

COMPOSITION OF THE STANDING COMMITTEE

STANDING COMMITTEE ON EXTERNAL AFFAIRS

(2002)

(THIRTEENTH LOK SABHA)

EIGHTH REPORT

MINISTRY OF EXTERNAL AFFAIRS

[Report on Action Taken on the recommendations/observations contained in the 5th Report of the Committee (13th Lok Sabha on Demands for Grants of the Ministry of External Affairs for the year 2001-2002]

*Presented to Lok Sabha on 16.4.2002*

*Laid in Rajya Sabha on 24.4.2002*

LOK SABHA SECRETARIAT

NEW DELHI

CONTENTS

COMPOSITION OF THE COMMITTEE (2002)

INTRODUCTION

REPORT

COMPOSITION OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS (2002)

**Shrimati Krishna Bose - Chairperson**

MEMBERS

**LOK SABHA**

2. Shri E. Ahamad
3. Shri R.L. Bhatia
4. Shri Satyavrat Chaturvedi
5. Smt.Renuka Chowdhury
6. Shri Mohan S. Delkar
7. Shri Bikram Keshari Deo
8. Shri Adv. George Eden \*
9. Mohammad Anwarul Haque
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 Saiduzzama
16. Shri Dileep Sanghani
17. Shri P.A. Sangma
18. Smt. Minati Sen

19. Shri Saleem Iqbal Shervani
20. Shri Sushil Kumar Shinde
21. Shri Chandra Vijay Singh
22. Smt. Shyama Singh
23. Shri Su. Thirunavukkarasar
24. Dr.S. Venugopal
25. Vacant
26. Vacant
27. Vacant \_\_\_\_\_
27. Vacant
28. Vacant
29. Vacant
30. Vacant

**RAJYA SABHA**

31. Shri Jayanta Bhattacharya
32. Shri T. N. Chaturvedi
33. Shri R.P. Goenka
34. Smt. Sarla Maheshwari
35. Shri Ranganath Misra
36. Shri P.G. Narayanan
37. Shri Fali S. Nariman
38. Shri Kuldeep Nayyar
39. Shri Mahendra Prasad \*\*
40. Dr. Alladi P.Rajkumar
41. Dr.Mahesh Chandra Sharma

42. Shri Arjun Singh
43. Dr.Karan Singh
44. Dr. L.M. Singhvi
45. Sardar Gurcharan Singh Tohra

#### **SECRETARIAT**

Shri John Joseph	-	Additional Secretary
Shri K.V.Rao	-	Joint Secretary
Shri P.K.Grover	-	Director
Shri R.K. Saxena	-	Under Secretary

\* **Nominated to the Committee w.e.f. 28.1.2002**

\*\* **Nominated to the Committee w.e.f. 4.1.2002**

### **INTRODUCTION**

I, the Chairperson, Standing Committee on External Affairs having been authorised by the Committee to submit the report on their behalf, present this Eighth Report on Action Taken by Government on the recommendations contained in the Fifth Report (13<sup>th</sup> Lok Sabha) of the Committee on Demands for Grants of the Ministry of External Affairs for the year 2001-2002.

2. The Fifth Report was presented to both the Houses of Parliament on 18<sup>th</sup> April, 2001. The Government have furnished their replies indicating Action Taken on the recommendations contained in the Report.

3. The Draft Report on the basis of Action Taken Notes was considered and adopted by the Standing Committee on External Affairs (2002) at their sitting held on 1<sup>st</sup> April, 2002. Minutes of the sitting of the Committee have been reproduced as Appendix-I to the Report.

4. An analysis of Action Taken by Government on the recommendations contained in the Fifth Report of the Standing Committee on External Affairs (13<sup>th</sup> Lok Sabha) is given in Appendix-II.

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

**KRISHNA BOSE,**

**Chairperson,**

*Standing Committee on External Affairs*

**NEW DELHI;**

**4 April, 2002**

14 Chaitra 1924 (Saka)

## **REPORT**

The report of the Committee deals with the Action Taken by Government on the observations/recommendations contained in the 5<sup>th</sup> report of Standing Committee on External Affairs on Demands for Grants for the year 2001-2002 in respect of the Ministry of External Affairs. The 5<sup>th</sup> report of the Committee was presented to Lok Sabha on 18<sup>th</sup> April, 2001.

