ministry reduced the amount to Rs. 93.76 at RE stage. Stating the reasons for reduction of requirements at RE stage, the Ministry informed that the reduction was affected taking into account savings due to delay in filling up of additional posts approved by the Government for CPO as also deferment of opening up of new Passport Offices.

69. Replying to the question as to what were the reasons for projecting BE of Rs.103.87 crore for the year 2003-2004 even after the Ministry had been spending amount substantially lower than the budgetary allocations under this head during the last four years, the Ministry informed:

“The Budget Estimates for the year 2003-2004 have been drawn up taking into account the additional expenditure towards cost of travel documents i.e. Passport booklets, Emergency and identity Certificate, Visa Stickers and Computerisation of Passport Offices and Consular Wings of Missions/Posts abroad. Provisions has also been made for Passport Offices to switch over to Machine Readable Passport Format for all travel document.”

70. The Committee enquired about the perspective plan of the Ministry for opening of new Passport Offices in the country and also desired to know as to how many passport offices are proposed to be opened during the year 2003-04, the Ministry responded as under:

“It is the endeavour of the Government to extend passport issuance facility to every State in India. It is proposed to open new passport offices in the capital

cities of Uttaranchal, Jharkhand, Chhattisgarh and Himachal Pradesh. The Ministry is in touch with the concerned State Governments for location of suitable office space and efforts are being made for the proposed passport offices to start functioning during the year 2003-2004. As regards the seven North-Eastern States there was a proposal to authorise the concerned State Governments to

issue passports as is being done in the case of Andaman and Nicobar (UT). The proposal is under active consideration.”

71. The Ministry while forwarding brief on the subject “Functioning of Passport Offices” vide their letter No. V.IV/551/43/2001 dated 10th October, 2001 had mentioned that 12 new passport offices were proposed to be opened in the country at the places namely Surat, Raipur, Dehradun, Shimla, Ranchi, Shillong, Aizawl, Imphal, Itanagar, Gangtok, Agartala and Kohima. In their subsequent submission as cited above, the Ministry however changed their position about the North-Eastern States. On being asked the reasons therefor, the Ministry informed the Committee as under:-

“In a meeting taken by Secretary (Coordination) in the Cabinet Secretariat on 9th September 2001 on the follow up of the recommendations of the report of the Committee on Review of Passport Issue System it was recommended that in the North-Eastern Region the authority to issue passports to the resident of States (excluding Assam), may be delegated to State Home Secretaries. Concerns on security grounds are being addressed and likely to be resolved soon.”

72. To a pointed question as to how far the delay in issue of passports due to shortage of man power, had been overcome in the passport offices after computerization, the Ministry replied:

“Out of 29 Passport Offices, 28 Passport Offices have, at present, been computerised with the recently opened Passport Office, Ranchi being the only exception. Demand of passports has gone up by about 10% over the past five years. Computerisation and increased productivity of Passport Offices have allowed us to cope with increased demand for passport and passport services. The main aim of computerisation is not only to speed up processing of passport applications and passport services but also to maintain records which are electronically retrievable as well as to increase the security of passport related information. In most cases, additional work has to be done particularly in area of data entry in the computerised set up in Passport Offices.

73. The Committee enquired as to whether the possibility of reduction of staff-strength in the offices which were fully computerised had been explored and, if so, what further steps have been taken in this regard, the Ministry, inter alia, stated:

“In the light of increase in workload, shortage of staff is still faced in Regional Passport Offices like Ahmedabad, Hyderabad etc. where demand of passport and passport services has been growing substantially. A new Passport Office has become operational from July, 2002 at Ranchi. More new Passport Offices at Surat, Simla, Dehradun and Raipur are being opened soon for which personnel are being deployed from within the existing staff strength.

The Ministry proposes to conduct a Cadre Review exercise soon and the effect of computerisation will be taken into account once all the Passport Offices are fully computerised, which is expected by July, 2003.”

74. Pursuant to the Committee’s recommendations, the MEA have started utilizing the services of Ex-servicemen for assisting/guiding illiterate/semi-literate passport applicants and also manning the facilitation counters in some of the passport offices, the Committee enquired as to whether all Passport Offices had such facilitation counters manned by ex-servicemen and, if not, what were the reasons for not opening such counters in all the Passport Offices, the Ministry submitted:

“Facilitation counters manned by ex-servicemen are functioning in 13 out of 29 Passport Offices, namely Ahmedabad, Bangalore, Chandigarh, Chennai, Cochin, Delhi, Jalandhar, Mumbai, Panaji, Pune, Trichy, Trivandrum and Visakhapatnam. Lack of space in the Passport Offices is a main hurdle in implementing this recommendation in the other Passport Offices.”

75. Regarding guidelines issued by the Ministry for the fee to be charged by the ex-servicemen for their services in different passport office, the Ministry informed that in December, 1999, the Ministry had issued guidelines to all Passport Offices to open facilitation counters manned by the ex-servicemen in their offices. As regards fee to be charged by the ex-servicemen for their services in different Passport Offices, the Passport Offices had been advised to determine the same locally in consultation with the concerned Ex-servicemen Association.

76. On decentralisation of passport services, the Ministry stated that the decentralisation scheme envisaged providing of passport services either in the office of District Collector/Magistrate or Superintendent of Police. It is left to the discretion of State Governments to decide where these services should be provided.

77. About the completion of the process of decentralisation of passport services, the Ministry informed that out of 28 states, 22 states have already implemented the scheme covering a little more than half of all districts in the country. Goa being a small state with only two districts and already having a Passport Office at Panaji, the need for implementing the scheme had not been felt. The rest of the five States viz. Bihar, Karnataka, Rajasthan, Uttaranchal and West Bengal were being encouraged to implement the scheme. The position is as under:

| Sl.No. | State Govt. | RPO/PO Concerned | Implemented or Not | Where |
|--------|-------------------|---|---|-----------------------------------|
| 1. | Andhra Pradesh | Secundrabad Vishakapatnam | Yes | District Collector |
| 2. | Arunachal Pradesh | Guwahati | Yes. 1PACC at Capital | State Home Ministry |
| 3. | Assam | Guwahati | Yes | Deputy Commissioner Of Police |
| 4. | Bihar | Patna | No. Training Imparted | Not applicable |
| 5. | Chattisgarh | Bhopal | Yes | Deputy Commissioner Of Police |
| 6. | Goa | Panaji | No need felt as it is a small state with only 2 districts and there is one PO at Panaji | Not applicable |
| 7. | Gujarat | Ahmedabad | Yes | Supdt. of Police |
| 8. | Haryana | Chandigarh Delhi | Yes | District Magistrate |
| 9. | Himachal Pradesh | Chandigarh | Yes | Deputy Commissioner Of Police |
| 10. | J&K | Jammu Srinagar | Yes | District Police HQs |
| 11. | Jharkhand | Ranchi | Yes | Supdt. of Police |
| 12. | Karnataka | Bangalore | No. Training Imparted | Not applicable |
| 13. | Kerala` | Kochi, Kozhikode & Thiruvananthapuram | Yes – in four Districts to start With | Deputy Commissioner Of Police |
| 14. | Madhya Pradesh | Bhopal | Yes | Deputy Commissioner Of Police |
| 15. | Maharashtra | Mumbai Pune Thane | Yes | Supdt. of Police |
| 16. | Manipur | Guwahati | Yes 1 PACC at Capital | State Home Ministry |
| 17. | Meghalaya | Guwahati | Yes 1 PACC at Capital | State Home Ministry |
| 18. | Mizoram | Guwahati | Yes 1PACC at Capital | State Home Ministry |
| 19. | Nagaland | Guwahati | Yes 1PACC at Capital | State Home Ministry |
| 20. | Orissa | Bhubaneshwar | Yes | District Magistrate |
| 21. | Punjab | Chandigarh Jalandhar | Yes | Deputy Commissioner Of Police |
| 22. | Rajasthan | Jaipur | No | Proposed to start in DCP's office |
| 23. | Sikkim | Kolkata | Yes | Home Ministry |

| | | | | |
|--------------------------|----------------------|----------------------------------|--|---------------------|
| 24. | Tamil Nadu | Chennai Trichy | Yes | District Collector |
| 25. | Tripura | Kolkata | Yes | Home Ministry |
| 26. | Uttaranchal | Bareilly | No | Not applicable |
| 27. | Uttar Pradesh | Lucknow Ghaziabad Bareilly | Yes | District Magistrate |
| 28. | West Bengal | Kolkata | No | Not applicable |
| UNION TERRITORIES | | | | |
| 1. | A&N Islands | UT Secretariat | No need felt | |
| 2. | Chandigarh | Chandigarh | No need as RPO at Chandigarh is sufficient | |
| 3. | Dadra & Nagar Haveli | Ahmedabad | No need felt | |
| 4. | Daman & Diu | Mumbai | No need felt | |
| 5. | Delhi | Delhi | Scheme being Introduced in DCP's Office | |
| 6. | Lakshadweep | Kochi | No need felt | |
| 7. | Pondicherry | Chennai | One PACC at Capital. No need felt | |

78. Responding to a query as how far the scheme of decentralization of Passport Services had been successful, the Ministry stated that the District Passport Centre scheme was launched in January 2002. The scheme had been received well by the States as well as by the public. The response had been encouraging. In States like Tamil Nadu and Gujarat, the receipt of applications through District Passport Centres is of the order of 30% of the total number of applications received by Passport Offices. In other States, the figures were showing upward trend.

79. On being asked to furnish details of the Passport Offices still functioning in rented buildings and also the annual rent being paid in each case, the Ministry informed that the following Passport Offices are presently functioning in rented buildings. The annual rent being paid is also indicated:

| Sl.No. | Passport Office | Annual Rent (Rs.) |
|--------|-----------------|-------------------|
| 1 | Bhubaneshwar | 75,600 |
| 2 | Bangalore | 35,00,000 |
| 3 | Bhopal | 1,59,168 |
| 4 | Chandigarh | 11,85,084 |
| 5 | Guwahati | 4,61,460 |
| 6 | Jalandhar | 8,82,000 |

| | | |
|----|--------------------|--------------------|
| 7 | Jammu | 2,23,524 |
| 8 | Jaipur | 25,66,080 |
| 9 | Lucknow | 19,83,783 |
| 10 | Mumbai | 13,50,000 |
| 11 | Nagpur | 3,71,832 |
| 12 | Pune | 11,00,000 |
| 13 | Ranchi | 3,66,024 |
| 14 | Trichy | 6,10,392 |
| 15 | Thiruvananthapuram | 6,31,632 |
| 16 | Thane | 33,08,239 |
| 17 | Vishakapatnam | 4,31,000 |
| | Total | 1,53,43,608 |

80. The Ministry further stated that the Government policy is to have passport offices located in own buildings and the matter is regularly taken up with the State Governments for allocation of suitable land. At present, the building for RPO Chandigarh is at final stage of construction. The Passport Office, Lucknow, is scheduled to be completed by mid-2004.

81. In reply to Parliamentary Question No. 319 dated 20th November, 2002, it has been stated that Government has launched a scheme of machine writing of passports which have the photograph and the signature of the applicant scanned and printed on the passport thus making forgery extremely difficult. It has also been stated that new security features have also been added to the passport booklets to detect forgeries and further, fresh (first time) passports are not being issued without clear police verification reports. Instructions are stated to have been issued to the passport offices for careful scrutiny of the documents at the submission stage itself and a project to scan all the passport files in the country has been launched. This would allow files to

be readily available when cases of fake passports are detected. In this context, the Ministry were asked to furnish information about the installation of Passport Writing Machines in the Passport Offices, the Ministry responded as under:

“Out of 29 Passport Offices, 16 Passport Offices have passport printers. It is expected that by June 2003, all the 29 RPO/Pos would have completely switched over to machine printing of passports.

82. About the security features added to the Passport Booklet, the Committee were informed that the Ministry have been working on a new format for all Indian Travel Documents including ordinary passports to make them machine-readable and to improve security features. Most common forgery takes place in the form of substitution of photograph. This is not possible with machine written passports.

83. In regard to the project launched by the Ministry to scan all the passport files in the country, the Ministry stated:

“The Committee on Non-Plan Expenditure (CNE) has approved the proposal for scanning of passport files to be completed in three years in a phased manner. Scanning of passport files has already been completed in Guwahati. Work is in final stages at Chennai & Hyderabad. Work is under progress in Delhi, Lucknow, Mumbai, Kolkata, Srinagar & Kozhikode. The scanning work is expected to be completed within the stipulated timeframe of three years.”

84. In reply to Parliamentary Question No. 2105 dated 5.3.2003, it was stated that a meeting of all Passport Officers was held at New Delhi on January 27-29, 2003 and the major issues were discussed relating to further improving the system of issuance of passports. It was also stated that the Government was making the process of issuance of passports more efficient and transparent through computerisation and decentralisation of the passport issuance system. The Committee desired to know as to what were the issues discussed at the meetings and what the conclusions had been arrived at, the Ministry informed as follows:

“The issues related to computerisation and decentralisation of the passport issuance system were discussed in the recent Passport Officers’ meeting..... It was decided at the meeting that uniform Office Procedures would be implemented in all Passport Offices. Once that is achieved, Staff Inspection Unit (SIU) norms of the Department of Expenditure would be implemented in all Passport Offices.

Other issues discussed during the meeting related to pending cases, TATKAAL scheme, public grievances and issues related to security in passport offices. The following decisions were taken:

- 1. All offices should have complaint boxes in public areas and should display the contact address and phone/fax/email of the public grievances officers in the Passport Offices, PRO (PG) and Chief Passport Officer so as to enable the public to approach these agencies for redressing their grievances.*

2. *Passport Officers must regularly hold passport ADALATS in various parts of their jurisdiction.*
3. *At least one officer in each office ought to be accessible to lay public on all working days at all hours.*
4. *A monthly data summary should be sent to the CPV division regarding grievances received and responded to, on the basis of public grievance registers maintained in all offices.*
5. *For timely receipt of police verification reports, regular interaction should be done with the police authorities.*
6. *The police should not send incomplete reports like “applicant could not be contacted”, “could not produce documents of nationality”, “did not sufficiently cooperate” etc. The police authorities should send complete reports or adverse reports and not reports in the manner mentioned above.*
7. *Scrutiny of applications at the counter should be strengthened.*
8. *CCTV would be installed at different points in the office including at the counters.*
9. *Action on setting up information kiosks and facilitation counters to be followed up.*
10. *Quarterly reports on action points of the meeting of Passport Officers would be sent to the CPV Division.*
11. *The information booklet attached to the application form would be printed in the concerned original languages for the benefit of applicants.*

The decisions taken would be communicated to the Passport Offices for compliance.”

85. A new major head “2070 – Other Administrative Services” has been created with an initial allocation of Rs. 21.93 crore in RE 2002-2003. It has been stated that the purpose for creation of the new head is reimbursement of the cost of services rendered by State Governments for passport related work. The Committee desired to know the grounds on which the decision was taken to reimburse the services rendered by the State Governments in the passport matters, the Ministry informed as under:

“In March, 2001, an Inter-Ministerial Committee were established in the Cabinet Secretariat to review the system for issue of passports. The Committee, in its report, recommended decentralisation of acceptance of passport application forms through Speed Post Centres and District Offices of DM or SP. Originally the proposal was that the states should charge a service fee of Rs. 200 in addition to the applicable passport fee. While the passport fee was to be accepted with a Demand Draft and sent to the concerned Passport Office, the State Government had been authorised to accept the service fee separately in cash/DD and retain the funds with them. This procedure however proved to be an impediment in the rapid implementation of the scheme. Several States conveyed that their expenditure incurred on decentralisation should be fully reimbursed by the Central Government and they would not charge any additional service fee from the applicant. The Report of the Cabinet Secretariat recommended that the MEA should reimburse to the States an amount of Rs. 200 per completed and verified application form the expenditure to be met with a rise in passport fee. The scheme was introduced from Jan. 15, 2002. The Passport application fee was increased from Rs. 300 to Rs. 1000 with effect from April 1, 2002.

86. The Committee desired to know as to how much amount out of Rs. 200 was being given as reimbursement for police verification and how much thereof way for other service like acceptance and scrutiny of passport applications and verification of documents by the District Passport Cells.

87. The Ministry of External Affairs replied as under:

“The reimbursement of Rs. 200 is a composite amount for acceptance, scrutiny, getting Police Verification Report (PVR) and forwarding the completed application with PVR to the passport office concerned. No separate payment has been envisaged for reimbursement to State Governments for PVRs received and forwarded by District Passport Cells. A proposal relating to amount to be reimbursed to the State Governments for each PVR referred to by passport offices and received by them within the stipulated time-frame is under consideration.”

88. The Committee observe that an amount of Rs. 101.23 crore was allocated to the Ministry at BE stage in the year 2002-2003 but the Ministry reduced the amount to Rs. 93.76 at RE stage. The reasons stated by the Ministry for reduction of requirements at RE stage are delay in filling up of additional posts approved by the Government for CPO as

also deferment of opening up of new Passport Offices. The Committee further observe that under-utilization of budgetary allocation under the Head “Passport and Emigration” has been a recurring phenomenon as is apparent from the fact that actual expenditure was Rs. 64.93 crore against BE of Rs. 86 crore in 1998-99 and similarly Rs. 94.26 against BE of Rs. 98.48 crore in 2001-02. The higher BE projection of Rs. 103.87 crore for the year 2003-04 is stated to have been made for additional expenditure towards the cost of travel documents

i.e. Passport Booklets, Emergency and Identity Certificate, Visa Stickers, Computerisation of Passport Offices at Consular Wings of Missions/Posts abroad and Machine Readable Passport Format. While emphasizing the need for full utilization of the budgetary allocations during the financial year, the Committee desire that estimation of requirement of funds at BE and RE stages should be made after taking into account all inputs so as to avoid variation between BE/RE and actuals.

