

**14**

**STANDING COMMITTEE  
ON EXTERNAL AFFAIRS  
(2016-17)**

**SIXTEENTH LOK SABHA**

**MINISTRY OF EXTERNAL AFFAIRS**

[Action Taken by the Government on the recommendations contained in the Eleventh Report (16<sup>th</sup> Lok Sabha) on Demands for Grants of the Ministry of External Affairs for the year 2016-17]

**FOURTEENTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*February, 2017 / Magha, 1938 (Saka)*

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(16<sup>th</sup> Lok Sabha) on Demands for Grants of the Ministry of  
External Affairs for the year 2016-17]

*Presented to Lok Sabha on 9<sup>th</sup> February, 2017*  
*Laid in Rajya Sabha on 9<sup>th</sup> February, 2017*



**LOK SABHA SECRETARIAT**  
**NEW DELHI**  
*February, 2017 / Magha, 1938 (Saka)*

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**COMPOSITION OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS  
(2016-17)**

**1. Dr. Shashi Tharoor, Chairperson**

**Lok Sabha**

2. Shri Sirajuddin Ajmal
3. Prof. (Dr.) Sugata Bose
4. Shri Ranjit Singh Brahmputra
5. Shri Arka Keshari Deo
6. Shri Feroze Varun Gandhi
7. Shri Rahul Gandhi
8. Prof. Richard Hay
9. Shri Anant Kumar Hegde
10. Shri Raghav Lakhanpal
11. Shri Venakateswara Rao Magananti
12. Shri Jose K. Mani
13. Shri A. Anwhar Raajhaa
14. Shri Vishnu Dayal Ram
15. Shri Mohammad Salim
16. Prof. (Dr.) Mamtaz Sanghamita
17. Shri P.R. Senthilnathan
18. Shri Ram Swaroop Sharma
19. Smt. Supriya Sule
20. Shri Sharad Tripathi
21. Vacant<sup>i</sup>

**Rajya Sabha**

22. Shri Raj Babbar
23. Shri Satyavrat Chaturvedi
24. Shri Swapan Dasgupta
25. Shri Chunibhai Kanjibhai Gohel
26. Smt. Kanimozhi
27. Shri C.M. Ramesh
28. Shri Amar Singh
29. Dr. Karan Singh
30. Shri R.K. Sinha
31. Shri D. P. Tripathi

**Secretariat**

- |    |                        |   |                     |
|----|------------------------|---|---------------------|
| 1. | Shri P. C. Koul        | — | Joint Secretary     |
| 2. | Dr. Ram Raj Rai        | — | Director            |
| 3. | Smt. Jyochnamayi Sinha | — | Additional Director |
| 4. | Ms. Smita Singh        | — | Committee Assistant |

<sup>i</sup> Shri Cheddi Paswan, Member of Parliament, Lok Sabha had resigned from the membership of the Committee *w.e.f.* 22.11.2016. Vacancy arose *w.e.f.* 29.11.2016 due to his resignation.

## INTRODUCTION

I, the Chairperson, Committee on External Affairs (2016-17) having been authorized by the Committee to present the Report on their behalf, present this Fourteenth Report (16<sup>th</sup> Lok Sabha) on Action Taken by the Government on the Observations/Recommendations contained in the Eleventh Report (16<sup>th</sup> Lok Sabha) of the Committee on Demands for Grants of the Ministry of External Affairs for the year 2016-17.

2. The Eleventh Report was presented to the Parliament on 2 May, 2016. The Action Taken Replies of the Government on all the Observations/Recommendations contained in the Report were received on 22 December, 2016.

3. The Committee considered and adopted this Action Taken Report at their Sitting held on 6 February, 2017. The Minutes of the Sitting of the Committee have been given at Appendix-I to the Report.

4. An analysis of the action taken by the Government on the Observations/Recommendations contained in the Eleventh Report of the Committee on External Affairs (16<sup>th</sup> Lok Sabha) is given at Appendix-II.