2. Action taken notes have been received from the Ministry of External Affairs on all the observations/recommendations contained in the report. These have been categorized as follows:-

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

Para Nos. 18,19,20,37,55,78,79,81,92,112,115,122

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

Para No. 32,56,85,93,98

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

Para No. 31,33,80

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

Para No. Nil

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

### **Non-utilisation of allocated funds**

4. In Para No.20 of their Fifth Report, the Committee had expressed surprise at the non-utilisation of allocated funds by the Ministry of External Affairs in the past. As per the figures available, in the year 1998-99, against the BE of Rs. 2,120 crore the actual expenditure incurred was Rs.2,073.76 crore though an enhancement of Rs.115.45 crore was sought at RE stage. In the year 1999-2000 the actual expenditure incurred was Rs.2,133.16 crore against the BE of Rs.2,209.47 crore, with an enhancement of Rs.39.97 crore made at RE stage. The Committee had observed that in both the years there had been not only non-utilisation of enhancement sought at RE stage but the actual expenditure has been considerably below the Budget Estimates. In the year 2000-2001 also, though an enhancement of Rs.95 crore was sought at RE stage, the same was, as stated by Foreign Secretary, not utilised. In view of the Committee as such in the year 2000-2001 also, the actual expenditure was likely to be below the BE of Rs.2,625.72 crore. The Committee, therefore, concluded that there is a serious flaw in the Budgetary Planning and the exercise related thereto in the Ministry. The Committee had desired that the Ministry should at once initiate remedial measures with stringent and regular review of flow of expenditure so that in the year 2001-2002 the Ministry is able to utilise the allocated funds fully, effectively and fruitfully and ensure that the avowed goals, essential priorities and primarily objectives of Indian Foreign Policy are successfully achieved.

5. In their Action Taken reply, the Ministry stated that as pointed out by the Committee, it was a fact that the actual expenditure in 1998-99 and 1999-2000 was lower than the BE even though enhancement was sought at the RE stage. In this connection, the Ministry further stated that while the projections for the RE are made in October/November, the final figures are communicated by the Ministry of Finance towards the middle of January, leaving very little time for effective utilisation of the enhanced funds. The major non-utilisation of funds, according to the Ministry, was primarily under the Special Diplomatic Expenditure head. The expenditure

being of discretionary nature, sometimes is not incurred leading to savings. The budget heads relating to provision for Aid to other Countries also reflect lower expenditure than provided for, for reasons not anticipated. However, as advised by the Committee, the Ministry have agreed to monitor the progress of expenditure in the current financial year more clearly with a view to effectively utilising the allocated funds.

6. The Committee were surprised to note that though there has been non-utilisation of allotted funds by the Ministry of External Affairs during last two years, the Ministry has been seeking enhanced funds at RE stage and had, therefore, recommended for a regular review of flow of expenditure so that the Ministry may utilise the allocated funds fully in the year 2001-2002. One of the reasons cited by the Ministry for actual expenditure being lower than BE for these years was that while the projections for the RE were being made in the month of October/November, the final figures were communicated by the Ministry of Finance towards the middle of January, thereby leaving very little time for effective utilisation of the enhanced funds. The Committee feel that in case the present practice of projecting the additional fund requirements of the Ministry of External Affairs in the month of October/November and receipt of those funds from Ministry of Finance in the month of January continues, the Ministry would always be facing difficulties in effectively utilising the additional funds being made available to them at RE stage. Therefore, the Committee desire that the Ministry should consider necessary measures to advance their exercise relating to projections for Revised Estimates and simultaneously take up the matter with the Ministry of Finance at appropriate level for release of additional funds well in time.

### **Akbar Bhawan**

7. In Para No.31 of their Fifth Report on Demands for Grants (2001-2002) of the Ministry of External Affairs, the Committee had noted that the Ministry had proposed to return Akbar Bhawan to NDMC after completion of Videsh Bhawan and that they dont intend to purchase any building for Ministry of External Affairs Offices. The Committee had further noted that Ministry had taken over Akbar Bhawan on 1<sup>st</sup> April, 1986 and the annual rent being paid for the same as per the rates determined by the CPWD, was Rs.7.40 crore per annum apart from an annual expenditure of Rs. 68 lakh on maintenance of building. The Ministry had also informed the Committee that the terms and conditions including the issue of payment of land at market rate, as demanded by NDMC, for a fresh leasing deed for the period of 5 years w.e.f. November, 2000 for Akbar Bhawan, were being negotiated with the NDMC in consultation with the Ministry of Urban Development and the proposed rent for Akbar Bhawan was likely to be Rs. 10.87 crore per annum upto August, 2002.