(Recommendation No. 14)

89. The Committee observe that the Ministry had informed on 10th October, 2001 that 12 new Passport Offices were proposed to be opened at Surat, Raipur, Dehradun, Shimla, Ranchi, Shillong, Aizawl, Imphal, Itanagar, Gangtok, Agartala and Kohima. The Ministry, however, in their subsequent submission during the course of examination of Demands for Grants for 2003-04 stated that as regards the seven North-Eastern States, there was a proposal to authorise the concerned State Governments to issue passports as was being done in the case of Andaman and Nicobar Islands (UT). The reason for change of position in respect of North-Eastern States has been stated to be the recommendation made in this regard in the meeting taken by Secretary (Coordination) in the Cabinet Secretariat on 9th September, 2001. The Committee do not find this as a valid explanation as the proposal for opening of Passport Offices in the places including North-Eastern States was communicated to the Committee on 10th October, 2001 i.e. exactly one month after the meeting held on 9th September, 2001. The Committee would therefore, advise the Ministry to reconcile the facts and furnish the Committee with full information on the basis of which proposals were earlier made for opening up Passport Offices in North-Eastern States and also the reasons for subsequent change of the decision.

(Recommendation No. 15)

90. The Committee are pleased to be know that out of 29 passport offices in the country, 28 passport offices have already been computerised. Only the Passport Office, Ranchi which has been recently opened is yet to be computerised. The Committee trust that after the computerisation, the enhanced efficiency clubbed with speed and accuracy in processing and issue of passport applications and rendering of other passports services will

bring professionalism in the functioning of passport offices. The Committee would also like to express that efforts should be made to computerise the newly opened Passport Office, Ranchi as early as possible. The Committee also recommend the Ministry to conduct the proposed Cadre Review exercise soon to assess the manpower requirements in different Passport Offices of the country in the wake of computerisation and to ensure appropriate deployment of officials in various grades in the Passport Offices.

(Recommendation No. 16)

91. The Committee observe that the services of ex-servicemen are being utilized by the Passport Offices for assisting/guiding, illiterate and semi-literate passport applicants and manning the facilitation counters in some of the Passport Offices. Out of 29 Passport Office, 13 Passport Offices are having facilitation counters manned by ex-servicemen. These are Ahmedabad, Bangalore, Chandigarh, Chennai, Cochin, Delhi, Jalandhar, Mumbai, Panaji, Pune, Trichy, Trivandum and Visakhapatnam. The Committee have been informed that because of lack of space in the remaining Passport Offices, facilitation counters have not become functional. Regarding the fee to be charged by the ex-servicemen, the Ministry had advised the Passport Offices to determine the same locally in consultation with the concerned ex-servicemen association. Since the facilitation counters provide a lot of assistance and help to the applicants particularly illiterate/semi-literate, the Committee would, therefore, recommend the Ministry to sort out the problem of space in the remaining Passport Offices so as to open the facilitation counters in these Passport Offices as early as possible. The Committee also desire that the Ministry should issue broad guidelines to bring uniformity for the fees to be charged by ex-servicemen for the services rendered by them in various Passport Offices.

(Recommendation No. 17)

92. The Committee are informed that the District Passport Centre Scheme which was launched in January, 2002 has been received well by the States as well as by the public. The scheme envisaged providing of passport services either in the office of District Magistrate or Superintendent of Police at the discretion of the State Governments. Out of 28 States, 22 States have already implemented the scheme. Goa being a small State with only two districts and already having a Passport Office at Panaji, the need for implementing the scheme had not been felt. The Committee, however, desire that the Ministry should persuade the remaining States viz. Bihar, Karnataka, Rajasthan, Uttranchal and West

Bengal to implement the District Passport Centre Scheme so that the applicants in these States could be benefited by decentralisation of passport services.

(Recommendation No. 18)

93. Under the scheme of decentralisation of passport services, the Ministry of External Affairs are to reimburse the States an amount of Rs. 200 per completed and certified application form. The reimbursement of Rs. 200 is stated to be a composite amount for acceptance, scrutiny, getting Police Verification Report (PVR) and forwarding the completed application with PVR to the Passport Office concerned. Since a substantial amount would be involved towards payment to State Governments as reimbursement for the services rendered, the Committee recommend that the Ministry of External Affairs should evolve a monitoring system to ensure that this amount is spent by the State Governments on various passport related services.

(Recommendation No. 19)

94. The Committee have been informed that the Government Policy is to have Passport Offices located in their own buildings and the matter is regularly taken up with the State Governments for allocation of suitable land. The Committee have also been emphasizing the need to acquire/construct buildings for the office as well as residential complexes. However, the Committee are constrained to observe that 17 Passport Offices namely Bhubaneswar, Bangalore, Bhopal, Chandigarh, Guwahati, Jalandhar, Jammu, Jaipur, Lucknow, Mumbai, Nagpur, Pune, Ranchi, Trichy, Thiruvananthapuram, Thane and Vishakapatnam, are still functioning in the rented buildings involving annual rental outgo of Rs. 1.53 crore. The Committee, therefore, recommend the Ministry either to acquire suitable properties or to take up the matter with the respective State Governments for early allotment of suitable lands for construction of passport offices on priority basis.

(Recommendation No. 20)

95. The Committee were informed that out of 29 Passport Offices, at present 16 Passport Offices have got passport printers and it was expected that all the 29 Passport Offices will completely switch over to Machine Printing of passports by June, 2003. Some security features are also stated to have been added to the passport booklet and the Ministry have been working on a new format for all Indian travel documents including

ordinary passports to make them machine readable and to improve security features. Further, scanning of the passport files are proposed to be completed in three years in phased manner. The Committee trust that machine writing of passports and scanning of passport files will be completed by the Ministry within the stipulated time limit. The Committee also hope that the new security features to be added to the passport booklets will effectively prevent the frauds/forgeries.

(Recommendation No. 21)

96. Major issues relating to further improving the system of issuance of passports were discussed at a meeting of all Passport Officers held at New Delhi on 27 to 29 January, 2003. Some important decisions were taken which the Ministry would be communicating to the Passport Offices for compliance. The Committee trust that the decisions once implemented will bring substantial improvement in functioning of the passport offices and also change the public perception in a positive way. The Committee desire the Ministry to regularly monitor the compliance of the decisions by all the Passport Offices.

(Recommendation No. 22)

G. DEMARCATION OF BOUNDARIES

(2061 - 00.800 - 01)

(Rs. in crores)

| Year | BE | RE | Actual |
|-----------|------|------|--------|
| 1999-2000 | 2.17 | 2.24 | 1.87 |
| 2000-2001 | 3.41 | 3.86 | 2.02 |
| 2001-2002 | 3.90 | 3.81 | 2.71 |
| 2002-2003 | 4.71 | 3.25 | - |
| 2003-2004 | 3.50 | - | - |

97. The Committee desired to know as to what precisely are the roles of the Ministry of External Affairs in the work relating to “Demarcation of Boundaries”, the Ministry informed that:

“Demarcation of the land frontiers of India” has been allocated to the Ministry of External Affairs in the Second Schedule to the Government of India (Allocation of Business) rules, 1961. The Ministry of External Affairs is represented at a senior level in all bilateral boundary discussions.

The alignment of boundary between India and neighbouring countries (Bhutan, Bangladesh, Myanmar and Nepal) is jointly worked out between the Departments of Survey of the two Governments taking into account the

agreed “basis” maps and bilateral historical Agreements. The process of the preparation of maps and signatures of plenipotentiaries is progressing well. For China, an India-China joint Working Group (JWG) on the boundary question has been established. The last meeting of the JWG was held in New Delhi in November 2002.”

98. Informing about the activities for which funds have been spent under this head during the last three years, the Ministry stated that they use the services of M/s Survey of India in all matters relating to the international boundary with Bangladesh, Bhutan, Myanmar and Nepal and the expenditure incurred by M/s Survey of India in respect of field surveys, preparation of maps etc. is debited to the Ministry of External Affairs.

99. About the need of coordination with other Ministries/Departments of Govt. of India or States in carrying out the various works relating to the demarcation of boundaries, the Ministry stated that the coordination with Ministry of Home Affairs and concerned State Government is absolutely essential in carrying out the various works relating to the demarcation of boundaries. The India delegation is led by the Surveyor General of India and also includes the representative from M/s Survey of India, Ministry of External Affairs, Ministry of Home Affairs and the concerned State Governments. The India-China joint Working Group on the boundary question is led on the Indian side by Foreign Secretary and comprises representatives from Ministries of External Affairs, Home and Defence and Army Headquarters, ITBT and Survey of India.

100. The Committee observe that “Demarcation of the land frontiers of India” has been allocated to the Ministry of External Affairs in the Second Schedule to the Government of India (Allocation of Business) rules, 1961. The Committee were informed that the Ministry used the services of M/s Survey of India in all matters relating to the international boundary with Bangladesh, Bhutan, Myanmar and Nepal and the expenditure incurred by M/s Survey of India in respect of field surveys, preparation of maps etc. was debited to the Ministry of External Affairs. However, there has been continuous and substantial under utilisation of budgetary allocations under this head. The Committee would, therefore, recommend that budgetary allocation under this head should be made on the basis of requirement of funds in a particular year so as to avoid under-utilization of the allocation.

(Recommendation No. 23)

H. **INDIAN COUNCIL OF CULTURAL RELATIONS (ICCR)**

(2061 - 11.01.31)

(Rs. in crores)

| Year | BE | RE | Actual |
|-----------|-------|-------|--------|
| 1998-1999 | 28.00 | 35.00 | 33.00 |
| 1999-2000 | 37.00 | 37.00 | 36.82 |
| 2000-2001 | 39.00 | 39.65 | 39.68 |
| 2001-2002 | 40.00 | 41.62 | 41.62 |
| 2002-2003 | 42.43 | 42.00 | - |
| 2003-2004 | 54.50 | - | - |

101. It was stated in the brief submitted to the Committee that the proposed allocation of Rs. 54.50 crore at BE 2003-2004 has been made keeping in view the expanding activities of ICCR and for new schemes likely to be undertaken in the financial year 2003-2004. In this context, the Ministry were asked to furnish the details of expanding activities of ICCR and also the new schemes which are to be undertaken in the year 2003-2004. The Ministry informed the Committee as under:

*“The details of expanding activities of ICCR as also the new schemes are as under:
- Opening of New Regional Offices in India- Four new Regional Offices of the Council in North-East, Orissa, Rajasthan and Madhya Pradesh.*

- Opening of New cultural Centers abroad- Opening of number of additional Cultural Centers abroad including in Japan, Iran, Fiji USA, Malaysia, Cambodia and China.

- Renovation of ICCR property- The proposal is under consideration.

- Construction of Azad Bhavan Annexe- The proposal is at an advanced stage of processing.

- Intorduction of Maulana Azad Essay Competition in Arabic from the year 2003.

- A Series of Fusion Concerts by the artistes of the countries of ancient civilizations. The first of such concert is being organized in Cairo with participation by Pt. Shiv Kumar Sharma (Santoor) from India and Mr. Georges Kazazian (Oud Player) from Egypt. The other such concerts are being planned in Spain and Japan.

- Days of Kyrghyz Culture in India – A financial provision of Rs. 35 lakh has been kept in the Plan of Action 2003-2004 for the event.

- Days of Culture of Moscow in India- A financial provision of Rs. 20 lakh has been kept in the Plan of Action 2003-2004.

- Festival of Folk Arts of Latin American Countries- A financial provision of Rs. 50 lakh has been kept in the Plan of Action 2003-2004.

- Theatre Festival of European countries- A financial provision of Rs. 45 lakh has been kept in the Plan of Action 2003-2004.

102. The Committee in their 9th Report (13th L.S.) had strongly recommended that the budgetary allocations for ICCR should be substantially enhanced so as to enable it to vigorously pursue its objectives and expand its activities in India and abroad. The Ministry in their Action Taken Note (10th Report – 13th L.S.) had stated that to fund the activities, the ICCR would propose augmentation of the budgetary allocation at the RE stage during the current financial year. It is however, observed that contrary to their submission, the budgetary allocation was rather reduced to Rs. 42.00 crore at RE stage from Rs. 42.43 crore at BE stage. The Ministry were asked to explain the reasons for such contradictions. The Ministry replied that this was on account of non-materialisation of visits of some incoming/outgoing/performing cultural delegations/visitors as also due to deferment of opening of new Cultural Centres abroad and Regional Offices in India.

103. The Committee had been informed earlier by the Ministry of External Affairs that ICCR had been able to meet only about one-third of the total number of requests for outgoing cultural delegation and similarly the demand for incoming cultural delegations exceeded the budget available for the purpose. On being asked to explain as to whether the provisions to meet the above requirements have been made in the enhanced provision made at BE stage of 2003-2004, the Ministry informed that based upon requests from Missions and major festivals identified for participation by cultural troupes from India, a provision of Rs. 1147 lakh has been made in BE 2003-04 for outgoing cultural delegations. The Committee desired to know as to what measures have been taken to promote folk dances/songs from various States particularly from North-Eastern States and including them in outgoing cultural delegations. The Ministry stated that in 2002-03, ICCR had sponsored four groups from the North-Eastern States. In 2003-04, ICCR proposed to send 10 groups overseas from the region.

104. As informed earlier to the Committee (9th Report – 13th L.S.) during examination of Demands for Grants for 2002-03, proposals had been received from about 65 Indian Mission and posts for setting up of cultural centers/strengthening of cultural wings. Out of them about 20 proposals were for setting up of new cultural centres. It was further stated that implementation of these proposals would involve large financial outlay of Rs. 30 crore in capital expenditure and Rs. 10 crore in recurring expenditure. It was also stated that the commitments for setting up of new cultural centres in Japan, Iran, USA and France had been made at the Government Level

and these commitments would be taken up for implementation on a priority basis and provisions for additional funds would be made once details were worked out.

105. Responding to the query about the names of Indian Missions from where proposals for setting up of new cultural centres have been received by the Ministry, it was stated by the Ministry that proposals had been received from the following Missions for setting up of Cultural Centres:

| Sl. No. | Year in which proposal made | Missions from where proposals Received |
|----------------|------------------------------------|---|
| 1 | 1993 | Budapest (Hungary) Warsaw (Poland) Prague (Czech Republic) |
| 2 | 1994 | Paris (France) Birmingham (UK) |
| 3 | 1995 | Kathmandu (Nepal) The Hague (Netherlands) |
| 4 | 1996 | Nairobi (Kenya) Yangon (Myanmar) Tel Aviv (Israel) |
| 5 | 1997 | Bishkek (Kyrgyzstan) |
| 6 | 1998 | Seol (South Korea) |
| 7 | 1999 | Sao Paulo (Brazil) St. Denis (Reunion Island) Hanoi (Vietnam) Mexico City (Mexico) Copenhagen (Denmark) Canberra (Australia) Madrid (Spain) |
| 8 | 2002 | Phnom Penh (Cambodia) Kuala Lumpur (Malaysia) |

106. The Committee desired to know as to how many proposals have been taken up so far and how many of them are to be taken up for implementation on a priority basis during the year 2003-2004. The Ministry informed that during the financial year 2002-03 eight proposals for the opening of new cultural centres i.e. Dushanbe (Tajikistan), Tokyo (Japan), Beijing (China), Washington (USA), Suva (Fiji), Tehran (Iran), Kuala Lumpur (Malaysia) and Phnom Penh (Cambodia) had been taken up. Out of eight proposals, the Cultural Centre in Dushanbe (Tajikistan) has started functioning. On being asked as to how much budgetary allocations have been made in BE 2003-2004 for the purpose of opening cultural centres abroad, the Ministry informed that the Council has kept a provision of Rs. 145 lakh in the BE 2003-04 for the opening of new cultural centers.

107. The Committee in their 5th Report (13th L.S.) had recommended that the team/empowered Committee being sent to Washington to finalize the proposals regarding setting up of a Cultural

Centre in Washington, may take on the spot decisions to speed up the process. The Ministry in their Action Taken Note (8th Report – 13th L.S.) stated that the Ambassador in Washington was

reminded in May 2001 to send a comprehensive proposal thereon. The Committee again in their 9th and 10th Report (13th L.S.) strongly reiterated their recommendation for early setting up of Cultural Centre in Washington. In this context, the Committee desired to know as to what concrete steps had been taken by the Ministry for achieving the target of opening the Cultural Centre in Washington during the current financial year. The Ministry responded as under:

“A budget provision of US\$ 5 Million had been kept under capital outlay during the current financial year for the purchase of a building to serve as the Indian Cultural Centre in Washington. The Indian Mission in Washington had been advised to identify a property for this purpose. A mechanism has been evolved for an empowered Team to visit abroad for purchase of properties. A property team from MEA comprising Secretary (Expenditure), Ministry of Finance and Joint Secretary (Establishment), MEA visited Washington on October 7, 2002 to inspect the property identified by the Embassy of India, Washington. The property was not found suitable. The Embassy has been advised to locate 3-4 suitable properties for the Cultural Centre on a priority basis”.

108. On being asked as to what efforts had been made by the Indian Embassy in Washington to locate 3-4 suitable properties for the Cultural Centre on a priority basis after October, 2002 and also what measures had been devised by the Ministry in pursuance of the recommendation of the Committee to review and simplify the procedure for finalising the proposals for selection/construction of properties so that viable proposals reach a fruitful conclusion. Responding to the query, the Ministry informed the Committee as under :

“Our Embassy in Washington is on the look out for suitable properties in the city in which the Cultural Centre can be located. It was felt that if it was difficult to find a suitable property for purchase, then we could even consider renting accommodation for the proposed Cultural Centre. A team from New Delhi will visit Washington as soon as the intimation is received of suitable properties that are available for inspection.”

109. The Ministry however did not submit any categorical reply to the question as to what measures had been devised by them in pursuance of the recommendations of the Committee, to review and simplify the procedure for finalising the proposals for selection/construction of properties so that viable proposals could reach a fruitful conclusion.