**NEW DELHI**  
**8 February, 2017**  
***19 Magha, (Saka)***

**DR. SHASHI THAROOR,**  
***Chairperson,***  
***Committee on External Affairs***

## **CHAPTER – I**

### **REPORT**

This Report of the Standing Committee on External Affairs deals with the Action Taken by the Government on the observations/recommendations contained in their Eleventh Report on Demands for Grants (2016-17) for the Ministry of External Affairs which was presented to the Lok Sabha and laid on the table of the Rajya Sabha on 2<sup>nd</sup> May, 2016.

2. The Action taken notes have been received from the Ministry of External Affairs on all the 52 observations/recommendations contained in the Report. These have been categorized as follows: -

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

Recommendation Nos. 4, 6, 10, 12, 14, 15, 16, 18, 19, 20, 23, 24, 25, 27, 28, 30, 32, 33, 35, 36, 37, 38, 39, 41, 42, 46, 47, 49, 51, 52

**Total- 30**

**(ii) Observations/Recommendations which the Committee does not desire to pursue in view of the Government's replies:-**

Recommendations No. 26, 40, 43

**Total-3**

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

Recommendation No. 2, 3, 5, 7, 8, 13, 17, 21, 22, 34, 44, 48

**Total-12**

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

Recommendation Nos. 1, 9, 11, 29, 31, 45, 50

**Total-7**

3. **The Committee desire that final replies to the comments contained in Chapter-I and observations/recommendations contained in Chapter-V of this Report should be furnished within three months of the presentation of the Report.**

4. The Committee will now deal with the action taken by the Government on some of their Observations/Recommendations.

**(Recommendation No. 1)**

**Merger of Ministry of Overseas Indian Affairs with Ministry of External Affairs**

5. The Committee had noted that the Government had taken a widely welcomed decision to merge the Ministry of Overseas Indian Affairs with the Ministry of External Affairs *w.e.f.* February, 2016. The Committee had been continually expressing their concerns about the performance of MOIA during the one decade of its existence. MOIA was totally dependent upon MEA for every matter pertaining to Indian Nationals abroad and all the Diaspora activities were undertaken through Missions and Posts abroad, which were controlled by the MEA. Due to such an arrangement, there were unnecessary delays in the implementation of decisions, schemes, programmes for the Diaspora. Moreover, during all those years MOIA received a very meagre fund allocation and was not able to utilize that even the small allocation. The Committee were also pleased to note that following the merger of the erstwhile MOIA with the MEA, all budget heads and sub-heads under which various schemes, programmes and events relating to the Diaspora would be retained in their current form. The Committee was hopeful that in the aftermath of the merger, the resources and capabilities would be strengthened and the needs and concerns of Diaspora would be addressed in a better way.

The Committee had, therefore, strongly recommended that the Ministry should ensure that the work relating to reviewing of all the schemes/programmes and events related to the erstwhile MOIA and issues concerned with the merger should be completed within six months. The Committee might be apprised about the outcome of the review process, once it was completed.

6. The Ministry of External Affairs, in their action taken reply, has stated as under:

“The merger of Ministry of Overseas Indian Affairs (MOIA) with Ministry of External Affairs (MEA) became effective in February 2016. Since then the Ministry has reviewed several programmes, schemes and initiatives that had been launched by erstwhile MOIA.

Ongoing schemes and programmes for Diaspora engagement were reviewed and the following decisions were taken:

**A. Know India Programme (KIP)**

To strengthen engagement with the young Indian Diaspora, KIP was reviewed and following changes have been introduced in the programme:

- Number of KIPs organized in one year was enhanced to six in 2016 with 40 participants in each KIP. The first KIP was held in May. The second KIP was



held in October. The next four KIPs will be held from December 2016 to January 2017.