8. The Committee had expressed their surprise over the fact that though the Videsh Bhawan Project once completed would neither meet the total present carpet area requirement of the Ministry nor the anticipated and unforeseen future requirements, the Ministry had not given any thought to purchasing an additional building. The Ministry, on the contrary, had proposed

to return Akbar Bhawan to NDMC after completion of Videsh Bhawan, New Delhi. Therefore, the Committee had desired the Ministry to again examine the issue of purchase of Akbar Bhawan or any other suitable building to meet the future requirement of Ministry of External Affairs as they had observed that the proposed Videsh Bhawan Project would fall short of meeting the requirements and also that the Ministry would be spending more than Rs. 54 crore in the next 5 years on rentals alone for the Akbar Bhawan provided there was no further enhancement in the rentals. The Committee had further observed that even by the yardstick of the Ministry of External Affairs themselves for purchase of buildings, the actual rental savings justified the purchase of Akbar Bhawan.

9. In their Action Taken reply, the Ministry have informed that as far as purchase of Akbar Bhawan is concerned, since the building was originally designed as a hotel, it may not be desirable to purchase the building as a permanent asset, keeping in view their long-term functional requirements. The Ministry have also informed that modifications to existing building to suit their functional requirements will not be economically viable. However, the recommendation of the Honble Committee to purchase any other suitable building has been noted by the Ministry.

#### Videsh Bhawan project in Calcutta

10. In Para No. 33 of their Fifth Report, the Committee appreciated that the Ministry have proposed to construct Videsh Bhawan in Calcutta to solve space shortage faced by the Passport Office as well as to house Branch Secretariat and residences. The Committee had, however, desired that the work on the project should be pursued with right earnest so that it is completed within the target date.

11. In their Action Taken Reply, the Ministry of External Affairs have informed that the Ministry of Finance was approached by them in April, 2001 to convene a meeting of the Committee on Non-Plan Expenditure for according financial sanctions for the project to enable further action to be taken early. However, Ministry of Finance, in May, 2001, raised certain queries inter alia working out the economics of renting versus owning of the properties. In June, 2001, the Ministry of External Affairs explained to the Ministry of Finance that it is the policy of the Government of India to have Government owned buildings on economic, functional and security related grounds. Therefore, it may not be right approach to decide on the construction of the project only on consideration of economic viability, as the facilities in the rented building are not comparable with the building constructed and owned by the Ministry of External Affairs. The Committee are informed that the Ministry of Finance did not agree with this view and that the file is being resubmitted to the Ministry of Finance with necessary data justifying the economic viability of the project for holding the CNE meeting.

#### Building for Passport Office, Guwahati



12. In Para No. 80 of their Fifth Report, the Committee had expressed their dismay over the fact that although the Chief Minister, Assam had offered a plot of land free of cost to construct the building for the Passport Office, Guwahati during an informal discussion with the Members of a study group of Standing Committee on External Affairs in the month of June, 2000, the Ministry showed a lukewarm response to the proposal. The Committee had felt that the Ministry should have pursued the matter at the highest level in right earnest. Nevertheless, the Committee had stressed upon the fact that since the Passport Office, Guwahati, which was catering to the need of all seven North Eastern states, was facing extreme space shortage, urgent action was required to be taken to construct a new building for it. The Committee therefore, had urged upon the Ministry to expedite the examination of the proposals in hand for an early action in matter.

13. The Ministry in their reply have stated that the acquisition of a plot of land, designing of a suitable building by architects of CPWD and the construction thereafter takes about 3-5 years. It was, therefore, felt by them that a better option would be to look for a suitable built-up property in Guwahati to house the Passport Office. Accordingly, the Passport Officer, Guwahati had been instructed to identify suitable buildings for renting or purchase to house the Passport Office.