110. The Committee desired to know the mechanism devised by the Ministry to assess/review the ICCR's performance and also whether any such assessment/ review had been undertaken to make the activities of ICCR more pragmatic and result oriented. The Ministry replied as under:

“The Council is governed by three statutory bodies, viz. Governing Body, General Assembly and the Finance Committee. These statutory bodies meet on regular

basis to decide and review the various activities of the Council undertaken during the year and also prescribe guidelines for future activities to be undertaken. The annual Plan of Action of the Council is considered and approved by the Planning Committee”.

111. The Committee in their 9th Report (13th L.S.) had strongly recommended that the budgetary allocations for the ICCR should be substantially enhanced so as to enable it to vigorously pursue its objectives and expand its activities in India and abroad. The Ministry in their Action Taken Note (10th Report – 13th L.S.) had stated that to fund the activities, ICCR would propose augmentation of the budgetary allocation at the RE stage during the current financial year itself. The Committee are amazed to observe that in sharp contrast to their submission, the budgetary allocation was rather reduced to Rs.42.00 crore at RE stage from Rs.42.43 crore at BE stage. Though the amount reduced was negligible but the fact remains that the Ministry failed to honour their commitment made to the Committee that augmentation of allocation will be made at RE stage. While expressing their displeasure, the Committee caution the Ministry to be more vigilant in such matters in future.

(Recommendation No. 24)

112. The Committee are happy to note that the budgetary allocation of ICCR has been increased from Rs.42.43 crore (BE) for the year 2002-2003 to Rs.54.50 crore (BE) for the year 2003-2004. The enhanced budgetary provisions are stated to have been made to meet the expenditure for expanding activities of ICCR and the new schemes likely to be undertaken in the financial year 2003-2004 like opening of new Regional Offices in India and new Cultural Centres abroad, renovation of ICCR property, construction of Azad Bhavan Annexe etc. Keeping in view the fact that cultural diplomacy is assuming increasingly significant role to strengthen bilateral relations among countries, the Committee feel that proposed activities alone will not be sufficient to project India's rich cultural heritage and its potential strength across the globe. While emphasizing the need for sincere efforts to execute the proposed activities/schemes in right earnest, the

Committee desire the ICCR to develop some well defined and articulated programmes of India's diverse cultural preserves so as to present India in proper perspective. The Committee are glad to know that ICCR proposes to send 10 cultural groups overseas from the North-East region. The Committee hope that while according due importance to the

North-East region, the Ministry will initiate necessary measures to promote and encourage upcoming artists/troupes from other States/Union Territories also.

(Recommendation No. 25)

113. The Committee have been informed that proposals from 21 Missions have been received since 1993 for setting up of new Cultural Centres. The eight proposals taken up during 2002-2003 include only 2 proposals (Kuala Lumpur and Phnom Penh) out of the 21 proposals received from the Missions since 1993. As earlier stated by the Ministry itself, large financial outlay of Rs.30 crore in capital expenditure and Rs.10 crore in recurring expenditure are needed for opening of new cultural centres against which budgetary allocation of mere Rs.1.45 crore has been made in the Demands for Grants for the year 2003-04. This in the opinion of the Committee is highly insufficient. The Committee strongly recommend the Ministry to take early decision to open Cultural Centres abroad from where proposals have been received and a well defined policy of opening Cultural Centres abroad should be formulated immediately with sufficient budgetary support so as to give impetus to the cultural diplomacy.

(Recommendation No. 26)

114. The Committee are shocked to know that in spite of repeated recommendation of the Committee, no suitable building has been located till now for setting up Cultural Centre in Washington. It appears that sincere efforts have not been made either by the Ministry or Indian Mission in USA in this direction during all these years. There is no plausible explanation as to why the Indian Mission in USA has even not succeeded in identifying 3-4 suitable properties during the last six months since the visit of a team from the Ministry on 7th October, 2002 for which they were specifically advised by the Ministry. Taking into account the degree of indifference being exhibited in this matter both by the Ministry as well as the Indian Mission in USA, the prospects of coming up of Cultural

Centre in Washington in near future appear very bleak. While expressing their anguish, the Committee strongly recommend the Ministry to ensure early setting up of Cultural Centre in Washington by accelerating all the processes involved. The Committee would like to be regularly apprised of the developments in the matter.

I INDIAN COUNCIL OF WORLD AFFAIRS(ICWA)
(2061 – 11.05.31)

(Rs. in lakhs)

| Year | BE | RE | Actuals |
|-----------|--------|--------|---------|
| 1998-1999 | 01.00 | 01.00 | 00.00 |
| 1999-2000 | 01.00 | 00.00 | 00.00 |
| 2000-2001 | 01.00 | 80.00 | 65.00 |
| 2001-2002 | 100.00 | 120.00 | 134.36 |
| 2002-2003 | 150.00 | 150.00 | - |
| 2003-2004 | 160.00 | - | - |

115. The Committee in their 9th and 10th Reports (13th L.S.) had recommended for early formation of the Council and governing body of ICWA and also for stepping up the budgetary allocations. The Ministry were asked to inform the progress made in the matter so far. The Committee were informed by the Ministry as under:

“The six-member Council formed under Article 7(1) of the ICWA Act, 2001 (No. 29 of 2001) was only for three months and the Government was to appoint the Council under the Presidentship of Hon’ble Vice President of India within three months from the date of assent by the President of the Act i.e. by 2nd December 2001. This could not be accomplished as the extensive and wide ranging consultations for forming the Council could not be completed. The Act also does not provide for any mechanism to constitute the first Council under Section 7(2) of the Act. Hence the disability of “three months” has to be removed to put in place the first Council of ICWA as per Section 7(2) of the Act. The Government has already initiated action to introduce a bill in the current session of the Parliament to amend the ICWA Act, 2001 to remove this disability. The Council will be formed as soon as the proposed amendment Bill is passed by the Parliament. The Council, once formed, shall constitute the Governing Body in terms of the provisions of Section 14 of the ICWA Act, 2001. The Ministry had taken due note of the Committee’s recommendations regarding stepping up of the budgetary allocation for the ICWA. Accordingly, as against the Budget Estimates 2002-2003 of Rs. 1.50 crore, an enhanced allocation of Rs. 1.60 crore has been proposed in the Budget Estimates 2003-2004”.

116. The Committee deplore that the Council could not be formed within the stipulated time which resulted in legal hurdles in the formation of the Council thereafter. In the opinion of the Committee, three months’ time cannot be construed to be short one by any yardstick for the purpose of formation of Council. The Committee hope that the Bill to

amend the ICWA Act, 2001 will be introduced in the Parliament in the current session. The Committee also expect that the enhanced budgetary allocation of Rs. 1.60 crore in BE 2003-04 will be effectively utilized for strengthening India's International Diplomacy.

(Recommendation No. 28)

J. FINANCIAL ALLOCATIONS FOR GOVERNMENT OF BHUTAN

a. Aid to Bhutan : 3605 - 10.00.32

(Rs. in crores)

| Year | BE | RE | Actual |
|-----------|--------|--------|--------|
| 1998-1999 | 331.00 | 372.00 | 357.77 |
| 1999-2000 | 436.00 | 436.00 | 451.88 |
| 2000-2001 | 545.00 | 549.20 | 553.36 |
| 2001-2002 | 482.00 | 495.00 | 507.25 |
| 2002-2003 | 597.05 | 567.05 | - |
| 2003-2004 | 644.00 | - | - |

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

(Rs. in crores)

| Year | BE | RE | Actual |
|-----------|--------|--------|--------|
| 1998-1999 | 119.00 | 115.00 | 124.61 |
| 1999-2000 | 154.00 | 154.00 | 156.00 |
| 2000-2001 | 230.00 | 200.80 | 200.78 |
| 2001-2002 | 148.00 | 160.00 | 157.44 |
| 2002-2003 | 234.40 | 214.40 | - |
| 2003-2004 | 248.00 | - | - |

117. The Demands for Grants of the Ministry for the year 2003-04 indicate the following pattern of allocation of funds in different forms to the Government of Bhutan:-

(Rs. in crores)

| Year | Head – “Aid to Bhutan” | | | Head – “Loans to Govt. of Bhutan” | | | Grand Total (a+b) |
|------------------------------|------------------------|----------|-------------------|-----------------------------------|----------|--------------|----------------------|
| | Plan | Non-Plan | Total Plan (a) | Plan | Non-Plan | Total (b) | |
| 1998-1999 (actual) | 172.97 | 184.80 | 357.77 | 124.61 | 0.00 | 124.61 | 482.38 |
| 1999-2000 (actual) | 238.93 | 212.95 | 451.88 | 156.00 | 0.00 | 156.00 | 607.88 |
| 2000-2001 (actual) | 334.19 | 219.17 | 553.36 | 200.78 | 0.00 | 200.78 | 754.14 |
| 2001-2002 (actual) | 276.12 | 231.13 | 507.25 | 157.44 | 0.00 | 157.44 | 664.69 |
| 2002-2003 (RE) | 365.60 | 231.45 | 597.05 | 234.40 | 0.00 | 214.40 | 811.45 |
| 2003-2004 (BE) | 402.00 | 242.00 | 644.00 | 248.00 | 0.00 | 248.00 | 892.00 |

118. The Ministry were asked to furnish a list of all projects funded under these heads, dates of their commencement, expected date of completion, total estimated cost at commencement stage, total cost at present price level, total share of Govt. of India and Govt. of Bhutan funds released year-wise by both the Govts. In response, the Ministry submitted the following information.

| List of the Projects | Date of Commencement | Expected Date of Completion | Total estimated cost at commencement stage | Total cost at present price level | Total share of GoI and Govt. of Bhutan |
|----------------------------|----------------------|---|--|-----------------------------------|--|
| Tala Hydroelectric Project | October 1997 | 2005 | Rs.1408.278 crore | Rs.3580 crore | 60% Grant 40% Loan |
| Kurichu Hydro Project | September 1995 | Completed | Rs.256 crore | Rs.560 crore | 60% Grant 40% Loan |
| Dungsum Cement Plant | April 1996 | Part of the project has been suspended for time being | Rs. 400 crore | ---- | 100% Grant |

119. In their 9th Report (13th L.S.), the Committee had observed that a mere 3% of Bhutan’s total hydro power potential had so far been put to use and this situation offered immense scope for collaboration between India and the Govt. of Bhutan in future hydro electric projects in that country. The Committee had therefore recommended the Ministry to explore the effective exploitation of 97% Bhutan’s untapped hydro power potential. In this context the Ministry were

asked to elaborate as to what steps had been taken by them to explore the effective exploitation of 97% Bhutan's untapped hydro power potential. In response, the Ministry stated that the 336 MW ChukhaHydel Project and the 60 MW Kurichu Hydel Projects have been commissioned in 1988 and 2001 respectively. Most of the power from these two plants is meant for export to India. The 1020 MW Tala Project is currently under implementation and is expected to come on stream towards the end of 2005 and almost the entire power from this plant is likely to be exported to India.

120. On being asked to furnish a status report on the proposed Punatsangchu and Mandeschu Hydro electric projects, the Ministry stated that it had identified the 900+ MW Punat Sangchu Hydroelectric Project as the next Project for implementation after the commissioning of the Tala Project. A technical delegation was expected to visit Bhutan to finalize the modalities on this Project.

121. In response to a question as to what steps have been taken by the Ministry to explore the effective exploitation of 97% Bhutan's untapped hydro-power potential, the Ministry stated as under:-

“The following steps are involved in exploitation of hydel potential: (I) feasibility study, (ii) preparation of DPR, (iii) construction of project. Undertaking a project also depends on extent of funds available under the plan budget of the Ministry and the relevant five year plan of India. In the Tenth Plan of India, Rs. 2811 crore have been earmarked for project in Bhutan.

XX XX XX XX XX

Uunder GOI assistance to the Ninth Plan of Bhutan (July 2002 to July 2007), feasibility study of three hydro-electric projects will be undertaken. These are Punatsan chu II, Deglia in Zemgang, Kholongchu in T/Yangtse, estimated to generate about 2000 MWs each.”

122. About the prospects of early revival of Dungsum Cement Project which had been stalled because of adverse security situation, the Ministry stated that because of continuing uncertainty in the Project area, project staff had been kept to the barest minimum. Some infrastructure components of the project which were of value to Bhutan even without the Dungsum Cement Plant were however being implemented. Governments of Bhutan and India were exploring possibilities of reviving this project.

123. The Committee observe that financial allocation for Government of Bhutan under both the heads “Aid to Bhutan” and “Loan to Government of Bhutan” is Rs. 892.00 crore for the year 2003-04. The three projects namely Tala Hydro-electric Project, Kuruchi Hydro-electric Project and Dungsum Cement Plant are being funded under these heads.

The Committee are happy to note that the Kurichu Hydro-electric Project has already been completed. Since a huge allocation of funds is being made regularly under these heads, the Committee recommend the Ministry to regularly and scrupulously monitor the execution/operation of all the projects in Bhutan to ensure that they are completed without involving any time or cost overrun.

(Recommendation No. 29)

124. The Committee would like to point out that they had recommended in their 9th Report for exploring the effective exploitation of 97% Bhutan's untapped hydro-power potential. The Committee find that the Ministry will be undertaking feasibility studies of three hydro-electric projects namely, Punatsanchu II, Deglia in Zemgang, Kholongchu in T/Yangtse, estimated to generate about 2000 MWs each. In view of the fact that commencement of hydro-electric projects in Bhutan would be highly beneficial not only to Bhutan's development but also to India in terms of bridging the gap between demand and supply of power, the Committee would recommend the Ministry to initiate necessary steps for exploring as much as possible the hydro-power potential of Bhutan. It should also ensure early execution of the Punatsangchu Hydro-electric project already identified for implementation.

(Recommendation No. 30)

K FINANCIAL ALLOCATIONS FOR GOVERNMENT OF BANGLADESH

a. Aid to Bangladesh :

(3605 - 00.101 - 09.00.32)

| (Rs. in crores) | | | |
|-----------------|-------|------|--------|
| Year | BE | RE | Actual |
| 1999-2000 | 15.00 | 1.20 | 0.62 |
| 2000-2001 | 10.00 | 8.75 | 5.02 |
| 2001-2002 | 9.00 | 4.00 | 0.04 |
| 2002-2003 | 10.00 | 2.50 | - |
| 2003-2004 | 20.00 | - | - |

b. Loan to Government of Bangladesh:

(7605 - 00.098 - 00.00.55)

| (Rs. in crores) | | | |
|-----------------|--------|-------|--------|
| Year | BE | RE | Actual |
| 1999-2000 | 15.00 | 50.00 | 19.55 |
| 2000-2001 | 75.00 | 75.00 | 59.08 |
| 2001-2002 | 105.45 | 57.42 | 78.61 |
| 2002-2003 | 80.00 | 40.00 | - |
| 2003-2004 | 20.00 | - | - |

125. The Committee enquired as to what were the various projects/activities which were undertaken by the Government of Bangladesh with the allocation of funds under both the above Heads. The Ministry informed:

“The Government has been supporting various projects and activities relating to improvement of infrastructure within Bangladesh. It is in our long term interest to strengthen economic links with Bangladesh. Bangladesh is also one of our largest export markets world-wide. The upgradation and renovation of the existing infrastructure is in our interest as it would facilitate an increase in our exports and economic and commercial linkages with Bangladesh. The improvement of the existing Bangladesh Railway infrastructure is of special importance to us as a large volume of our exports to Bangladesh is undertaken through the Railways.

Similarly, the Government has also been supporting the various training programmes such as the training of the journalists in the India Institute of Mass Communication under Aid to Bangladesh funds with the objective of projecting the correct image of India and to highlight our achievements in the various fields. The Government has also been assisting the Government of Bangladesh during times of natural calamities such as major floods, cyclones etc.”

126. On being asked to furnish projects/activities-wise allocation of funds during the last 5 years under both the above heads, the Ministry informed as under:

(a) Aid to Bangladesh

“The funds under this Head have been used to extend support to the Government of Bangladesh during times of natural calamities like in 1998 when 650 tons of wheat and 200 tons of maize seeds were gifted at a cost of Rs. 2.05 crore during the time of floods. Similarly, a gift of 20,000 tons of rice was also made at a cost of Rs. 22 crore during the same period i.e. 1998. The other activities sponsored under this Head have been training of Bangladeshi journalists in development journalism at IIMC at a cost of Rs. 1.56 lakh per course. So far, eight Bangladeshi journalists have been trained in four courses. Bangladesh Armed Forces Personnel have also been trained at AFMC, Pune, at a cost of Rs. 2.4 lakh. Ten ambulances have also been dispatched to Bangladesh at a cost of Rs. 61.5 lakh to be donated to the Government of Bangladesh.”

(b) Loan to Government of Bangladesh

“The funds under this Head have been mainly used to support development of infrastructure within Bangladesh. Double Decker buses have been supplied to Bangladesh Roadways Transport Corporation at a cost of Rs. 50 crore. Similarly, locomotives purchase and conversion into dual guage of the important Dhaka-Jaidevpur Railway line have been supported to the tune of Rs.105.94 crore. These include supply of concrete sleepers, supply of welding material and equipment, fish plates, and steel for the rails.”

127. The actual utilization of funds have been constantly lower than the BE in the past under the head “Aid to Bangladesh” though the Ministry had always been projecting a higher

budgetary estimate under this Head. In this context, the Ministry were asked to furnish in detail the reasons responsible for continuous under-utilisation of the funds. The Committee were informed that the support extended to various projects under Aid to Bangladesh was contingent upon the prevailing political climate of that time as also the receptivity of Bangladesh authorities to such projects. Further, a large amount of aid was kept on a stand by basis in order to meet emergency needs arising out of natural calamities which occur frequently in this part of the world. Hence, the actual utilisation would be at variant with the requirement projected.