- The duration of the KIP has been increased to 25 days. Every KIP will have a State Government as a partner and will host KIP participants for 10 days at their cost. This will enable KIP participants to connect with their respective States of origin in India.
- Age limit of participants has been increased from 26 to 30 years
- Air fare will be reimbursed to the participant before they leave for India.

#### **B. Study India Programme (SIP)**

Ministry's SIP, which has evoked a poor response from PIOs, was closed down after a thorough review. It was felt that objectives of SIP and target group were similar to the KIP.

#### **C. Scholarship Programme for Diaspora Children (SPDC)**

Scholarship Programme for Diaspora Children enables Children of Persons of Indian Origin (PIOs) and Non-Resident Indians (NRIs), to pursue Under Graduate courses in Indian Universities/Institutes in different fields (except medical and related courses) both professional and non-professional in Engineering/Technology, Humanities/ Liberal Arts, Commerce, Management, Journalism, Hotel Management, Agriculture/ Animal Husbandry etc. SPDC was reviewed in 2015-16. The revamped SPDC is now in place from the academic year of 2016-17 with the following highlights:

- The Scheme has been extended from 40 to 66 countries including 17 ECR countries.
- The number of scholarships has been increased from 100 to 150 with 50 slots earmarked for the Children of Indian Workers in ECR countries. Of these 50 slots, 1/3<sup>rd</sup> of slots are reserved for children of Indian workers in ECR countries studying in India.
- Income criteria would be applicable to all categories of students.
- Scholarship will be offered for pursuing courses in:
  - Central Universities of India offering Under Graduate Courses
  - Institutions accredited "A" Grade by NAAC; and
  - Institutions covered under DASA Scheme: National Institutes of Technology (NITs), Schools of Planning and Architecture (SPAs), Indian Institutes of Information Technology (IIITs).
- Information Technology, B.Sc (Nursing) and B.Pharm have been added to courses eligible for scholarships.
- As an e-governance mechanism, a portal SPDCINDIA.GOV.IN has been developed to enable online application and processing.

- Applications were to be submitted online from 23<sup>rd</sup> August 2016 to 23<sup>rd</sup> September 2016.

List of scholarship awardees will be announced in October-November 2016. SPDC scheme for the year 2016-17 for scholarship was announced on 23 August 2016.

#### **D. Pravasi Bharatiya Divas (PBD) Conference**

To re-energise our engagement with the Indian Diaspora and to seek pro-active, sustained and issue-based engagement, we have revised the format of the PBD. The annual PBD Convention will henceforth be held once in two years in a Convention format with participation of a large number of Indian delegates from overseas. In the intervening year, PBD Conferences will be held in New Delhi on a monthly basis on 10 subjects of interests of Indian Diaspora. Accordingly from February 2016 PBD Conferences are being held with participation of nearly 10 overseas Indians who are domain experts and about 10 resident Indians who are stakeholders with regard to that issue. From January 2015, Indian Missions/Consulates also celebrate PBD on 9 January.

#### **E. Overseas Indian Facilitation Centre**

Overseas Indian Facilitation Centre (OIFC) was set up as a PPP between erstwhile MOIA and CII to facilitate knowledge and economic engagement of overseas engagement with India. Following the merger of MOIA with MEA, under the Allocation of Business Rules order issued in February 2016, investment facilitation aspects of the work pertaining to Indian Diaspora has been transferred from the MEA to Department of Industrial Policy and Promotion (DIPP). Therefore in order to avoid duplication of work between the two Ministries, and since “Invest India” has been set up by DIPP to provide advisory services with regard to foreign investment; it has been decided to close OIFC. The Ministry is in the process of undertaking procedures to this effect.

#### **F. Pravasi Kaushal Vikas Yojana (PKVY)**

A Memorandum of Understanding (MoU) has been signed on 2 July 2016 between MEA and the Ministry of Skill Development and Entrepreneurship (MSDE) for implementation of PKVY. The scheme aims at enhancing the skills set of potential emigrant workers in select sectors and job roles, in line with international standards, to facilitate overseas employment. Initially, the scheme would focus on sectors that are in demand in ECR countries. The Ministry has allocated Rs. 10.00 crore for this scheme for the current financial year. The Ministry is in process of working out the modalities for the transfer of funds to the MSDE.