14. In further pursuance of their observation that the Ministry must make sincere efforts to draw a comprehensive plan for purchase/construction of properties both at home and abroad with a view to reducing the progressively escalating rental liability, the Committee had urged the Ministry for an early commencement of work on the Videsh Bhawan project in New Delhi, which has not seen any progress till date despite the allotment of land way back in 1992-94. The Committee had expressed dissatisfaction over the fact that though it was quite evident that this project, even if completed, would not meet the present as well as anticipated requirements of the Ministry, they had not given any thought to purchase an additional building. In view of this and the fact that the Ministry would be spending Rs.54 crore on the rentals of Akbar Bhawan alone in the coming five years, the Committee had urged the Ministry to examine the issue of purchasing Akbar Bhawan or any other suitable building. The Committee are not satisfied with the Ministry's reply wherein they have stated that the modifications in Akbar Bhawan to suit their functional requirements would not be economically viable. The Committee feel that the Ministry's offices are functioning there for nearly 16 years and are likely to function there for another ten years as the Ministry propose to retain Akbar Bhawan till the completion of Videsh Bhawan, which necessary entails substantial expenditure. Therefore, the Committee reiterate that the Ministry of External Affairs should reexamine the issue of purchase of Akbar Bhawan or any other suitable building so that the Ministry do not face space constraints in the years to come.

15. Insofar as construction of Videsh Bhawan in Calcutta is concerned, the Committee desire that all necessary steps should be taken to vigorously pursue the matter with the Ministry of Finance to expedite the project. The Committee also fail to understand the Ministry's

reluctance to accept an offer of a plot of land by the Government of Assam free of cost for constructing a building to house Guwahati Passport Office,. The Committee feel that it would rather be cost effective to construct a functionally suitable building on a plot of land instead of purchasing or renting out a property and making modifications therein afterwards. The Committee would, therefore, like the Ministry to reexamine the matter so as to ensure that the Passport Office project at Guwahati is completed in a time bound manner.

## Passport Services

16. In Para No.78 of their fifth Report, the Committee had noted that while the Ministry have been working over the years to improve the passport service through many initiatives like the Tatkaal Scheme, there still existed a vast scope for improvement. The Committee had desired that the Ministry should set the target of making available passports to the applicants within a week as is the case in developed countries, which necessarily involves removing all bottlenecks and pragmatic use of technological advancements. The Committee had felt that as a first step in this direction the Ministry should at once make arrangements for e-mail transmission of clear police reports in all Passport Offices.

17. In their action taken reply, the Ministry have informed that the making of a passport entails the following steps :

- (i) Submission of application form
- (ii) Police verification
- (iii) Check within the Passport Office against lists of Prior Approval Category, Black List and Index Card.
- (iv) Processing, granting, writing and despatch of passport.

18. It has been informed that once all the old records, Index Cards etc. are scanned and the information stored on hard discs and floppies, it would be possible to conduct in-house check within the Passport Office within a day. The subsequent checking of documents, examination of application, grant of passport could be completed in 3-4 days. It has been stated that once the project of comprehensive computerisation is fully implemented, which includes machine writing of passports, the passports would be machine written within a day of their being granted. In other words, the Ministry have stated that a target of 7 working days for carrying out all the steps involved within the Passport Office in the issue of passports can be met once the on-going comprehensive computerisation, including the proposed scanning of all the old records and Index Cards, is implemented.

19. However, it has been stated that the time taken in the police verification report would be in addition to this period. To shorten the time taken in the police verification, the Ministry have proposed on-line communication and transfer of Personal Particular Forms between the Passport Office and District Headquarters of police. Exploratory work in this direction has already commenced.

20. The Ministry have also submitted that the developed countries are able to issue passports within one week as all the required data about their citizens is already available with the State in the form of national identity card or social security card and the antecedents of an applicant can be checked on computers without involving any fresh police verification. However, the Ministry have noted the suggestion of the Honble Committee that the Ministry should make arrangements for e-mail transmission of clear police reports in all Passport Offices.

21. The Committee, while urging the Ministry to improve the Passport Services, had recommended that the Ministry may strive to reach the target of making passports available within a week and to remove all bottlenecks as well as make pragmatic use of technological advancements. The Committee had desired that as a first step, e-mail transmission of clear police reports in all Passport Offices should be initiated. The Ministry's reply in this connection seems to be incomplete and evasive. Moreover, according to the Ministry, the computerisation of Passport Offices is yet to be implemented, which would be instrumental in bringing further improvements in Passport Services.

22. The Committee are distressed to find that there has been little progress on the project on computerisation of Passport Offices, which started way back in 1986. The Committee note that an important aspect of the project, i.e., the machine writing of passports is still at an initial stage with limited use in the Regional Passport Office, Delhi only. The Committee further note that the proposal on scanning of all old records to store them in CD-ROMs may take upto three years to complete. The Committee feel that the slow pace of the project has taken a serious toll on the efficiency of Passport Offices. Therefore, the Committee recommend that the Ministry may urgently take up the matter with NIC etc. to ensure an early completion of the project to computerise all Passport Offices with centralised connectivity at the Headquarters.