128. The Committee desired to know the objectives the Ministry intended to achieve by huge allocation of funds to the Govt. of Bangladesh and also whether the Ministry had been able to achieve the desired objectives. The Committee were informed as under:

“The Ministry have been assisting in the socio-economic development of Bangladesh by means of extending lines of credit to Government of Bangladesh. The lines of credit are extended with the purpose of improving the infrastructure and promoting the economic and commercial linkages between India and Bangladesh. Through supply of Indian goods and services, the dependency on the Indian companies would also grow in line with the supply being affected. This

also permits growth of our exports to Bangladesh. It also conveys a very strong political message to the Government and people of Bangladesh that India is committed to assisting Bangladesh in its socio-economic development. The Ministry have been able to achieve the objective of increasing our exports to Bangladesh. Our exports, which were US\$227 million in 1991-92, have increased to US\$1080 million in 2000-2001.”

129. On being asked as to whether the Ministry have any mechanism of review of the financial assistance being extended to the Government of Bangladesh and if so, whether any such review has been undertaken by the Ministry and with what results, the Ministry stated as under:

“The financial assistance extended to Government of Bangladesh through the line of credit are reviewed periodically and also before extension of new lines of credit. The slow utilization of the line of credits has also been taken up with Government of Bangladesh appropriately at various levels including political level.”

130. In reply to Parliamentary Question No. 3406 dated 11.12.2002, it was been stated that the Government of India has been regularly taking up the issue of presence of terrorist groups on Bangladesh territory with the Govt. of Bangladesh at different levels through diplomatic channels and institutional mechanisms existing between the two countries. In this context, the Ministry were asked to inform the Committee about the diplomatic measures taken up by the Government in this regard. The Ministry informed the Committee as under:

“The Government of India has shared its serious concerns with Government of Bangladesh over the presence of Indian insurgent groups in Bangladesh territory.

Our concern has been expressed at various level including at the highest level. Most recently in this year, the matter was taken up during Joint working Group meeting held in January, 2003 held in Dhaka. Subsequently, detailed discussions were also held with the Bangladesh Foreign Minister during his visit to India in February, 2003. The Bangladesh High Commissioner was also summoned earlier by the Foreign Secretary to express our misgiving over the anti-Indian activities of these insurgent groups in Bangladesh. The government of Bangladesh has assured the Government that it would not allow its territory to be used for anti-India activities. The Government would continue to monitor the situation and engage Government of Bangladesh.”

131. The Committee observe that Rs. 20 crore each under the head “Aid to Bangladesh” and “Loan to Govt. of Bangladesh” has been projected at BE stage in 2003-04. While the funds under the head “Aid to Bangladesh” are used to extend support to the Government of Bangladesh during times of natural calamities, the funds under the head “Loan to Govt. of Bangladesh” are mainly used to support development of infrastructure within Bangladesh. The intended objective behind financial assistance to Bangladesh under both the above heads are stated to be socio-economic development of Bangladesh in promotion of economic and commercial linkages between India and Bangladesh. While Committee are shocked to know about the presence of anti-Indian elements in Bangladesh territory, they are somewhat relieved to learn that the Government of Bangladesh has assured that it would not allow its territory to be used for anti-India activities. While underlining the importance of financial assistance by India for socio-economic development of a neighbouring country like Bangladesh, the Committee would emphasize that the matter regarding use of Bangladesh territory for anti-India activities should be taken up by the Government seriously at appropriate fora to curb such undesirable development before it grows out of proportion.

(Recommendation No. 31)

L ITEC PROGRAMME

(3605 - 00.101 - 17)

(Rs. in crores)

| Year | BE | RE | Actual |
|-----------|-------|-------|--------|
| 1999-2000 | 31.00 | 29.00 | 29.32 |
| 2000-2001 | 30.00 | 29.75 | 28.96 |
| 2001-2002 | 31.18 | 31.00 | 30.81 |
| 2002-2003 | 31.00 | 26.00 | - |
| 2003-2004 | 30.50 | - | - |

132. Explaining about the ITEC programme, the Ministry informed in a written reply as under:

“ITEC stands for Indian Technical and Economic Cooperation programme which is an important instrument of India’s foreign policy and it covers the following:-

- a) Training, both for civilian and military personnel;*
- b) Projects, consultancy services and feasibility studies;*
- c) Deputation of Indian experts to developing countries on requests;*
- d) Study visits to India by senior officials and high ranking dignitaries to see India’s scientific, technical and industrial progress; and*
- e) Aid for disaster relief.*

ITEC and its corollary SCAAP (Special Commonwealth Assistance for Africa Programme) cover 154 countries. The ITEC programme was started in 1964 with an aim to promote political goodwill, economic interdependence with neighbouring countries, sharing of India’s experience with neighbouring countries such as Nepal, Bhutan, Bangladesh, Sri Lanka, Maldives and countries with large presence of persons of Indian origin and with the developing countries of Africa, Asia and Latin America.

SCAAP (Special Commonwealth Assistance for Africa Programme) is a programme of assistance meant for the Commonwealth countries in Africa as far as civilian training is concerned. All other programmes fall under ITEC.”

133. Informing about the basic objectives behind the ITEC programme, the Ministry stated:

“The main objectives behind the ITEC programme, are to promote goodwill, share India’s experience in development and also to get economic and commercial spin offs by providing training, gifting of machinery and equipment and setting up of projects. Decisions for Technical Cooperation among developing countries have been taken at various international fora such as UN, Commonwealth, Non-aligned Movement.”

134. On being asked as to whether the Govt. has at any time reviewed the ITEC programme with a view to evaluate as to how far this programme has helped India in strengthening mutual and bilateral relations with recipient countries and also to determine the need, desirability and quantum of the aid, the Ministry replied:

“The ITEC programme has generated goodwill for India and recognition by the developing countries of India’s achievements in science, technology, industry, agriculture and human resource development. The first major evaluation of ITEC programme was done in 1993. In 2001, an Advisory Group on Technical Cooperation had been established to identify ways to enhance the level and modernize the Technical Cooperation Programmes.”

135. The Committee observe that the Indian Technical and Economic Cooperation (ITEC) programme covers training, projects, consultancy and feasibility studies, deputation of Indian experts to developing countries, aid for disaster relief etc. The main objectives behind the ITEC programme are to promote goodwill, share India’s experience in development and also to get economic and commercial spin offs by providing training, gifting of machinery and equipment and setting up of projects. Admittedly the ITEC programme has generated goodwill for India and recognition by the developing countries of India’s achievements in science, technology, industry, agriculture and human resource development. The Committee, therefore, recommend that the allocated funds under this Head should be fully utilised to strengthen India’s mutual and bilateral relations with recipient countries. The Committee would also like to be apprised of the recommendations made by the Advisory Group on Technical Cooperation which was established in 2001 to identify ways to enhance the level and modernize the Technical Cooperation Programmes and the action taken by Government in pursuance thereof.

(Recommendation No. 32)

M. PRAVASI BHARTIYA DIVAS

136. In the brief note submitted before the Committee, the Ministry informed that a new head “Celebration of Pravasi Bhartiya Divas” had been included in the RE 2002-2003. It is observed that Rs. 6.65 crore was proposed at RE stage in 2002-2003. For the year 2003-2004, Rs. 7.00 crore is the proposed budgetary allocation at BE stage.

137. About the likely actual expenditure during the year 2002-2003 under the new head for which proposed allocation at RE stage was Rs. 6.65 crore, the Ministry stated that the expenditure under the head was likely to be Rs. 6.15 crore during the year 2002-03.

138. On being asked to furnish the details of the celebration of Pravasi Bhartiya Divas in January, 2003 and its outcome, the Ministry informed that the high Level Committee on the Indian Diaspora, constituted by the Government under the chairmanship of Dr. L.M. Singhvi,

MP, had recommended that 'Pravasi Bharatiya Divas' should be celebrated every year in recognition and appreciation of the constructive economic and philanthropic role played by the Indian Diaspora on 9th day of January every year. The Government accepted this recommendation of the High Level Committee. In line with Government's policy of promoting mutually beneficial relationship with the overseas Indian community the first "Pravasi Bhartiya Divas" was celebrated from 9 to 11 January, 2003, which was attended by Members of the Overseas Indian Community. Pursuant to the acceptance of recommendations of the High Level Committee on the Indian Diaspora, 'Pravasi Bharatiya Samman' Awards were conferred by the Prime Minister on 9th January, 2003 on ten prominent persons of the overseas Indian community in recognition of their valuable contribution in promoting the honour and prestige of India and in fostering the interests of overseas Indians.

139. About the outcome of "Pravasi Bhartiya Divas" Sammelan, the Ministry informed as under:

"The Prime Minister, while inaugurating the 'Pravasi Bharatiya Divas' on 9th January, announced that the Government has decided to accept the recommendation of the High Level committee to permit dual citizenship for the persons of Indian Origin living in certain countries. Other announcements made by PM at the PBD are as follows:

- (a) A compulsory insurance scheme for Indian workers migrating to the Gulf region will be unveiled shortly. Parliament is already considering a bill to establish a welfare fund for the overseas Indian workers.*
- (b) To meet the educational needs of children of workers in the Gulf, the Government plans to reserve a certain proportion of seats in our academic institutions for the children of non-resident Indians in the Gulf region.*
- (c) With the objective of continuous engagement with the communities of Indian origin, the Government has decided to set up an Advisory Committee, which will meet periodically to suggest new initiatives to the Minister of External Affairs.*

The outcome of the deliberations, have been positive and many valuable suggestions and ideas have emerged from participants from 61 countries."

140. Narrating the benefits derived from the Pravasi Bhartiya Sammelan to be utilised by the Government to strengthen its economic and political position in the world, the Ministry informed the Committee as under:

“The convention provided a useful forum for a mutually beneficial relationship with our Indian diaspora. This also provided a forum for understanding their problems and difficulties and how best we can address their grievances and remove obstacles and hurdle faced by them. The convention also provided an opportunity for our Diaspora to discover their roots. The liberalisation of the Indian economy since 1991 has opened up opportunities for investment in India. The acceleration of our economic reform process has created a favourable climate where our diaspora can play an active role in generating investments. The ‘Pravasi Bharatiya Diva’ has served a useful purpose in creating the necessary awakening among our diaspora for their active participation in India’s economic development in various sectors of its economy. The Ministry of External Affairs, which organized the celebrations will jointly pursue the follow up action with the concerned Ministries/Department and other relevant organizations.”

141. Regarding the Pravasi Bharatiya Bhawan, the Foreign Secretary informed the Committee during the evidence as under:

“- - - there is a proposal to set up a Pravasi Bhartiya Bhawan and the High Level Committee had recommended this. The Ministry of Urban Development with whom the matter has been taken up for allocation of plot has agreed to the request to allocate a plot of land in Chanakyapuri.”

142. On being asked to indicate the progress in implementation of various recommendations of the High Level Committee on Indian Diaspora, the Ministry informed that the High Level Committee on the Indian Diaspora had submitted a detailed Report to the Government in

December, 2001. The Government had accepted three major recommendations made by the High Level Committee namely, reduced fee for PIO Cards, Pravasi Bharatiya Divas and Pravasi Bharatiya Samman Awards. As per information given by the Ministry, the implementation of these and other recommendations was at various stages.

143. The Committee are happy to note that the Government have accepted three recommendations made by the High Level Committee on Indian Diaspora, namely reduced fee for PIO Cards, *Pravasi Bhartiya Divas* and *Pravasi Bhartiya Samman Awards* and in pursuance thereof the *Pravasi Bhartiya Divas* was celebrated on 9th January, 2003 where ten prominent persons of the overseas Indian community were conferred “Pravasi Bhartiya Samman Awards”. The Committee are also happy to observe that the Ministry of Urban Development have agreed to allot a plot of land in Chanakyapuri, New Delhi for construction of Pravasi Bhartiya Bhawan. In regard to other recommendations of the High

Level Committee on Indian Diaspora, the Committee find that implementation of these recommendations is at various stages. While appreciating the efforts being made by the Ministry in regard to implementation of various recommendations of the High Level Committee on Indian Diaspora, the Committee expect that the Ministry will start construction of Pravasi Bhartiya Bhawan at the earliest and persuade all the Ministries/Departments concerned for expeditious implementation of various other recommendations of the High Level Committee.

(Recommendation No. 33)

N. PROPAGATION OF HINDI THROUGH MISSIONS ABROAD

(2061 - 13.01.26)

(Rs. in lakhs)

| <u>Year</u> | BE | RE | Actuals |
|-------------|---------|--------|---------|
| 1997-1998 | 50.00 | 50.00 | 14.59 |
| 1998-1999 | 52.00 | 68.00 | 39.76 |
| 1999-2000 | 175.00 | 285.00 | 219.45 |
| 2000-2001 | 75.00 | 70.00 | 71.11 |
| 2001-2002 | 73.50 | 72.50 | 74.22 |
| 2002-2003 | 70.00 | 100.00 | - |
| 2003-2004 | 270.-00 | - | - |

144. The Ministry in their Action Taken Reply had stated (10th Report – 13th L.S.) that they were committed to the objective of making Hindi popular across the globe through various programmes and initiatives through our Missions/Posts abroad. It was also stated that the proposal for organizing the 7th World Hindi Conference was under active consideration. The Ministry also stated that they had noted the recommendation that Hindi Sammelan/Regional Hindi Conferences are organized on a regular basis in other prominent places in different parts of the world. In this context, the Ministry were asked to indicate as to what concrete steps had been taken by them during the year 2002-2003 to fulfil their commitment to the objective of making Hindi popular across the globe. The Ministry replied that several concrete steps were taken during the year 2002-2003 for promotion and propagation of Hindi abroad. 100 slots were allotted to students from different countries to learn Hindi at the Kendriya Hindi Sansthan, Agra. Twenty nine Hindi teachers were appointed in Indian Missions abroad under a special scheme called 'Baal Hindi Kakshaa' to teach Hindi to children in Indian Embassies. Indian Missions were encouraged to promote and assist in the learning of Hindi through correspondence courses conducted by Central Hindi Directorate.

145. Responding to another query as to what programmes and initiatives had been drawn by the Ministry/Indian Missions abroad in this direction during the year 2002-2003, the Ministry stated that during the year 2002-03, nine Indian Missions had been given financial grants to celebrate Hindi Diwas. Several Indian Missions/Posts organised Hindi Diwas by way of holding competitions and cultural programmes. Standard Hindi learning material and literature on various subjects, such as Indian Culture, Art, Literature, Language, History and Philosophy, was sent to Indian Missions for their libraries and also for donating to educational institutions, temples and various voluntary organizations engaged in promotion of Hindi. Nine prominent Hindi magazines were also sent to Missions/Posts abroad. Teaching material, including textbooks, dictionaries, audio-visual cassettes, computer software, CD-ROMs etc. were also sent on regular basis.

146. Informing the Committee about Hindi Sammelan and Regional Hindi Conferences organized by the Ministry/Indian Missions during the year 2002-2003 and its outcome/achievements, the Ministry stated that Regional Hindi Conferences had been held at Port of Spain, Trinidad & Tobago, and Kathmandu, Nepal, with the assistance and cooperation of the Ministry. A high level official Indian delegation participated in the Regional Hindi Conference held at Port of Spain. Hindi Kavi Sammelans were also held during the Hindi conferences.

147. As a follow-up to the recommendations of the Regional Hindi Conferences, a high-level committee under the Chairmanship of External Affairs Minister has been set up to intensify efforts to make Hindi as one of the Official languages of the United Nations (UN). The Central Hindi Institute, Agra, based on the recommendations of the Hindi Conferences, has prepared a standardized Hindi learning course. The Ministry would scrutinize this Hindi course before it considered for implementation in Indian Missions/Posts abroad.

148. About the seventh World Hindi Conference the Committee were informed that the seventh World Hindi Conference was being held at Paramaribo, Suriname, from 5th to 9th June, 2003. A Co-ordination Committee under the Chairmanship of Minister of State for External Affairs (Sri Digvijay Singh) had been formed with six subcommittees on different subjects of the Conference. At Suriname Hindi Sammelan Organising Committee (SUHOC) had been set up with the help of the Indian Mission, which is co-ordinating all activities and work related to Hindi Conference.

149. The budgetary estimates projected for the year 2003-04 is Rs. 270 lakh which is higher by Rs. 200 lakh over the BE of 2002-2003. On being asked as to what are the activities for which the enhanced budgetary allocations are proposed to be spent, the Ministry informed as under:

“In the year 2003-04, a total budget of Rs. 270 lakh has been allotted for Hindi activities, out of which Rs. 70 lakh is earmarked for regular budget of the Hindi section and the remaining Rs. 200 lakh for the 7th World Hindi Conference being held in Suriname. The main reason for increase in the budgetary allocation is due to the proposed World Hindi Conference. It may be pertinent to mention that the projected expenditure on the World Hindi conference alone is approximately Rs. 4.77 crore”.

150. The Committee are glad to observe that a total sum of Rs. 270 lakh has been allocated for Hindi activities in the year 2003-04. Out of this, Rs. 70 lakh is earmarked for regular budget of the Hindi section and remaining Rs. 200 lakh for the 7th World Hindi Conference being held in Surinam. Since the projected expenditure on the World Hindi Conference is approximately Rs. 4.70 crore, the Committee would like to be apprised as to how the additional requirement will be met by the Ministry. Although the Ministry is making efforts in right direction for promotion of Hindi, the Committee feel that a lot still needs to be done to make Hindi popularly known all over the world. The Committee also desire that efforts need to be made to make Hindi as one of the languages of the United Nations.

(Recommendation No. 34)

O. FOREIGN SERVICE TRAINING INSTITUTE

(2061 – 00.003 - 01)

| | (Rs. in crores) | | |
|-------------|------------------------|------|---------|
| <u>Year</u> | BE | RE | Actuals |
| 1998-1999 | 2.10 | 1.57 | 1.13 |
| 1999-2000 | 2.00 | 1.25 | 1.07 |
| 2000-2001 | 1.50 | 1.25 | 1.20 |
| 2001-2002 | 1.58 | 2.10 | 1.78 |
| 2002-2003 | 2.15 | 2.15 | - |
| 2003-2004 | 2.15 | - | - |

151. The Foreign Service Institute was established in 1986 to meet the professional training requirements of the officers of the Ministry of External Affairs (MEA), especially those belonging to the Indian foreign Service. The Institute has since diversified its activities to include courses for officers of other Ministries as well as for foreign diplomats.