**G. Indian Community Welfare Fund (ICWF)**

The Indian Community Welfare Fund has emerged as an important tool to assist Overseas Indian nationals abroad in times of distress and emergency on a 'means tested' basis. The Fund has already been extended to all Indian Missions and Posts abroad. The Ministry is in process of revising the ICWF guidelines so as to make them more broad-based with the necessary checks and balances.

**H. Mahatma Gandhi Pravasi Suraksha Yojana (MGPSY):**

Being a voluntary scheme and for a variety of other reasons, the subscription under the Mahatma Gandhi Pravasi Suraksha Yojana (MGPSY) has remained extremely low. The Ministry is in process of closing the MGPSY while strengthening other measures including the mandatory insurance scheme Pravasi Bharatiya Bima Yojana (PBBY) for welfare of overseas Indian workers.

Issues regarding merger are being addressed as per the decisions taken at the time of merger in coordination with DoPT.”

**7. The Committee are pleased to note that after the merger of the Ministry of Overseas Indian Affairs (MOIA) with the Ministry of External Affairs (MEA) in February, 2016, MEA has reviewed and modified many of the ongoing schemes, programmes and initiatives for Diaspora engagement. The Committee specifically observe that the Ministry has taken a welcome step, as recommended by the Committee in their Seventh Report, to close down the Study India Programme (SIP) and strengthen the Know India Programme (KIP). Know India Programme (KIP) has now been significantly revamped by increasing its duration, expanding the age limit of participants as well as by inclusion of State Governments as partners / hosts.**

Similarly, much to the Committee's desire, the Ministry has also revamped the Scholarship Programme for Diaspora Children (SPDC) during the year 2016-17. The Committee through their Reports in the past have been persistently recommending the increase of the number of scholarships and also the augmentation of the scholarship amount. The Committee have noted that the number of scholarships has been increased

from 100 to 150, and more slots have been allocated for children of workers in ECR countries, but it seems no decision has been taken by the Ministry to augment the scholarship amount. As the replies were furnished by the Ministry in December, 2016, the Committee have reasons to believe that the scholarship list would have been already out. Therefore, the Committee would like to be informed about the decision on increasing the scholarship amount and the selected candidates under different categories. The Committee also hope that with a revised format the Pravasi Bharatiya Divas (PBD) Conference which is now to be held once in two years would be more focused and result orientated after regular monthly Conferences on specific subjects during the intervening year.

In the review process, the Ministry has decided to close the Mahatma Gandhi Pravasi Suraksha Yojana (MGPSY), a voluntary scheme to provide social security to the emigrants. The Committee hope that such a decision has been taken by the Government only after exhausting all its attempts to popularize the scheme and recommend that social security measures for the welfare of overseas Indian workers should be strengthened and they should be insured through a mandatory insurance scheme. The Committee may, further, be apprised of the same.

The Committee find that many of the schemes / initiatives pertaining to the erstwhile MOIA have been reviewed but the review has not been completed till date and issues regarding the merger are still being addressed despite the lapse of almost a year. The Committee, therefore, strongly urge the Ministry to ensure that the review as well as merger process is completed and the decisions are implemented in a time bound manner. The Committee may be apprised of the steps taken on the remaining issues without any further delay.