23. The Committee would further like to express their serious concern over certain underworld criminals obtaining fake passports to flee the country and the Ministry's inability to prevent such happenings. In the Committee's view, this has necessitated a fresh look over the procedures involved and develop a foolproof mechanism to check antecedents of applicants. Therefore, the Committee recommend that the Ministry should take immediate steps to plug the existing loopholes, if any, in the passport procedures.

## Aid to developing countries

24. In Para No. 98 of their Fifth Report, the Committee had expressed their disappointment over the fact that although the Indian Government was providing huge amount of money as development assistance to Bangladesh, Bhutan, Nepal and Myanmar, a feeling of reciprocity was found to be missing in our relations with these countries. The Committee had felt that little seems to have been done to remove the irritants to improve our bilateral relations with these countries. The Committee had also opined that the insurgency in Indias North-Eastern sector and problem of drug and narcotics trafficking could be effectively handled once our relations with all these four countries improve further. The Committee had hoped that these countries would reciprocate our feelings and extend all possible co-operation to flush out anti-India elements operating from their soil.

25. The Ministry of External Affairs in their reply have stated that the objective of Indian Foreign Policy with specific reference to our neighbours is as follows:

(a) To create such conditions in the Indian sub-continent and in our immediate neighbourhood as would India to devote it resources and attention to developmental and infrastructural activities.

(b) To strengthen peace and stability in the region and further enhance friendship, co-operation and mutually beneficial inter dependencies with our neighbours. In enhancing the constituency of peace in the Indian sub-continent, India would co-operate actively with like-minded countries to isolate and defeat negative phenomena of extremism, obscurantism and terrorism.

### **Bangladesh:**

26. With regard to Bangladesh, the Ministry have informed that the Government has pursued regular interaction and exchanges at different levels with Bangladesh and Myanmar in diverse areas. Governments focus has been on enhancing mutually beneficial linkages in the economic and infrastructural fields. In the pursuit of this objectives, the Government has provided financial assistance to these countries in a carefully considered manner through credit as well as project assistance. According to the Ministry, this approach has promoted mutual co-operation in key areas such as security, including the growing threat of terrorism and religious extremism in the region and border management. It is further stated that both Bangladesh and Myanmar have assured the Government that no activities inimical to Indias interests would be allowed from their territories.

### **Nepal**

27. In so far as Indias relations with Nepal is concerned, the Ministry have stated that India and Nepal are linked by strong ties since time immemorial and enjoy extensive cultural, social and economic interaction between them. The open border between our two countries, extending over 1750 kms., allows free movement of people and goods across the border. Special provisions of national treatment accorded to citizens of Nepal in India to pursue economic activities and vice versa are enshrined in 1950 India-Nepal treaty of Peace and Friendship. The Ministry have stated that Nepal is the only country to which India has offered duty free access to the Indian market on a non-reciprocal basis for goods manufactured in Nepal. There are as many as 6000 rivers and rivulets that flows down from the Himalyas across Nepal into India providing a possible potential of 83,000 MWs of Hydroelectricity more than half of which is known to be economically viable at current costs. Close to half of the 24 million Nepalese populace comprises immigrants from India who have been living there for generations. These aspects put our relations with Nepal on a special footing.

28. The Ministry have also informed that India has an abiding interest in the stability and development of Nepal and our economic assistance helps to promote this primary objective. Lack of development or deterioration in Law and order in Nepal would have an adverse impact on Indias own well being as the ill effects would permeate across the border into India.

29. According to the Ministry, co-operation in hydro-power sector between India and Nepal has a number of mutually beneficial benefits. This has been recognized by both sides and recently a Joint Committee on Water Resource led by Water Resources Secretaries of the two has been set up to oversee our co-operation in water resources in its entirety. There are several important ongoing programmes between India and Nepal in this sector. The two countries are working together on flood forecasting and protection to minimize the ill effects of floods through advance exchange of information and construction of embankments. The 6500 MWS Pancheshwar Multipurpose project has been agreed to between the two sides and a joint project office is currently in process of preparing a Detailed Project Report (DPR). A similar initiation to set up a joint project office and field officer with a view to initiating investigations and collect data for preparation of a Detailed Project Report on the Sapta Koshi High Dam is also on the anvil. The Ministry have stated that co-operation in the hydro-sector would not only transform the development scenario in Nepal but can also provide supplementary electricity to meet Indias growing requirements.