152. As informed by the Ministry, the following courses are available/imparted by the foreign Service Institute (FSI):

- “A. Training programme for the Officer Trainees of the Indian Foreign Service. The Programme is one year long. It commences in the month of January and runs till December. All the fresh entrants to Indian Foreign service are required to undergo the yearlong programme at the FSI.*
- B. Basic Professional course: This course is meant for the staff and officials of the MEA. It is mandatory for all the staff members and officials proceeding on postings in our missions abroad. The course has two components:*
- 1. Administration and financial matters: this also includes module on etiquettes etc. (Duration – 2 weeks)*
 - 2. Computer and IT skill. (Duration – 2 weeks)*
- C. Professional course for Foreign Diplomats (PCFD): The course is meant for foreign diplomats from friendly countries. It is a 6 weeklong programme and so far 124 countries have deputed their diplomats in 32 PCFDs organised so far. The eligibility for participation is a seniority of 5-10 years in the diplomatic service of the nominating country. The participation is offered on the basis of a system of gradation of countries based on their per capita income. Category I consists of countries with per capita income of upto US\$ 1000. These countries are offered full waiver of fees including cost of air fare. Category II consists of countries with per cvapita of upto US\$ 5000. In this category the FSI bears the entire local expenditure. The international air fare is to be borne by the nominating country. Category III consists of countries belonging to the Per capita income of US\$ 5000 and above. In this category the course fee for PCFD is set at US\$ 4000, which is to be deposited with the accredited Indian Mission of the nominating country, upon the selection of the country by the FSI.*
- D. Orientation Programme for the Resident Diplomats: This is a week long programme intended for the foreign diplomats stationed in India, particularly those who have arrived recently, and provides a short but focused introduction to the main features of the system of governance in India, the social, cultural, historical and economic background of the country, and its international relations. The participation in the programme is on fully financed basis. The fee charged in the last programme was INR 8000/- per participant. So far 13 such programme have been organised by the FSI.*
- E. Special Programme for Afghan Diplomats/officials: At the request of the Interim Administration of Afghanistan, FSI has so far organized two training programme for batches of 20 Afghan diplomats, for a duration of 3 months each. Both the batches of Afghan diplomats comprised of 20 serving officials from the Ministry of Foreign Affairs of Afghanistan. In addition, FSI also organized another special Programme for 14 Officials from the Secretariat of the President of Afghanistan. The course lasted for over 6 months.”*

153. On being asked as to what system has been evolved by the Ministry to evaluate the effectiveness of the training imparted to the participants, the Ministry stated as under:

“The Ministry continually evaluates the effectiveness of the training programmes through a system of feedbacks. FSI faculty members also evaluate the effectiveness. Changes in the courses and training methods have been made as and when necessary. The courses have been kept in line with current realities and needs. These changes have been made in order to make Indian diplomats and officials better equipped in their major task of projecting an economically vibrant and politically resurgent India which is ready to play a leading international role in the 21st century”.

154. Responding to a query about the need for improvements to make the training courses more effective and result oriented, the Ministry stated as under:

“The Foreign Service Institute will be moving to its own complex some time in 2004. The new complex will have the state of the art facilities. On line mid career training programmes for the officers of the Indian Foreign Service are being designed and will be implemented as soon as possible.

XX

XX

XX

The courses are being designed in order to make our diplomats look beyond the conventional areas of political reporting and protocol and gain greater expertise in newer areas such as the environment, human rights, proliferation of narcotize, small arms and terrorism new developments in international trade negotiations etc.

155. The Committee observe that the Foreign Service Institute was established in 1986 to meet the professional training requirements of the officers of the Ministry of External Affairs (MEA), especially those belonging to the Indian Foreign Service. The Institute has however since diversified its activities to include courses for officers of other Ministries as well as for foreign diplomats. Presently the Institute is offering five courses, namely Training Programme for the Trainees of Indian Foreign Service, Basic Professional Course for staff and officials of the MEA, Professional course for Foreign Diplomats, Orientation Programme for the Resident Diplomats and Special Programme for Afghan Diplomats/Officials. The Committee were informed that the Institute will be moving to its own complex some time in July, 2004. The Committee wish that once the Institute starts functioning from its own premises which will reportedly have the state of the art facilities, the training courses will be modernised with full back up of cyber technology. The Committee desire that the training courses should be designed in such a way that the Indian Diplomats and Officials posted in Indian Missions/Posts abroad are well equipped with the necessary skills and expertise to deal with all the exigencies in the arena of foreign diplomacy.

(Recommendation No. 35)

P. TRADE AND INVESTMENT PROMOTION

(Investment Promotion and Publicity Programme – 3605 - 24)

(Rs. in lakhs)

| <u>Year</u> | <u>BE</u> | <u>RE</u> | <u>Actuals</u> |
|-------------|-----------|-----------|----------------|
| 1998-1999 | 70.00 | 96.00 | 79.24 |
| 1999-2000 | 84.00 | 84.00 | 27.15 |
| 2000-2001 | 86.00 | 81.51 | 51.69 |
| 2001-2002 | 85.58 | 106.38 | 54.48 |
| 2002-2003 | 90.00 | 50.00 | - |
| 2003-2004 | 40.00 | - | - |

156. The Ministry were asked to indicate the specific activities on which the budgetary allocation under this head were spent by the Ministry. In a written submission, the Ministry stated that the funds allotted were mainly used for:

- a) *“Bringing out investment promotion publication in English and selected foreign languages in printed form and CD-ROM version. This includes expenditure on printing, translation in foreign languages, despatch of material to all Missions, organising events for formal launching of the publication etc.*
- b) *Preparation and despatch of Weekly Economic Bulletins to all Indian Missions and Posts. Additionally, many activities are undertaken without incurring any expenditure from ITP Division's budget.”*

157. The BE for the year 2002-2003 was Rs. 90 lakh while for the year 2003-2004, it is Rs. 40 lakh. Stating the reasons for such substantial reduction, the Ministry stated that during the year

2002-03, it was proposed to bring out the revised edition of the publicity book “India 2003-04: Reliable Business Partner; Attractive FDI Destination” and a separate Investment and Technology-related website was to be developed. Both these projects were under implementation and when completed, will cost the Ministry Rs. 35 lakh and Rs.21 lakh respectively. The same expenditure could not be disbursed during the Financial Year 2002-03 and therefore, allowance has been made for its payment during FY 2003-04. Provision has also been made for regular updating and maintenance of the website.

158. The Committee desired to know the reasons for under utilization of funds over the years under this head. The Ministry responded as under:

“Budget estimates are prepared keeping in mind several promotional activities that may come up during the FY and are continuously revised on the basis of actual events. By the very nature of publicity-related activities, the funds may not

get disbursed in the same FY and get carried over to the next FY depending up the nature of the scheme.”

159. The Government of India in the recent past have taken several initiatives and measures to attract foreign investment inflows, particularly the flow of Foreign Direct Investment (FDI) into India. Major areas in which FDIs have been encouraged are energy, power, telecom and information technology. It was stated in the Annual Report (2002-2003) of Ministry of External Affairs that it was the task of Investment and Technology Promotion Division to actively undertake effective investment promotion and publicity efforts through the Indian Missions and Posts abroad for attracting foreign investment into the country. In this context; the Committee desired to know the specific role being played by the Ministry of External Affairs/Indian Missions and Posts abroad in the Government of India's efforts to attract FDI in the country. The Ministry informed as under:

“ Ministry of External Affairs and the Indian Missions/Posts abroad publicize Government of India and State Government's policies and incentives to attract FDI. They also help visiting Indian official and business and industry delegations in their investment promotion efforts. Missions/Posts also provide escort services to investors by way of linking them to the nodal points in GOI/State Government/business and industry organizations. Ministry provides publicity material to the Missions on a regular basis.”

160. It is stated that Missions are also approached by investors seeking their interventions in case of delays in respect of clearance for their proposals or in respect of other hurdles faced in the implementation of projects. The Ministry were asked in how many cases, intervention of

Missions had been sought and what assistance had been provided to the foreign investors in these cases. The Ministry informed that though many potential investors approached Indian Missions for information on investment scenario in India, only in few cases assistance from the Indian Missions was sought for overcoming delay or hurdles for getting clearances for investment proposals. This was mainly because the scope for redress in such cases lay in India and the aggrieved investors preferred approaching the concerned Indian authorities directly. However, each and every grievance that was taken up with an Indian Mission was brought to the notice of the concerned Ministry/authority in India.

161. Responding to another question as to whether the Missions have any mechanism of getting feedback on the satisfaction of foreign investors with the assistance rendered by the Missions, the Ministry informed the Committee as under:

“Once a foreign investor approaches an Indian Mission with a concrete investment proposal, the Indian Mission keeps in touch with such potential investors. This helps the Mission in getting feedback from the investor. Foreign investors in India have generally expressed satisfaction regarding progress of their projects in India and investments in India. This is based on feedback received from Indian Missions/Posts abroad.”

162. Commercial wings in the Missions are stated to be the first point of contact for the foreign investors. The Ministry informed that 65 Indian Missions have commercial wings borne on the budget of Department of Commerce. Most of the other Missions also undertake commercial work by deploying personnel borne on the budget of the Ministry of External Affairs. Explaining the main activities of commercial wings of the Missions, the Ministry informed as under:

- (a) Projecting India’s strengths as favourable destination for investment by providing and widely disseminating information relating to policies of Government of India and State Government to potential investors and organizers.*
- (b) To coordinate and facilitate visits to India by foreign investors/organizers/delegations for joint ventures/or investment in any other form by providing required information and linkage to the Indian agencies.*
- (c) To maintain and up-date data-base including a website on Indian economy, trade, commerce, industrial and economic policies of the Government of India.*
- (d) Dissemination of commercial information to the business/govt. organizations and business committees about opportunities in India through commercial bulletins;*
- (e) To keep a close link with local Chambers of Commerce and other related organizations to arrange meetings and to facilitate better coordination during visit of business delegation from India.*
- (f) To keep close links with the Economic Ministries/Departments of the host government for better coordination and linkage with several economic/commercial issues like BIPPA, DTAA and Joint Business Councils.*
- (g) To arrange meetings of Indian businessmen/organizations to their countries of accreditation.*
- (h) 65 Indian Missions have Commercial Wings borne on the budget of D/o Commerce. Most of the other Missions also undertake commercial work by deploying personnel borne on the budget of Ministry of External Affairs.”*

163. To a query as to what specific steps were taken by the Commercial Wings of the Missions to encourage inflow of foreign capital in India, the Ministry replied that the Economic

and Commercial Wings of Indian Missions/Posts abroad mainly undertake the following activities:

“Publicizing India as a favourable investment destination by organizing seminars/investment promotion events and through general publicity through meetings with apex bodies and business enterprises and distribution of investment promotion material.

Assisting potential foreign investors by providing information on specific investment opportunities in India.

Following-up with the concerned authorities in India, in case a prospective investor facing difficulty approaches Indian Mission.”

164. On being asked about the economic aspect of our diplomacy, the Foreign Secretary stated during the evidence as under:

“So, I agree that increasingly with this process of globalisation, economic aspect of our diplomacy has become very important. It is very necessary that our diplomats realise the importance of this and understand that their own future career and their contribution to the success of our diplomacy will depend on how well they can handle the economic issues”

165. The Committee observe that it is the task of Investment and Technology Promotion Division of the Ministry to actively undertake effective investment promotion and publicity efforts through the Indian Missions and Posts abroad for attracting foreign investment in the country. Commercial wings in the Missions are stated to be the first point of contact for the foreign investors. The Committee have been informed that 65 Indian Missions have commercial wings borne on the budget of Department of Commerce and most of the other Missions also undertake commercial work by deploying personnel borne on the budget of the Ministry of External Affairs. The economic and commercial wings of Indian Missions and Posts abroad undertake various activities to encourage inflow of foreign capital in India. The Committee need hardly emphasize that now-a-days foreign investment plays very crucial role in economy particularly of a developing country and therefore, the role of Commercial Wings in Indian Missions/Posts has become increasingly important. Global trends also indicate that countries attempt to acquire supremacy through economic diplomacy and, therefore, this aspect must be given due importance. The Committee, therefore, desire the Ministry to activate all the Commercial Wings functioning in 65 Indian Missions and other officials entrusted with this job in other Missions so that on the one side India could be made a favourable destination for foreign investors and on the other side India’s economic presence is considered valuable in other countries of the world.

(Recommendation No. 36)

Q. CAPITAL SECTION :**(Major Heads 4059 and 4216)****(a) Capital Outlay on Public Works : 4059****(Rs. in crores)**

| Year | BE | RE | Actuals |
|-----------|-------|-------|---------|
| 1998-1999 | 80.00 | 45.00 | 30.17 |
| 1999-2000 | 70.00 | 60.00 | 63.49 |
| 2000-2001 | 70.00 | 64.00 | 53.65 |
| 2001-2002 | 67.20 | 50.78 | 25.43 |
| 2002-2003 | 67.20 | 22.66 | - |
| 2003-2004 | 68.00 | - | - |

(b) Capital Outlay on Housing : 4216**(Rs. in crores)**

| YEAR | BE | RE | Actuals |
|-----------|-------|-------|---------|
| 1998-1999 | 20.00 | 19.00 | 12.75 |
| 1999-2000 | 30.00 | 20.00 | 13.83 |
| 2000-2001 | 30.00 | 25.00 | 26.13 |
| 2001-2002 | 27.00 | 27.42 | 08.39 |
| 2002-2003 | 36.59 | 42.15 | - |
| 2003-2004 | 35.00 | - | - |

166. As per information furnished by the Ministry, the budgetary provision of Rs.68 crore under the head 4059 and Rs. 35 crore have been made under the Head 4216 for the following projects:

“(a) Major Head 4059**(i) Projects****(Rs. in crores)**

| Name of the Project | Amount earmarked |
|---|------------------|
| 1. Muscat (Chancery &ER) | 9.00 |
| 2. Foreign Service Institute | 6.00 |
| 3. ICCR Calcutta | 5.25 |
| 4. Port of Spain (Mahatma Gandhi Institute for Cultural Cooperation) | 5.00 |
| 5. Asian-African Legal Consultative Organization (AALCO) Hqrs., New Delhi | 2.96 |
| 6. Abu Dhabi, Interior works | 2.75 |
| 7. Berlin, pending payments for Chancery project | 4.29 |

(ii) Purchase of built up property

1. Purchase of Chancery building in Nairobi - Rs.10.00 crore
2. Purchase of Chancery building in Prague - Rs.12.00 crore

(iii) R&M of Govt. owned property

An amount of Rs. 10.75 crore has been earmarked for repairs and maintenance of govt. owned non-residential buildings.

(j) Major Head 4216

(ii) Projects

(Rs. in crores)

| Name of the Project | Amount earmarked |
|--------------------------------|-------------------------|
| 1. Gaborone, HC's residence | 1.00 |
| 2. Moscow, Residential complex | 1.00 |

(ii) Purchase of built up property

1. Purchase of residences in Chicago Rs. 18.75 crore

(iii) R&M of Govt. owned property

An amount of Rs. 14.25 crore has been earmarked for repairs and maintenance of various govt. owned residential buildings.”

167. The figures given in the table indicate that Rs. 25.43 crore was actually spent against BE of Rs. 67.20 and Rs. 8.39 crore against BE of Rs. 27.00 crore during the year 2001-2002 under the major Heads 4059 and 4216 respectively. The Ministry were asked to explain in detail the

reasons for substantial under utilization of funds under these Heads in the year 2001-2002. The Ministry in a written reply informed the Committee as under:

“The reasons for substantial under - utilisation of funds under major Heads 4059 and 4216 are explained below:

(a) Major head 4059:

- (i) An amount of Rs.2.05 crore was embarked for Interior Works at Chancery and Embassy Residence in Abu Dhabi but only an amount of Rs. 86 lakh could be utilized as the Consultant for the project M/s. Janine Rai & Choudhury withdrew from the project.
- (ii) An amount of Rs.8.89 crore was earmarked for Berlin project but an amount of Rs. 2.64 could only be utilized due to differences of opinion arising in respect of supplementary, deductions due to partial non-fulfillment of contract and rectification of defects in the building.

- (iii) *An amount of Rs. 2.94 crore was earmarked for construction of building for ICCR in Kolkata but only an amount of Rs. 58 lakh could be utilized as the work for superstructure could not be started.*
- (iv) *Amount of Rs. 15 crore earmarked for purchase of a building for Chancery in Hong Kong could not be utilized due to legal complications about the title of the building.*
- (v) *Funds earmarked for repair and maintenance of govt. owned non-residential buildings could also not be fully utilized due to various administrative and other reasons*

(b) Major head 4216:

Funds under this head could not be fully utilized mainly due to non finalization of the proposal for purchase of Embassy Residence in Tehran. An amount of Rs. 21.30 crore was earmarked for this purpose.”