**(Recommendation No.2, 3 & 5)**

**Imperative of Adequate Budgetary Allocations**

8. While analyzing the budgetary allocations made for the MEA during 2015-16, the Committee had found out that the Ministry had sought an allocation of Rs. 22967.01 crores, including the Plan component of Rs.4940.36 crores and non-Plan component of Rs. 18026.65 crores against which the actual allocation made at the BE stage was only Rs. 14,966.83 crores. The Committee had, therefore, criticized such a drastic reduction in the budget of the Ministry and had desired the Ministry to rigorously pursue substantially enhanced allocation at the Revised Estimates stage. The Committee was, however, disappointed to note that despite the intervention made at the level of the External Affairs Minister as well as the Foreign Secretary, the situation could not be improved. The budgetary allocation at RE stage remained unchanged and there was only a reallocation of Rs. 678.02 crores from plan to non-plan, owing to underutilization of funds in HEPs in Bhutan. The Committee had noted that against the demands of Rs. 3770.84 crores, Rs.4017.53 crores and Rs. 414.60 crores sought by the Ministry for developmental projects at the first, second and third supplementary stage respectively, an allocation of merely Rs. 10 crores was provided in the name of World Hindi Conference at Bhopal in the first supplementary stage. The Committee were distressed to note the unsympathetic attitude of the Government of India, particularly the Ministry of Finance, towards the conduct of India's Foreign policy.

9. The Committee had noted that due to numerous challenges like climatic conditions, political uncertainties, security concerns, etc... there was a limited working period available for the Ministry to complete the projects. Further, non-availability of funds during critical windows made timely completion even more difficult and led to cost overruns. Therefore, the Committee had strongly urged the Ministry of External Affairs to bring those facts forcefully in front of the Ministry of Finance to convince it to provide predictable and full funding at the BE stage itself so that embarrassing conditions could be avoided in an effort to ensure that effective financial planning better project management can be done. Further, the Committee had also recommended to the Ministry to regularly take up the issue of low allocation of funds with the Ministry of Finance at all possible levels.

10. The Committee had observed that against the projected demand of Rs. 22967.01 crores by MEA, only an allocation of Rs. 14662.66 crores was made at the BE stage during the year 2016-

17. Surprisingly, the percentage of budget of the Ministry of External Affairs against the total allocation of the Government of India had been reduced to 0.74% as compared to 0.84 % during 2015-16. The proposed allocation was only 63% of the overall projections made by the Ministry. Similarly, against the demand of Rs. 290.18 crores of MOIA, only 81.44 crores was allocated and both the demands had been merged for BE 2016-17. The Committee had, further noted that while providing allocations at BE 2016-17, the Ministry of Finance had also not taken into account the inflationary trend and the devaluation of Indian rupee against dollar. The Committee were concerned to note that with such a mismatch in projections and allocations at the BE stage, the Ministry of External Affairs had been put in a difficult situation last year as they had to manage both India's expanding international engagement and the welfare of the Diaspora with limited resources consequently, compromising the objectives of Indian foreign policy. In the Committee's view, the Ministry of External Affairs required full predictable funding at the BE stage itself to meet India's international commitments, foreign policy goals and objectives as well as the establishment costs of the Ministry of External Affairs Secretariat, 187 Missions and Posts abroad, Central Passport Organization, the Foreign Service Institute and now the Office of the Protector of Emigrants and Diaspora related schemes. However, that was not done at the BE 2016-17 stage. The Committee had, therefore, urged the Ministry of External Affairs to convince the Ministry of Finance to provide the required allocations at the RE stage during the year 2016-17. The Committee had also desired that the Ministry should explore the integration of other sources of funds as developmental partnership with other participating Ministries in pursuance of the country's foreign policy goals.

11. The Ministry of External Affairs, in their action taken reply to Recommendation No 2, has stated as under:

“Ministry acknowledges the concern shown by the Hon'ble Committee about grant of budgetary allocation. For FY 2016-17, Ministry of Finance allocated Rs. 14662.66 crore to MEA in the Budget Estimates against the BE sought of Rs. 22966.89 crore, which is 2.03% less than BE 2015-2016 allocation of Rs. 14966.80 crore, comprising 3.24% increase in the Plan heads and 11.55% decrease in the Non-Plan heads. MEA requested for additional allocation of Rs.3921.49 crore in the first supplementary demand for grants in FY 2016-17 for fulfillment of various project commitments made at the highest level. As a result of persistent efforts, an additional cash allocation of Rs. 600 crore was provided to MEA in the first supplementary demand for grants.”