30. The Committee have also been informed that both Governments are co-operating to prevent the misuse of the open border by terrorists, criminals and other undesirable elements. There is an institutional bilateral framework to address such sensitive issues with a view to ensuring that the territory of either country is not used for activities directed against the other. It is, therefore, the Ministrys considered view that Indias programme of development assistance to Nepal serves her larger interests and policy objectives and must be sustained and strengthened.

## Bhutan

31. The Ministry have termed Indias relations with Bhutan as intensive and extensive. There is an open border of 605 Kms between the two countries through which people and goods move freely in the 1949 bilateral friendship treaty, Bhutan has agreed to be guided by the advice of Government of India in regard to its external relations which is an important aspect of our relations with Bhutan. As per the Ministry, the intimate relations between us need to be nurtured and nourished keeping in view the immense goodwill and other tangible benefits, which India has derived in the past and would continue to receive in the future.

32. The Ministry have informed that Bhutan has decided to chart the course of its economic progress and development in co-operation with India. The constructive bilateral co-operation in the area of water resources development has already created excellent models of bilateral co-operation, generating substantial revenue for Bhutan through sale of surplus

electricity to India. The 336 MWS Chukha Hydel project has been exporting most of its electricity to the eastern grid of India for over a decade now. The 60 MWS Kurichu Hydel project would start evacuating most of its power to India some time later this year. Three years from now, the 1020 MWS Tala project would also come on stream and this project would also export most of its production to India. The Ministry have also informed that the Royal Government of Bhutan has been offering many new projects for India to take up which would substantially contribute to Bhutans development while providing additional energy to meet its growing demand in India.

33. The Committee are informed that the Royal Government of Bhutan have been extending their co-operation in addressing the serious problems caused by the presence of ULFA-Bodo militants in Bhutan. The Royal Government has taken steps to cut off supplies to the militants and taken action under their national security act against those found to be maintaining links with militants. The National Assembly of Bhutan has also authorized the Government of Bhutan to evict the militants by use of force, if efforts to persuade them to leave peacefully do not yield results. Both Governments continue to consult each other closely on how best to address this issue.

34. It is, therefore, the Ministrys view that the reciprocal goodwill that is earned from our assistance programme in Nepal and Bhutan can not be quantified and set off against the monetary value of our economic investments in the two countries but need to be viewed as essential elements conducive to Indias own enlightened self interest and must be strengthened and sustained.

**35. The Committee had felt that though the Ministry of External Affairs have been providing more than 300 crore of rupees as developmental assistance to Bangladesh, Nepal, Bhutan and Myanmar, a feeling of reciprocity is not evident in our bilateral relations with these countries. The Ministry in their reply, have cited Indias strong historical ties and extensive cultural, social and economic interactions with some of these countries to say that Indias constructive bilateral cooperation with these countries has created excellent models of bilateral cooperation. In the light of this, the Ministry have further stated that the reciprocal goodwill that is earned from our assistance programmes to Bangladesh, Bhutan, Nepal and Myanmar cannot be quantified and set off against the monetary value of our economic investments in these countries.**

36. The Committee, though broadly agreeing with the Ministrys view on overall aid and assistance programme to comparatively underdeveloped nations in our neighbourhood, feel that our relations with each of these countries lack genuine warmth. Indo-Nepal bilateral relations in particular, though being very close on social, religious, cultural and even economic fronts are passing through a very critical phase. There had been problems while renewing the trade treaty between the two countries. Moreover, presently Nepal is reeling under violent incidents precipitated understandably by Maoists elements. In the Committees view, this is bound to have

repercussions and encourage activities inimical to our bilateral relations. The reported growing ISI activities in the Himalayan Kingdom are also viewed by the Committee as a definite cause to worry. Despite the Ministry's claim that both sides are cooperating to prevent the misuse of the 1,750 kms. long open Indo-Nepal border, the Committee feels that the Ministry's approach towards Nepal needs to be more practical and focussed. The Committee desires that our bilateral ties with Nepal should be further consolidated through appropriate diplomatic initiatives for better coordinated border management and joint action to prevent terrorists and infiltrators from violating peace in the region.