168. The budgetary provisions of Rs. 67.20 crore at BE 2002-2003 stage was reduced to Rs. 22.66 crore at RE stage under the major head 4059. The reasons for reduction as stated by the Ministry in the brief note submitted to the Committee, were delay in getting the mandatory approval from the local governments even in respect of approved projects. In this context, the Ministry were asked to furnish a comprehensive list of the projects indicating budgetary provisions earmarked for individual projects at BE stage, the projects withheld for want of mandatory approvals, the actual amount spent on each project and other reasons for the projects not taking off. The Ministry informed as under:

“Comprehensive list of projects and purchase proposals for which budgetary provisions were made in BE 2002-03 is given in the following table:-

| Construction Project/ Purchase Proposal | Provision in BE 2002-03 | (Rs. in crores) <u>Actual expenditure till Jan, 2003</u> |
|---|--------------------------------|---|
| <i>Asian African Legal Consultative Organization (AALCO) Hqrs., New Delhi</i> | 4.00 | 1.25 |
| <i>Beijing, Chancery & residences</i> | 5.00 | - |
| <i>Brasilia, Chancery & residences</i> | 8.00 | - |
| <i>Doha, Chancery & residence</i> | 12.25 | 0.0002 |
| <i>Foreign Service Institute, New Delhi</i> | 10.00 | 6.19 |
| <i>Muscat, Chancery & residences</i> | 9.15 | 0.08 |
| <i>Port of Spain, M.G.Institute for Cultural Cooperation</i> | 5.00 | 0.04 |
| <i>Tashkent, Chancery & residence</i> | 5.00 | - |
| <i>Videsh Bhawan, New Delhi</i> | 0.50 | 0.03 |
| <i>Bratislava, purchase of Emb. Residence</i> | 8.00 | - |

Project with held for want of mandatory approvals from the local Govt.:

1. *Construction of chancery & Embassy Residence in Doha*
2. *Asian African Legal Consultative Organization (AALCO) project*
2. *Beijing, Brasilia, Port of Spain, Tashkent*
3. *Muscat*
4. *FSI Phase II work*
5. *Videsh Bhawan*
6. *Bratislava”*

169. The Ministry further informed that delays due to local body approvals are applicable for Doha and *Asian African Legal Consultative Organization (AALCO)* projects only.

170. The project for construction of Doha Chancery, Embassy Residence and essential staff quarters was approved in May 1989 with the estimated cost of Rs. 21.25 crore. The Committee desired to know the progress made in the project so far and also the year-wise development from the date of approval of the project till date. The Ministry informed as under:

“For Doha project, based on advertisements released in India and Qatar in June 2002, the process of pre-qualifying contractors for the purpose of tender invitation was completed and the work was progressing smoothly as per plans when the Government of Qatar decided to change the venue of the Diplomatic Enclave. So far, no announcement of the new venue has been made. The Government of Qatar has assured our Ambassador in Doha that the decision in this regard would be taken shortly and it is hoped that the work will resume accordingly.”

171. Year-wise developments in Doha project from the date of approval in May 1989 till date were as under:-

| Year | Progress of the project |
|--------------|--|
| 1989 | Drawings for the project, as submitted by the Architect, were approved in the Ministry and by the Mission and local bodies approvals were also obtained by November 1989 |
| 1990 | Topography Survey and Soil Investigation test completed. Five contractors also short-listed. |
| 1991 | After some delay due to the Gulf War, detailed working drawings and tender documents were made, however, due to reciprocal demands by the Qatar government possession of the plot was denied |
| 1994 | The issue was settled in September 1994. Revised lease agreement for the plot was signed with the Qatar Government |
| 1995-97 | Construction plans/cost estimates and agreement with the consultant were revised |
| 1998 | Pre-qualification of contractors form India and Qatar |
| 1999 to 2001 | Process for financial approval to the project. CNE approval accorded in November 2001 |

172. The Ministry had not been able to select/obtain suitable land for the new diplomatic enclave for which a proposal was mooted in long back in 1970 and for which the request of 31 diplomatic missions were pending from 1975 to 1998, The Committee had recommended in 9th Report (13th L.S.) for immediate identification of site for the new diplomatic enclave and also investigating the matter at a high level to identify the persons whose negligence/inaction resulted in the abnormal delay and to take exemplary action against them. The Committee again emphasized in their 10th Report (13th L.S.) that the Ministry of External Affairs should pursue vigorously with the Ministry of Urban Development and Poverty Alleviation for taking early positive decision on the proposal for allotment of land for the second diplomatic enclave and to complete the proposed project in a time-bound manner. In this context, the Committee desired to know the specific efforts made by the Ministry in pursuance of the recommendation of the Committee, the progress made in the matter so far and the schedule drawn by the Ministry for completion of the proposed project of second diplomatic enclave. The Ministry replied as under:

“The Ministry of External Affairs has laid importance to the establishment of a Second Diplomatic Enclave so as to allot suitable land to those Diplomatic Missions which desire to build their Chancery/Embassy Residence here. The matter is being pursued actively by the Ministry. The Ministry had conveyed its agreement for land south of Vasant Vihar (Vasant Kunj, Phase-II) in February, 1991 for the project, the same could not materialize. This matter has been raised by this Ministry at the level of Committee of Secretaries and a request for allotment of suitable land for this purpose has been made at the level of Minister for External Affairs to the Minister for Urban Development.”

173. It was due to the urgency of having a suitable accommodation for the Ministry of External Affairs that the Committee had recommended in their 2nd Report (13th L.S.) that the possibility to take over the Ashok Hotel in New Delhi should be explored by the Ministry. Since the prospects of the Videsh Bhawan coming up early appeared very bleak, the Committee renewed their earlier recommendation and desired in their 9th Report (13th L.S.) for taking over the Ashok Hotel by the Ministry. The Committee in their 10th Report (13th L.S.) observed that the pace with which the Ministry were moving towards the project of construction of Videsh Bhawan, the early construction of the building was doubtful and therefore, the Committee reiterated their earlier recommendation and suggested that the Ashok – Samrat Hotel Complex, New Delhi being suitable should be taken over by the Ministry to accommodate all its offices at one central place. In this context, the Committee enquired as to what specific steps have been taken by the Ministry in this direction for early action in the matter. The Ministry responded as under:

“The Ministry have already reiterated its keenness to own its own building at the plot earmarked for it in a prestigious and befitting location. Adoption of hotel buildings, designed and built for special commercial purposes, for office use leads to several functional drawbacks, under-utilization of space and high costs of maintenance, as are being faced by the Ministry in Akbar Bhawan.

The Ministry is at an advanced stage of planning for construction of Videsh Bhawan. With the availability of space in Videsh Bhawan and retention of core divisions in South Block the space needs of the Ministry would be fulfilled.”

174. The Committee observe that budgetary provision of Rs. 68 crore under the Head “Capital Outlay and Public Works” and Rs. 35 crore under the Head “Capital Outlay on Housing” have been made for the year 2003-04 for the projects namely, Muscat (Chancery & ER), Foreign Service Institute, ICCR, Kolkara, Port of Spain (Mahatma Gandhi Institute for Cultural Cooperation), Asian African Legal Consultative Organization (AALCO) Hqrs., New Delhi, Abu Dhabi (Interior works), Berlin (pending payment for Chancery project), Gaborone, (HC’s residence), Moscow (Residential complex), purchase of chancery building in Nairobi and Prague, purchase of residences in Chicago and for the repair and maintenance of Government owned property. The Committee are amazed to observe that only Rs. 25.43 crore was actually spent against BE of Rs. 67.20 crore and Rs. 8.39 crore against BE of Rs. 27.00 crore during the year 2001-2002 under the major Heads 4059 and 4216 respectively which indicate non-utilization of major portion of the allocated funds by the Ministry. The reasons stated by the Ministry for substantial under-utilization of funds under both these heads are not at all acceptable to the Committee because most of them could have been sorted out had the Ministry acted in time. While deploring the lackadaisical approach of the Ministry in regard to various construction projects, the Committee strongly recommend the Ministry to conduct an inquiry into the matter to find out as to how far the officials entrusted with this job were responsible for delay in finalisation/execution/implementation of various projects and consequent non-utilization of substantial funds. The Committee would like to stress the need for devising a system of accountability. The Committee would like to be apprised of the mechanism evolved by the Ministry in this regard and the outcome of the inquiry.

(Recommendation No. 37)

175. The Committee are shocked to observe that the construction project of Doha Chancery which was approved in the year 1989 took 12 years to reach at the stage of CNE approval in 2001 . Similarly, land has not so far been acquired for the new diplomatic enclave for which a proposal was mooted in 1970 and requests of 31 diplomatic missions were pending from 1975 to 1998. The proposal for construction of Videsh Bhawan to

accommodate the offices of the Ministry is yet to cross the stage of planning. These projects are clear testimony of the poor state of affairs in the Ministry in regard to the pending projects. While deploring the inaction on the part of the Ministry for all these long years in the above projects, the Committee strongly recommend the immediate initiation of measures for expeditious completion of the projects and also to enquire into the real reasons responsible for such long delays so as to avoid recurrence of such happenings in future.

(Recommendation No. 38)

NEW DELHI;
3 April, 2003
13 Chaitra, 1925 (Saka)

KRISHNA BOSE
Chairperson,
Standing Committee on External Affairs

APPENDIX-I

**MINUTES OF THE SITTING OF THE STANDING
COMMITTEE ON EXTERNAL AFFAIRS HELD ON 24th MARCH,
2003**

The Committee sat from 1100 hrs. to 1530 hrs.

Present

Smt. Krishna Bose – Chairperson

MEMBERS

LOK SABHA

2. Shri E. Ahamed
3. Shri R.L. Bhatia
4. Shri Bikram Keshari Deo
5. Shri Adv. George Eden
6. Shri Holkhomang Haokip
7. Dr. A.D.K. Jeyaseelan
8. Shri P. Kumarasamy
9. Shri Suresh Kurup
10. Shri Zora Singh Mann
11. Shri Suresh Prabhu
12. Shri Saiduzzama
13. Shri Chandra Vijay Singh
14. Smt. Shyama Singh
15. Dr.S. Venugopal

RAJYA SABHA

16. Shri R.P. Goenka
17. Shri Ranganath Misra
18. Shri P.G. Narayanan
19. Shri Fali S. Nariman
20. Shri Kuldeep Nayyar
21. Shri Mahendra Prasad
22. Shri R. Shunmugasundaram
23. Dr.Karan Singh
24. Dr. L.M. Singhvi
25. Shri K. Natwar Singh

WITNESSES (MINISTRY OF EXTERNAL AFFAIRS)

| | | |
|-----|---------------------------|-----------------------------|
| 1. | Shri Kanwal Sibal | Foreign Secretary |
| 2. | Mrs. S. Tripathi | Director General (ICCR) |
| 3. | Shri Rakesh Kumar | Additional Secretary (PP&R) |
| 4. | Smt. Nirupama Rao | Additional Secretary (AD) |
| 5. | Shri Priyadarshi Thakur | Additional Secretary (FA) |
| 6. | Shri Nalin Surie | Additional Secretary (EA) |
| 7. | Shri C.M. Bhandari | Joint Secretary (ITP) |
| 8. | Smt. Neelam Deo | Joint Secretary (BSM) |
| 9. | Ms. Latha Reddy | Joint Secretary (AD) |
| 10. | Shri Ashok K. Attri | Joint Secy.(Coord.) |
| 11. | Shri B.A. Roy | Joint Secretary (CPV) |
| 12. | Shri E. Barwa | Joint Secretary (TC) |
| 13. | Shri Jayant Prasad | Joint Secretary (USC) |
| 14. | Shri Prabhu Dayal | Joint Secretary (FSI) |
| 15. | Shri Pinak R. Chakravarty | Joint Secretary (COP) |
| 16. | Shri Rajeet Mitter | Joint Secretary (GD/Haj) |
| 17. | Shri R. Dayakar | Joint Secretary (NRI) |
| 18. | Shri K.V. Bhagirath | Joint Secretary (ESTT.) |
| 19. | Shri N.P. Sharma | Joint Secretary (PP&R) |
| 20. | Shri Ranjit Rae | Joint Secretary (NB) |
| 21. | Shri Navtej Sarna | Joint Secretary (XP) |
| 22. | Shri V.K. Gokhale | Joint Secretary (CNV) |
| 23. | Shri Anil Wadhwa | Joint Secretary (CEE) |
| 24. | Shri A.K. Amrohi | Joint Secretary (CPV-II) |

SECRETARIAT

1. Shri P.K. Grover - Director
2. Shri R.K. Saxena - Under Secretary

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

XX XX XX XX XX

3. The Committee then took evidence of the representatives of the Ministry of External Affairs on the various points arising out of the Demands for Grants of the Ministry for the year 2003-2004. A copy of the verbatim proceedings of the evidence has been kept on record.

The Committee then adjourned.

Appendix-II

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS HELD ON 3rd April, 2003

The Committee sat from 1130 hrs. to 1230 hrs.

Present

Smt. Krishna Bose – Chairperson

Members

Lok Sabha

2. Shri R.L. Bhatia
3. Shri Satyavrat Chaturvedi
4. Adv. George Eden
5. Smt. Meneka Gandhi
6. Shri Holkhomang Haokip
7. Shri Suresh Kurup
8. Shri Saiduzzaman
9. Smt. Shyama Singh
10. Dr. S. Venugopal

Rajya Sabha

11. Shri S.M. Laljan Basha
12. Shri K. Jana Krishnamurthy
13. Shri P.G. Narayanan
14. Shri Kuldip Nayyar
15. Dr. Karan Singh
16. Shri K. Natwar Singh

Secretariat

1. Shri P.K. Grover – Director
2. Shri R.K. Saxena – Under Secretary

2. At the outset, the Committee took up for consideration the draft Report on the Demands for Grants of Ministry of External Affairs for the year 2003-2004. The Chairperson invited Members to offer their suggestions for incorporation in the Draft Report. After some discussion, the Committee adopted the draft Report.

3. The Committee then authorized the Chairperson to finalise the Report in the light of verbal and consequential changes based on the factual verification received from the Ministry of External Affairs and present the Report to Parliament.

The Committee then adjourned.

APPENDIX III

STATEMENT OF OBSERVATIONS AND RECOMMENDATIONS

| Sl. No. | Para No. | Ministry | Observations/Recommendations |
|----------------|-----------------|------------------|--|
| 1. | 21. | External Affairs | <p>The Committee's examination of Demands for Grants of the Ministry of External Affairs for the year 2003-04 has revealed that projected budgetary allocation for 2003-04 at Rs. 3410.00 crore is Rs. 210.00 crore more than the RE of Rs. 3200.00 crore for 2002-03. The increased requirements of funds are stated to have been made to meet the expenditure for Missions/Posts opened during the financial year 2002-03, fulfillment of commitments made at the level of External Affairs Minister/Prime Minister, implementation of mega projects in Bhutan and construction of projects abroad. From the analysis of actual expenditure incurred by the Ministry during the past years, the Committee observe that the unspent balances which were Rs. 44.39 crore in 1997-98 had risen to the level of Rs. 231.87 crore in 2000-2001. The continuous and steep increase in unspent balances left with the Ministry year after year clearly demonstrates the unrealistic budgetary projections by the Ministry in each subsequent year ignoring the vital inputs of actual requirement of funds under different heads of the grant. The Committee have been emphasizing in their reports in the past years about the need of realistic budgetary projections. The Ministry were candid to admit during evidence that the problem of saving and surrender was endemic in the budget of the MEA. The Committee strongly express their displeasure over this trend and recommend that every effort should be made for realistic projection of budgetary proposals under different heads of the grant taking into account not only the past trend of expenditure on a particular item but also all other factors affecting the actual disbursement of funds under the heads. The Committee trust that the budgetary allocations under different heads of the Grant will be fully utilized by the Ministry at least during the year 2003-04 with vigorous monitoring and even disbursement of funds commensurate with the progress of different activities/projects. The Committee would also like to emphasize that the Ministry should devise a mechanism to ensure that the allocated funds are not kept parked for whole of the year resulting in their ultimate surrender.</p> |

2. 22. External
Affairs

The Committee observe that the Ministry created four new heads namely (i) Celebration of Pravasi Bharatiya Divas (ii) India-Russia Eminent Persons Group (iii) India-China Eminent Persons Group, and (iv) Payment to States/Union Territories for passport works, at RE stage in 2002-03. The heads were created to meet the expenditure on organizing Pravasi Bharatiya Divas celebration and conferment of Pravasi Bharatiya Samman Awards, airfares and hospitality on India-Russia and India-China Eminent Persons Groups, and reimbursement of Rs. 200 per application to the State Governments/Union Territories for the services rendered by them in passport works. While the first three new heads are minor heads, the head "Payment to States/Union Territories for passport works" have been opened by the Ministry under a new major head "2070 – Other Administrative Services" with the initial allocation of Rs. 21.93 crore in RE 2002-03. The Committee observe that all the expenses being incurred in passport related matters are presently being accounted for under the existing head "2061- External Affairs – 00.105 – Passport and Emigration". The reasoning given by the Ministry for creation of the new major head that the reimbursement to State Governments is a new service, is not at all acceptable to the Committee as the Demands for Grants clearly exhibit that expenditure being incurred under the "Passport and Emigration" (minor head) cover a variety of services not related to each other namely salaries, wages, overtime allowance, domestic travel expense, office expenses, rents, rates and taxes and professional services etc. The Committee observe that the Ministry have not been able to furnish any plausible explanation for creating a new major head "2070" for reimbursement of cost of services rendered by State Government in passport matters. The Committee, therefore, recommend that the new major head "2070 – Other Administrative Services" exclusively created for reimbursement to the State Governments/Union Territories should be deleted and the appropriate sub-head under the existing head "2061- External Affairs – 00.105 – Passport and Emigration" should be created to cater to the new unit of expenditure for reimbursement of cost of passport related services rendered by States/Union Territories .