12. The Ministry of External Affairs, in their action taken reply to Recommendation No 3, has stated as under:

“Ministry acknowledges the concern shown by the Hon’ble Committee about low allocations of funds. The issue has been actively coordinated with the Ministry of Finance. As a result of persistent efforts, an additional cash allocation of Rs. 600 crore has been obtained in the first Supplementary Demands for Grants for FY 2016-17 for implementation of various developmental projects.”

13. The Ministry of External Affairs, in their action taken reply to Recommendation No 5, has stated as under:

“Ministry acknowledges the concern shown by the Hon’ble Committee about low allocation of funds. As per recommendations of the Hon'ble Committee, the Ministry has actively pursued the demand for additional funds with Ministry of Finance. The Ministry had projected a requirement for additional Rs. 3921.49 crore in the first supplementary demand for grants for FY 2016-17. As a result of persistent efforts, an additional cash allocation of Rs 600 crore was received. RE 2016-17 has been proposed for Rs. 17317.29 crore.”

**14. While observing the trend of budget allocation of the Ministry of External Affairs during 2015-16, the Committee had strongly urged the Ministry to engage with the Ministry of Finance at all possible levels to seek higher allocations for meeting its budgetary requirements. From the reply, the Committee do not find any details about the specific steps taken at the higher level in that direction to convince the Ministry of Finance and reasons for failure after persistent efforts. Rather, as a consolation, the MEA was provided an additional allocation of Rs. 600.00 crores in the first supplementary demand for grants, against the projected requirement of Rs. 3921.49 crores. The Ministry has quoted this figure as an achievement in response to the Committee’s recommendation without any specific details of their projected requirement and the purpose for which the additional amount was given. The Committee had also asked the Ministry to explore the integration of other sources of funding as developmental partnership with other participating Ministries,**

however it has maintained silence over this issue by not even giving it a cursory mention in its replies.

The Committee remain deeply concerned that inadequate, delayed, withheld and reduced funding have constituted severe obstacles to the execution of Indian foreign policy in recent years. The Committee are therefore of the firm opinion that the Ministry should make all plausible efforts to liaise with the Ministry of Finance on the issue of enhanced budgetary allocations to meet India's international commitments, convince it to consider the mandate of MEA as different from that of other Ministries and take urgent steps to facilitate India's international standing by making pragmatic financial allocations to the Ministry to carry out its expanding engagement. The Committee would also recommend that the MEA tap resources from other concerned Ministries as developmental partnerships so that the objectives of Indian Foreign Policy are achieved through a synergistic approach. The Committee reiterate their often-expressed view that if the Ministry of Finance proves unable or unwilling to provide the adequate and predictable funding required, the Prime Minister's Office should intervene since national interests are at stake.

**(Recommendation No. 4)**

**Streamlining the Budget for the Schemes under erstwhile MOIA**

15. The Committee had noted the trend of discernible mismatch between the budgetary demands made and the allocations given by the Ministry of Finance over the last three years. This was perplexing given the fact that the Ministry of External Affairs had been an effective spender with utilization to the tune of 100 per cent utilization in 2013-14, 96.26 per cent in 2014-15 and 61.58 per cent (till December 2015). The Committee had noted that a consistent feature of the Ministry was that its Missions/Posts have been showing almost full utilization of the budgetary grant both on revenue and capital accounts. The Committee had noted that the revenue earned by the Ministry from Passport, visa and other services was Rs. 4095.31 crores in 2013-14, Rs. 4306.27 crores in Rs. 2014-15 and 3160.12 crores till December 2015. The Committee had



observed that for financial management, the Ministry had been implementing the Integrated Mission Accounting System (I-MAS) in all Missions/Posts that had brought about a common accounting platform and thereby enabled timely incorporation of the Ministry's monthly cash accounts in the Ministry's monthly account. However, the poor and uneven spending pattern of erstwhile MOIA had been an issue of serious concern over the years and the Committee in their earlier Reports has highlighted it.