3. 23. External Affairs
- The Committee observe from the overall analysis of budgetary proposals during the last few years that the BE projection to meet the expenses of administrative natures vis-à-vis capital outlay exhibit a surprising phenomenon. To cite a few, BE under the head “2052 – Secretariat General Services” has gone from Rs. 86.11 crore in 1999-2000 to Rs. 129.40 crore in 2003-04 i.e. 50.27% rise, and BE under the Head “2061 -External Affairs” has gone from Rs. 1212.87 crore to Rs. 1892.50 crore in 2003-04 i.e. 56.03% rise but the BE under the head “4059- Capital Outlay on Public Works” has gone down from Rs. 70.00 crore to Rs. 68.00 crore during the same period and BE under the head “4216 – Capital Outlay on Housing” has shown only a marginal increase i.e. from Rs. 30.00 crore to Rs. 35.00 crore during the period. The Committee observe that this is a clear testimony of the functioning of the Ministry where the administrative expenses have shown a steep rise on one side and the expenses on Capital Outlay have either gone down or have shown a negligible increase during the period from 1999-2000 to 2003-04. The Ministry have not taken seriously the Committee’s oft repeated recommendations for early acquisition of properties and speedy completion of construction projects to enable it to reduce the rental liability of the Ministry. While expressing their anguish over such lopsided increase in the budgetary proposals, the Committee recommend the Ministry to initiate measures not only to enhance the budgetary allocations under the head Capital Outlay with well defined/time bound construction programmes but also to examine the feasibility of reducing the administrative expenses as far as possible.
4. 39 External Affairs
- Examination of the expenses being incurred by the Ministry on account of rents, rates and taxes has revealed that there has been a wide gap between the actual expenditure and the budgetary projections under different heads. The reasons for variation in BE and actual expenditure under these heads have been stated to be the delay in opening of new Passport Offices, deferment of shifting of some of the Passport Offices to more spacious premises, payment of rentals in hard currencies, increased projection on account of devaluation of Indian rupees vis-à-vis major European currencies. The Committee observe that the Ministry have failed to make accurate estimation even at RE stage. They are surprised to find that unrealistic projection of budgetary requirements has become order of the day in the Ministry and the reasons cited therefor

appear to be the explanations explored and submitted in a routine manner as is evident from the fact that the Ministry had cited similar reasons last year also for variation in BE/RE and actual expenditure under these heads. The assurances given by the Ministry last year have not yielded any results at ground level as the variation still continues. The proportion of unrealistic assessment of requirements under these heads have even grown at the RE level at least from the year 2000-2001. The actual expenditure was Rs. 157.25 crore in 2000-01 and Rs. 170.68 crore in 2001-02 under the head “Embassies and Missions : 2061 – 00.00.14”, against the BE/RE of Rs. 165.00/167.00 crore and Rs. 175.00/180.00 crore respectively during these years. Similarly under the head “Passport and Emigration : 2061 – 00.105 – 00.00.14”, the actual expenditure was Rs. 4.16 crore in 2000-01 and Rs. 5.92 crore in 2001-02 against the BE/RE of Rs. 3.80/7.50 crore and Rs. 7.75/8.10 crore respectively. The Committee are of the considered opinion that most of the reasons cited by the Ministry were not such as could not have been anticipated in advance and therefore, the Committee are not at all inclined to accept the explanations given by the Ministry in this regard. In the opinion of the Committee, the variation in actual expenditure and the BE/RE year after year clearly reflects the lack of seriousness with which the requirement of funds are assessed and budgetary projections are made under these heads. The Committee, therefore, strongly recommend the Ministry to take concrete steps at least now to make realistic budgetary projections in future taking into account all the inputs available with the Ministry and anticipated happenings in the financial year so as to avoid huge unspent balances at the close of the year.

5. 40 External Affairs

(
The Committee observe that inspite of several recommendations of the Committee to reduce the rental liability of the Ministry, there is an alarming increasing trend which is evident from the fact that it has gone up from Rs. 153.66 crore in 1998-99 to Rs. 215.02 crore in 2003-04 which constitutes 39.93% increase during the last five years. The explanation of the Ministry that considering the total figure of BE for 2003-04 over 2002-03, the percentage hike of 1.95 is negligible, is in isolation and therefore does not present the true picture about the abnormal increase in the rental liabilities of the Ministry year after year. It is observed that only four offices/residences have been shifted to Government owned premises during the year 2002-2003 involving rental savings of mere Rs. 1.41 crore. The Committee

find from the submission made by the Ministry that 14 Missions have been identified where rental liabilities are the most. These Missions are Prague, Chicago, Houston, Muscat, Sanghai, Geneva, Baku, Sofia, Tashkent, Panama, Kathmandu, Dhaka, Moscow and Beijing. Interestingly, the Ministry in their action taken note (10th report – 13th L.S.) had mentioned that the Heads of Missions and Posts are sounded from time to time to send comprehensive proposals to the Ministry for examination so that based on economic viability of the proposals, decisions can be taken. But the Committee are surprised to find that despite Ministry's claim about sounding of Missions in this regard, only 3 Missions namely Prague, Panama and Kathmandu, out of the above 14 identified Missions, have sent the proposals for purchase of properties. Curiously enough, out of 20 proposals received during the last three years from 2000 to 2002, some of them being repetitions, only a few of them have materialized and most of them are still awaiting final decision. The Committee are unable to understand as to how the Ministry would be able to substantially reduce the rental liabilities in the near future. The Committee therefore recommend the Ministry to initiate immediate steps to acquire/purchase properties during the current year at least for the 14 Missions which have already been identified incurring high rentals. The Committee further recommend the Ministry to take early decisions in respect of all those proposals received from the Missions in the past but still lying undecided. The Committee would also like to emphasize the need for timely completion of all the ongoing construction projects and recommend the Ministry to initiate suitable measures in this regard.

6. 41 External
Affairs

The Committee had recommended in their 9th Report (13th L.S) that the Ministry should draw a comprehensive long term policy to gradually accommodate all their offices, Missions, residences in their own buildings to be acquired/constructed in a time-bound manner with adequate budgetary support and regular monitoring. The Ministry in their action taken note (10th Report-13th L.S.) had interalia stated that as a part of the long term policy, it has been aiming to acquire and construct own properties through short and medium term planning. The Committee however observe that except follow-up of earlier proposals and recent identification of Missions, the Ministry have not been able to draw a long term comprehensive policy in this regard. The Ministry's view that it is not economically viable to accommodate all offices,

Missions and residences in own buildings is also not acceptable to the Committee. In their opinion whether a property is on rent or there is delay in completion of construction projects or acquisition of built up properties, the ultimate result is loss for Exchequer. Considering the long term benefits, the Committee, therefore, strongly recommend the Ministry to devise a well defined long term policy to accommodate their offices, Missions, residences in their own buildings to be acquired/constructed in time-bound manner with sufficient budgetary allocations and continuous monitoring, evaluation and control.

7. 42. External Affairs

While observing that the Ministry had not taken any decision for more than three decades on construction of the Embassy complex on the plot gifted by the Government of Brazil in 1965, the Committee had recommended in their 9th Report (13th L.S.) the preparation within 3 months of a schedule of construction and to initiate all necessary steps to complete the project on priority basis. On examining the time schedule furnished by the Ministry, the Committee in their 10th Report (13th L.S.) had observed that the project had already been delayed for over 37 long years resulting in cost escalation from an estimated US\$ 3.37 lakh in 1971 to an estimated US\$ 20 lakh in June, 2000 and the time frame for construction ranging from 1.7.2002 to 31.12.2005 had been unduly prolonged. The Committee had therefore recommended for substantial shortening of time span and to make earnest efforts to complete the construction project in Brazil on priority basis. Instead of enumerating the specific steps taken in this regard, the Ministry have now just informed that “all endeavours” are being made to cut down the estimated time schedule by giving the project a top priority. The Committee would again emphasize the need for early completion of the project in Brazil not only by shortening the time span of construction work but also by regular follow-up and persuasion with the agencies concerned.

8. 51 External Affairs

From an analysis of BE/RE and the actual expenditure for advertising and publicity activities under both the heads namely “Secretariat” and “Embassies and Missions” the Committee find that there has been substantial variation in the expenditure over the years. The Committee are astonished to find that similar reasons as had been mentioned last year have been advanced by the Ministry this year also for non-utilization of allocated funds. The Committee had already analysed those reasons and had pointed out in

their 9th Report (13th L.S.) that the unexpected contingencies cited by the Ministry required all the more aggressive advertising and publicity in extensive and intensive manner to solicit world opinion in our favour which would have definitely required additional funds instead of under-utilization of the allocated fund. The Committee therefore do not find the reasons advanced by the Ministry such as India's nuclear tests, the Kargil incursion, IAC hijacking, Gujarat Earthquake, World Trade Centre attacks as really responsible for less expenditure for advertising and publicity activities because these incidents by their nature could have involved more requirement of fund under this Head. The variation in actual expenditure vis-à-vis BE/RE continuously over the past years clearly reflects the faulty budgetary estimation of the Ministry for advertising and publicity activities which in the opinion of the Committee needs to be rectified at the earliest. The Committee are of the firm opinion that mere higher allocation of funds, as the Ministry have been doing during the past years particularly under the head "External Affairs – Embassies and Missions : 2061 – 00.00.26" would not serve any purpose unless the Ministry gear up its machineries to spend the allocated funds appropriately and gainfully during the financial year. Much more needs to be done to create greater awareness and perception for India's foreign policy objectives abroad. To achieve its goal, the Committee feel that making available more effective publicity material to our Missions/Posts for distribution, use of modern communication systems and stepping up of lobbying efforts are very necessary. The Committee therefore, strongly feel that the Ministry should ensure that the funds made available for "Publicity and Advertisement" particularly for "Embassies & Missions" do not remain unutilised.

9. 52 External Affairs earlier
- The Committee observe that in pursuance of their recommendation in the 9th Report (13th L.S.), the Missions had been advised to (i) draw up well defined action plans for publicity, (ii) to draw up specific plans of action for involving overseas Indian Communities, NRIs & PIOs, and (iii) to provide the Ministry with monthly reports of action taken on the press and publicity. However, from the reply of the Ministry, it appears that some of the Missions are yet to comply with the directions of the Ministry in this regard. The Committee need hardly emphasise that the objectives of advertising and publicity to present India in the right perspective across the globe can not be achieved without activating the Indian Missions in this direction. They,

therefore, recommend the Ministry to secure full compliance from the Missions of their earlier instructions and to furnish in advance their proposed action plan in regard to advertising and publicity activities during the year.

10. 53 External Affairs

The lobbying firm M/s Verner Liipfert engaged in USA for the purpose of presenting India's view point was taken over by another law firm, M/s Piper Rudnick on 1st October, 2002. After a detailed examination, thorough vetting and at the recommendation of our Mission in Washington, the Ministry have approved the hiring of a new lobbying firm M/s Akin Gump Strauss Haurer & Feld with effect from 10th March, 2003. The Committee would like to point out that the role of the lobbying firm in USA to present India's view point in proper perspective has been becoming increasingly important in view of fast changing global scenario. The Committee therefore recommend that concerted and specific efforts be made by the Indian Mission in USA to increase the effectiveness of the lobbying firm not only to counter the anti-India propaganda but also to present positive strength of Indian polity and economy. The Committee would also recommend the Ministry to ensure that periodic assessment of lobbying firm's performance is sent by the Indian Mission regularly to the Ministry to facilitate close monitoring.

11. 65 External Affairs

The Committee observe that budgetary allocation of Rs.811.43 crore has been projected at BE stage for the Head "Embassies and Missions" for the year 2003-2004. The proposed allocation is 23.78% of the total grant (BE) of the Ministry of External Affairs for the year 2003-2004. The Committee had previously recommended to the Ministry to reduce the administrative expenses as far as possible and the Ministry had also responded that certain measures including the concept of Joint Missions and closing down some Missions, were adopted by them resulting in economies in the expenditure. The Committee, however, observe from the written submissions now made by the Ministry during the course of examination of Demands for Grants that 6 new Indian Missions/Posts have already been opened in Kabul, Mandalay, Mazare Sharief, Herat, Kandhar and Jalalabad, and further new Indian Missions/Posts in 12 countries namely, Democratic Republic of Congo, Cameroon, Chad, Burkina Faso, Lithuania, Slovenia, Bosnia, Georgia, Albania, Moldova, Luxembourg and Uruguay are proposed to be opened during the year 2003-2004. The opening of new Indian Missions/Posts invariably

involves additional requirement of funds. Since 6 new Indian Missions/Posts have already been opened and 12 are proposed to be opened in the next financial year, it would definitely involve huge administrative expenditure. The Committee are, therefore, unable to comprehend as to how the Ministry would achieve the economies and reduce the administrative expenses by moving exactly in the opposite direction with opening of new Indian Missions/Posts instead of reducing the number of Missions/Posts or exploring the possibility of having Joint Missions. The Committee, therefore, recommend that with a view to reducing the administrative expenses, the Ministry should conduct a thorough review to assess the need and desirability of opening and operating Indian Missions/Posts in different countries of the world and also to explore feasibility of having more Joint Missions for two or more countries. This would also resolve to some extent the problem of shortage of staff being faced by some of the Missions.

12. 66 External Affairs

The Committee observe that there is apparent need of evaluation of the functioning of the Indian Missions/Posts abroad with a view to bring improvement in their functioning. The detailed mechanism as has been claimed by the Ministry to be in existence is understandably for only exchange of information and reporting to the Ministry and, therefore, the mechanism does not appear to be effective to evaluate the functioning of the Missions as such. Taking into account the fact that the performance of the personnel posted in the Missions has far reaching impact on the relationship between India and the respective country, the Committee strongly recommend for strict evaluation of the performance of all the officials deployed in different Indian Missions/Posts so as to bring improvement in their functioning, which will not only provide better and efficient services to Indian nationals residing there but also improve our relations with that country.

13. 67 External Affairs

The Committee observe that C&AG in Para 9.7 of their Report No.2 of 2002 had commented upon inefficient monitoring system and lack of internal control of Ministry of External Affairs in providing Passport, Visa and Consular services in the Missions/Posts abroad which resulted in loss of revenue to the extent of Rs.8.90 crore. Surprisingly, this has happened despite similar lapses in the past resulting in loss of revenue to the extent of Rs.9.25 crore, having been pointed out by C&AG in paragraphs 8.2 and 8.3 of Report No.2 of

2000. The Committee view such lapses very seriously and recommend the Ministry to devise a uniform system for all Indian Missions/Posts abroad to avoid recurrence of such incidents. They would also like to emphasise the need for regular monitoring of all the Embassies/Missions to ensure strict compliance of all the instructions of the Ministry to bring uniformity in their functioning as far as rules, regulations, procedures etc. are concerned.

14. 88 External Affairs

The Committee observe that an amount of Rs. 101.23 crore was allocated to the Ministry at BE stage in the year 2002-2003 but the Ministry reduced the amount to Rs. 93.76 at RE stage. The reasons stated by the Ministry for reduction of requirements at RE stage are delay in filling up of additional posts approved by the Government for CPO as also deferment of opening up of new Passport Offices. The Committee further observe that under-utilization of budgetary allocation under the Head "Passport and Emigration" has been a recurring phenomenon as is apparent from the fact that actual expenditure was Rs. 64.93 crore against BE of Rs. 86 crore in 1998-99 and similarly Rs. 94.26 against BE of Rs. 98.48 crore in 2001-02. The higher BE projection of Rs. 103.87 crore for the year 2003-04 is stated to have been made for additional expenditure towards the cost of travel documents i.e. Passport Booklets, Emergency and Identity Certificate, Visa Stickers, Computerisation of Passport Offices at Consular Wings of Missions/Posts abroad and Machine Readable Passport Format. While emphasizing the need for full utilization of the budgetary allocations during the financial year, the Committee desire that estimation of requirement of funds at BE and RE stages should be made after taking into account all inputs so as to avoid variation between BE/RE and actuals.

15. 89 External Affairs

The Committee observe that the Ministry had informed on 10th October, 2001 that 12 new Passport Offices were proposed to be opened at Surat, Raipur, Dehradun, Shimla, Ranchi, Shillong, Aizawl, Imphal, Itanagar, Gangtok, Agartala and Kohima. The Ministry, however, in their subsequent submission during the course of examination of Demands for Grants for 2003-04 stated that as regards the seven North-Eastern States, there was a proposal to authorise the concerned State Governments to issue passports as was being done in the case of Andaman and Nicobar Islands (UT). The reason for change of position in respect of North-Eastern States has been stated to be the recommendation made in this regard in the meeting

taken by Secretary (Coordination) in the Cabinet Secretariat on 9th September, 2001. The Committee do not find this as a valid explanation as the proposal for opening of Passport Offices in the places including North-Eastern States was communicated to the Committee on 10th October, 2001 i.e. exactly one month after the meeting held on 9th September, 2001. The Committee would therefore, advise the Ministry to reconcile the facts and furnish the Committee with full information on the basis of which proposals were earlier made for opening up Passport Offices in North-Eastern States and also the reasons for subsequent change of the decision.

16. 90 External Affairs

The Committee are pleased to be know that out of 29 passport offices in the country, 28 passport offices have already been computerised. Only the Passport Office, Ranchi which has been recently opened is yet to be computerised. The Committee trust that after the computerisation, the enhanced efficiency clubbed with speed and accuracy in processing and issue of passport applications and rendering of other passports services will bring professionalism in the functioning of passport offices. The Committee would also like to express that efforts should be made to computerise the newly opened Passport Office, Ranchi as early as possible. The Committee also recommend the Ministry to conduct the proposed Cadre Review exercise soon to assess the manpower requirements in different Passport Offices of the country in the wake of computerisation and to ensure appropriate deployment of officials in various grades in the Passport Offices.

17. 91 External Affairs

The Committee observe that the services of ex-servicemen are being utilized by the Passport Offices for assisting/guiding, illiterate and semi-literate passport applicants and manning the facilitation counters in some of the Passport Offices. Out of 29 Passport Office, 13 Passport Offices are having facilitation counters manned by ex-servicemen. These are Ahmedabad, Bangalore, Chandigarh, Chennai, Cochin, Delhi, Jalandhar, Mumbai, Panaji, Pune, Trichy, Trivandum and Visakhapatnam. The Committee have been informed that because of lack of space in the remaining Passport Offices, facilitation counters have not become functional. Regarding the fee to be charged by the ex-servicemen, the Ministry had advised the Passport Offices to determine the same locally in consultation with the concerned ex-servicemen association. Since the facilitation counters provide a lot of assistance and help to the applicants particularly

illiterate/semi-literate, the Committee would, therefore, recommend the Ministry to sort out the problem of space in the remaining Passport Offices so as to open the facilitation counters in these Passport Offices as early as possible. The Committee also desire that the Ministry should issue broad guidelines to bring uniformity for the fees to be charged by ex-servicemen for the services rendered by them in various Passport Offices.

- | | | | |
|-----|----|------------------|---|
| 18. | 92 | External Affairs | The Committee are informed that the District Passport Centre Scheme which was launched in January, 2002 has been received well by the States as well as by the public. The scheme envisaged providing of passport services either in the office of District Magistrate or Superintendent of Police at the discretion of the State Governments. Out of 28 States, 22 States have already implemented the scheme. Goa being a small State with only two districts and already having a Passport Office at Panaji, the need for implementing the scheme had not been felt. The Committee, however, desire that the Ministry should persuade the remaining States viz. Bihar, Karnataka, Rajasthan, Uttranchal and West Bengal to implement the District Passport Centre Scheme so that the applicants in these States could be benefited by decentralisation of passport services. |
| 19. | 93 | External Affairs | Under the scheme of decentralisation of passport services, the Ministry of External Affairs are to reimburse the States an amount of Rs. 200 per completed and certified application form. The reimbursement of Rs. 200 is stated to be a composite amount for acceptance, scrutiny, getting Police Verification Report (PVR) and forwarding the completed application with PVR to the Passport Office concerned. Since a substantial amount would be involved towards payment to State Governments as reimbursement for the services rendered, the Committee recommend that the Ministry of External Affairs should evolve a monitoring system to ensure that this amount is spent by the State Governments on various passport related services. |
| 20. | 94 | External Affairs | The Committee have been informed that the Government Policy is to have Passport Offices located in their own buildings and the matter is regularly taken up with the State Governments for allocation of suitable land. The Committee have also been emphasizing the need to acquire/construct buildings for the office as well as residential complexes. However, the Committee are constrained to observe that 17 Passport Offices namely |

Bhubaneswar, Bangalore, Bhopal, Chandigarh, Guwahati, Jalandhar, Jammu, Jaipur, Lucknow, Mumbai, Nagpur, Pune, Ranchi, Trichy, Thiruvananthapuram, Thane and Vishakapatnam, are still functioning in the rented buildings involving annual rental outgo of Rs. 1.53 crore. The Committee, therefore, recommend the Ministry either to acquire suitable properties or to take up the matter with the respective State Governments for early allotment of suitable lands for construction of passport offices on priority basis.

- | | | | |
|-----|-----|------------------|---|
| 21. | 95 | External Affairs | The Committee were informed that out of 29 Passport Offices, at present 16 Passport Offices have got passport printers and it was expected that all the 29 Passport Offices will completely switch over to Machine Printing of passports by June, 2003. Some security features are also stated to have been added to the passport booklet and the Ministry have been working on a new format for all Indian travel documents including ordinary passports to make them machine readable and to improve security features. Further, scanning of the passport files are proposed to be completed in three years in phased manner. The Committee trust that machine writing of passports and scanning of passport files will be completed by the Ministry within the stipulated time limit. The Committee also hope that the new security features to be added to the passport booklets will effectively prevent the frauds/forgeries. |
| 22. | 96 | External Affairs | Major issues relating to further improving the system of issuance of passports were discussed at a meeting of all Passport Officers held at New Delhi on 27 to 29 January, 2003. Some important decisions were taken which the Ministry would be communicating to the Passport Offices for compliance. The Committee trust that the decisions once implemented will bring substantial improvement in functioning of the passport offices and also change the public perception in a positive way. The Committee desire the Ministry to regularly monitor the compliance of the decisions by all the Passport Offices. |
| 23. | 100 | External Affairs | The Committee observe that “Demarcation of the land frontiers of India” has been allocated to the Ministry of External Affairs in the Second Schedule to the Government of India (Allocation of Business) rules, 1961. The Committee were informed that the Ministry used the services of M/s Survey of India in all matters relating to the international boundary with Bangladesh, Bhutan, Myanmar and Nepal and the expenditure |

incurred by M/s Survey of India in respect of field surveys, preparation of maps etc. was debited to the Ministry of External Affairs. However, there has been continuous and substantial under utilisation of budgetary allocations under this head. The Committee would, therefore, recommend that budgetary allocation under this head should be made on the basis of requirement of funds in a particular year so as to avoid under-utilization of the allocation.

24. 111 External Affairs

The Committee in their 9th Report (13th L.S.) had strongly recommended that the budgetary allocations for the ICCR should be substantially enhanced so as to enable it to vigorously pursue its objectives and expand its activities in India and abroad. The Ministry in their Action Taken Note (10th Report – 13th L.S.) had stated that to fund the activities, ICCR would propose augmentation of the budgetary allocation at the RE stage during the current financial year itself. The Committee are amazed to observe that in sharp contrast to their submission, the budgetary allocation was rather reduced to Rs.42.00 crore at RE stage from Rs.42.43 crore at BE stage. Though the amount reduced was negligible but the fact remains that the Ministry failed to honour their commitment made to the Committee that augmentation of allocation will be made at RE stage. While expressing their displeasure, the Committee caution the Ministry to be more vigilant in such matters in future.

25. 112 External Affairs

The Committee are happy to note that the budgetary allocation of ICCR has been increased from Rs.42.43 crore (BE) for the year 2002-2003 to Rs.54.50 crore (BE) for the year 2003-2004. The enhanced budgetary provisions are stated to have been made to meet the expenditure for expanding activities of ICCR and the new schemes likely to be undertaken in the financial year 2003-2004 like opening of new Regional Offices in India and new Cultural Centres abroad, renovation of ICCR property, construction of Azad Bhavan Annexe etc. Keeping in view the fact that cultural diplomacy is assuming increasingly significant role to strengthen bilateral relations among countries, the Committee feel that proposed activities alone will not be sufficient to project India's rich cultural heritage and its potential strength across the globe. While emphasizing the need for sincere efforts to execute the proposed activities/schemes in right earnest, the Committee desire the ICCR to develop some well defined and articulated programmes of India's diverse cultural preserves so as to present India in proper perspective. The Committee

are glad to know that ICCR proposes to send 10 cultural groups overseas from the North-East region. The Committee hope that while according due importance to the North-East region, the Ministry will initiate necessary measures to promote and encourage upcoming artists/troupes from other States/Union Territories also.

26. 113 External Affairs

The Committee have been informed that proposals from 21 Missions have been received since 1993 for setting up of new Cultural Centres. The eight proposals taken up during 2002-2003 include only 2 proposals (Kuala Lumpur and Phnom Penh) out of the 21 proposals received from the Missions since 1993. As earlier stated by the Ministry itself, large financial outlay of Rs.30 crore in capital expenditure and Rs.10 crore in recurring expenditure are needed for opening of new cultural centres against which budgetary allocation of mere Rs.1.45 crore has been made in the Demands for Grants for the year 2003-04. This in the opinion of the Committee is highly insufficient. The Committee strongly recommend the Ministry to take early decision to open Cultural Centres abroad from where proposals have been received and a well defined policy of opening Cultural Centres abroad should be formulated immediately with sufficient budgetary support so as to give impetus to the cultural diplomacy.

27. 114 External Affairs

The Committee are shocked to know that in spite of repeated recommendation of the Committee, no suitable building has been located till now for setting up Cultural Centre in Washington. It appears that sincere efforts have not been made either by the Ministry or Indian Mission in USA in this direction during all these years. There is no plausible explanation as to why the Indian Mission in USA has even not succeeded in identifying 3-4 suitable properties during the last six months since the visit of a team from the Ministry on 7th October, 2002 for which they were specifically advised by the Ministry. Taking into account the degree of indifference being exhibited in this matter both by the Ministry as well as the Indian Mission in USA, the prospects of coming up of Cultural Centre in Washington in near future appear very bleak. While expressing their anguish, the Committee strongly recommend the Ministry to ensure early setting up of Cultural Centre in Washington by accelerating all the processes involved. The Committee would like to be regularly apprised of the developments in the matter.

28. 116 External Affairs
- The Committee deplore that the Council could not be formed within the stipulated time which resulted in legal hurdles in the formation of the Council thereafter. In the opinion of the Committee, three months' time cannot be construed to be short one by any yardstick for the purpose of formation of Council. The Committee hope that the Bill to amend the ICWA Act, 2001 will be introduced in the Parliament in the current session. The Committee also expect that the enhanced budgetary allocation of Rs. 1.60 crore in BE 2003-04 will be effectively utilized for strengthening India's International Diplomacy.
29. 123 External Affairs
- The Committee observe that financial allocation for Government of Bhutan under both the heads "Aid to Bhutan" and "Loan to Government of Bhutan" is Rs. 892.00 crore for the year 2003-04. The three projects namely Tala Hydro-electric Project, Kuruchi Hydro-electric Project and Dungsum Cement Plant are being funded under these heads. The Committee are happy to note that the Kurichu Hydro-electric Project has already been completed. Since a huge allocation of funds is being made regularly under these heads, the Committee recommend the Ministry to regularly and scrupulously monitor the execution/operation of all the projects in Bhutan to ensure that they are completed without involving any time or cost overrun.
30. 124 External Affairs
- The Committee would like to point out that they had recommended in their 9th Report for exploring the effective exploitation of 97% Bhutan's untapped hydro-power potential. The Committee find that the Ministry will be undertaking feasibility studies of three hydro-electric projects namely, Punatsanchu II, Deglia in Zemgang, Kholongchu in T/Yangtse, estimated to generate about 2000 MWs each. In view of the fact that commencement of hydro-electric projects in Bhutan would be highly beneficial not only to Bhutan's development but also to India in terms of bridging the gap between demand and supply of power, the Committee would recommend the Ministry to initiate necessary steps for exploring as much as possible the hydro-power potential of Bhutan. It should also ensure early execution of the Punatsangchu Hydro-electric project already identified for implementation.

31. 131 External Affairs
- The Committee observe that Rs. 20 crore each under the head “Aid to Bangladesh” and “Loan to Govt. of Bangladesh” has been projected at BE stage in 2003-04. While the funds under the head “Aid to Bangladesh” are used to extend support to the Government of Bangladesh during times of natural calamities, the funds under the head “Loan to Govt. of Bangladesh” are mainly used to support development of infrastructure within Bangladesh. The intended objective behind financial assistance to Bangladesh under both the above heads are stated to be socio-economic development of Bangladesh in promotion of economic and commercial linkages between India and Bangladesh. While Committee are shocked to know about the presence of anti-Indian elements in Bangladesh territory, they are somewhat relieved to learn that the Government of Bangladesh has assured that it would not allow its territory to be used for anti-India activities. While underlining the importance of financial assistance by India for socio-economic development of a neighbouring country like Bangladesh, the Committee would emphasize that the matter regarding use of Bangladesh territory for anti-India activities should be taken up by the Government seriously at appropriate fora to curb such undesirable development before it grows out of proportion.
32. 135 External Affairs
- The Committee observe that the Indian Technical and Economic Cooperation (ITEC) programme covers training, projects, consultancy and feasibility studies, deputation of Indian experts to developing countries, aid for disaster relief etc. The main objectives behind the ITEC programme are to promote goodwill, share India’s experience in development and also to get economic and commercial spin offs by providing training, gifting of machinery and equipment and setting up of projects. Admittedly the ITEC programme has generated goodwill for India and recognition by the developing countries of India’s achievements in science, technology, industry, agriculture and human resource development. The Committee, therefore, recommend that the allocated funds under this Head should be fully utilised to strengthen India’s mutual and bilateral relations with recipient countries. The Committee would also like to be apprised of the recommendations made by the Advisory Group on Technical Cooperation which was established in 2001 to identify ways to enhance the level and modernize the Technical Cooperation Programmes and the action taken by Government in pursuance thereof.

33. 143 External Affairs
- The Committee are happy to note that the Government have accepted three recommendations made by the High Level Committee on Indian Diaspora, namely reduced fee for PIO Cards, *Pravasi Bhartiya Divas* and *Pravasi Bhartiya Samman Awards* and in pursuance thereof the *Pravasi Bhartiya Divas* was celebrated on 9th January, 2003 where ten prominent persons of the overseas Indian community were conferred “Pravasi Bhartiya Samman Awards”. The Committee are also happy to observe that the Ministry of Urban Development have agreed to allot a plot of land in Chanakyapuri, New Delhi for construction of Pravasi Bhartiya Bhawan. In regard to other recommendations of the High Level Committee on Indian Diaspora, the Committee find that implementation of these recommendations is at various stages. While appreciating the efforts being made by the Ministry in regard to implementation of various recommendations of the High Level Committee on Indian Diaspora, the Committee expect that the Ministry will start construction of Pravasi Bhartiya Bhawan at the earliest and persuade all the Ministries/Departments concerned for expeditious implementation of various other recommendations of the High Level Committee.
34. 150 External Affairs
- The Committee are glad to observe that a total sum of Rs. 270 lakh has been allocated for Hindi activities in the year 2003-04. Out of this, Rs. 70 lakh is earmarked for regular budget of the Hindi section and remaining Rs. 200 lakh for the 7th World Hindi Conference being held in Surinam. Since the projected expenditure on the World Hindi Conference is approximately Rs. 4.70 crore, the Committee would like to be apprised as to how the additional requirement will be met by the Ministry. Although the Ministry is making efforts in right direction for promotion of Hindi, the Committee feel that a lot still needs to be done to make Hindi popularly known all over the world. The Committee also desire that efforts need to be made to make Hindi as one of the languages of the United Nations.
35. 155 External Affairs
- The Committee observe that the Foreign Service Institute was established in 1986 to meet the professional training requirements of the officers of the Ministry of External Affairs (MEA), especially those

belonging to the Indian Foreign Service. The Institute has however since diversified its activities to include courses for officers of other Ministries as well as for foreign diplomats. Presently the Institute is offering five courses, namely Training Programme for the Trainees of Indian Foreign Service, Basic Professional Course for staff and officials of the MEA, Professional course for Foreign Diplomats, Orientation Programme for the Resident Diplomats and Special Programme for Afghan Diplomats/Officials. The Committee were informed that the Institute will be moving to its own complex some time in July, 2004. The Committee wish that once the Institute starts functioning from its own premises which will reportedly have the state of the art facilities, the training courses will be modernised with full back up of cyber technology. The Committee desire that the training courses should be designed in such a way that the Indian Diplomats and Officials posted in Indian Missions/Posts abroad are well equipped with the necessary skills and expertise to deal with all the exigencies in the arena of foreign diplomacy.

36. 165 External Affairs

The Committee observe that it is the task of Investment and Technology Promotion Division of the Ministry to actively undertake effective investment promotion and publicity efforts through the Indian Missions and Posts abroad for attracting foreign investment in the country. Commercial wings in the Missions are stated to be the first point of contact for the foreign investors. The Committee have been informed that 65 Indian Missions have commercial wings borne on the budget of Department of Commerce and most of the other Missions also undertake commercial work by deploying personnel borne on the budget of the Ministry of External Affairs. The economic and commercial wings of Indian Missions and Posts abroad undertake various activities to encourage inflow of foreign capital in India. The Committee need hardly emphasize that now-a-days foreign investment plays very crucial role in economy particularly of a developing country and therefore, the role of Commercial Wings in Indian Missions/Posts has become increasingly important. Global trends also indicate that countries attempt to acquire supremacy through economic diplomacy and, therefore, this aspect must be given due importance. The Committee, therefore, desire the Ministry to activate all the Commercial Wings functioning in 65 Indian Missions and other officials entrusted with this job in other Missions so that on the one side India could be made a favourable destination for foreign investors and on the

other side India's economic presence is considered valuable in other countries of the world.

37. 174 External Affairs
- The Committee observe that budgetary provision of Rs. 68 crore under the Head "Capital Outlay and Public Works" and Rs. 35 crore under the Head "Capital Outlay on Housing" have been made for the year 2003-04 for the projects namely, Muscat (Chancery & ER), Foreign Service Institute, ICCR, Kolkara, Port of Spain (Mahatma Gandhi Institute for Cultural Cooperation), Asian African Legal Consultative Organization (AALCO) Hqrs., New Delhi, Abu Dhabi (Interior works), Berlin (pending payment for Chancery project), Gaborone, (HC's residence), Moscow (Residential complex), purchase of chancery building in Nairobi and Prague, purchase of residences in Chicago and for the repair and maintenance of Government owned property. The Committee are amazed to observe that only Rs. 25.43 crore was actually spent against BE of Rs. 67.20 crore and Rs. 8.39 crore against BE of Rs. 27.00 crore during the year 2001-2002 under the major Heads 4059 and 4216 respectively which indicate non-utilization of major portion of the allocated funds by the Ministry. The reasons stated by the Ministry for substantial under-utilization of funds under both these heads are not at all acceptable to the Committee because most of them could have been sorted out had the Ministry acted in time. While deploring the lackadaisical approach of the Ministry in regard to various construction projects, the Committee strongly recommend the Ministry to conduct an inquiry into the matter to find out as to how far the officials entrusted with this job were responsible for delay in finalisation/execution/implementation of various projects and consequent non-utilization of substantial funds. The Committee would like to stress the need for devising a system of accountability. The Committee would like to be apprised of the mechanism evolved by the Ministry in this regard and the outcome of the inquiry.
38. 175 External Affairs
- The Committee are shocked to observe that the construction project of Doha Chancery which was approved in the year 1989 took 12 years to reach at the stage of CNE approval in 2001 . Similarly, land has not so far been acquired for the new diplomatic enclave for which a proposal was mooted in 1970 and requests of 31 diplomatic missions were pending from 1975 to 1998. The proposal for construction of Videsh Bhawan to

accommodate the offices of the Ministry is yet to cross the stage of planning. These projects are clear testimony of the poor state of affairs in the Ministry in regard to the pending projects. While deploring the inaction on the part of the Ministry for all these long years in the above projects, the Committee strongly recommend the immediate initiation of measures for expeditious completion of the projects and also to enquire into the real reasons responsible for such long delays so as to avoid recurrence of such happenings in future.