The Committee had, therefore, strongly recommended that the Ministry of Finance should particularly consider the past budgetary utilization pattern, revenue earning as well as future budgetary requirement and demand of MEA while making budgetary allocations to the Ministry for the next financial year. The Committee had also recommended that the Ministry of External Affairs should ensure that it continues to be an effective spender, particularly of the allocation for schemes relating to Overseas Indian Affairs, through regular monitoring of expenditure and also take corrective measures to improve the poor expenditure patterns of the erstwhile MOIA which was now the part of MEA Budget.

16. The Ministry of External Affairs, in their action taken reply, has stated as under:  
“During FY 2015-16, the budget provision for Overseas Indian Facilitation Centre (OIFC) was Rs.1.3 crore which could not be spent as demand could not be raised by OIFC till February 2016. The budgetary provision for OIFC in FY 2016-17 of Rs.1.5 crore would be re-appropriated at RE stage in view of the decision to wind up operations of OIFC.

During FY 2015-16, the budget provision for Pravasi Bharatiya Divas (PBD) was Rs.13,58,00,000/- of which Rs.13,57,67,062/- was utilized. The provision for PBD in FY 2016-17 is Rs.5 crore of which Rs. 3.34 crore has been utilized till 30 November 2016. It is proposed to enhance budget allocation to Rs. 10 crore in the RE stage as the balance funds are not sufficient to meet payments arising from the PBD 2017 Convention in January 2017.

During FY 2015-16 the budget provision for Know India Programme (KIP) was Rs.8 crore, of which only Rs.1.62 crore was spent due to review and revision of the scheme during 2015-16, because of which only two KIPs were held in 2015-16. In FY 2016-17, the budget provision for KIP is Rs. 1.5 crore, of which Rs. 0.48 crore has been utilized till 30 November 2016.

The progressive expenditure under various budgetary heads and sub-heads pertaining to various schemes relating to overseas Indian affairs is closely monitored. Since the merger of erstwhile MOIA with MEA, efforts are underway

for effective utilization of budget allocated for Diaspora outreach initiatives of the Government.”

**17. The Committee note that the Ministry is closely monitoring the expenditure incurred under various budgetary heads and sub-heads pertaining to different schemes under the erstwhile Ministry of Overseas Indian Affairs (MOIA) in order to ensure an effective utilization of budgetary allocation for Diaspora outreach initiatives. The Committee observe that the Ministry has decided to re-appropriate budgetary provision for Overseas Indian Facilitation Centre (OIFC) in FY 2016-17 in view of the winding up of the scheme after the transfer of subject to Department of Industrial Policy and Promotion (DIPP). However, the Committee are concerned to observe the poor pattern of expenditure on the Know India Programme (KIP). During FY 2015-16 MOIA, had spent a very small amount of Rs. 1.62 crore against an allocation of Rs. 8 crores. On one hand, MEA has decided to strengthen the KIP by increasing the number of programmes and duration of each programme and on the other hand, a meager amount of Rs. 0.48 crores has been spent till November 20, 2016, against the allocation of Rs. 1.5 crores during 2016-17. The Committee, therefore, desire that the allocation for KIP should be enhanced and all the programmes be conducted during the current financial year. The enhancement of budgetary allocation for Pravasi Bhartiya Divas (PBD) at RE stage is also justified as only Rs. 5.00 crores was allocated at the BE stage. The Committee would recommend that the Ministry of External Affairs should spend the funds more effectively in order to justify future budgetary allocations on the grounds of its budgetary utilization pattern and revenue earning potential.**

**(Recommendation No. 6)**

**International commitments for aid/assistance**

18. The Committee had observed that due to the overall budgetary cuts, there had been a budgetary cut for aid/assistance to countries under various heads. The Committee was distressed to note that due to the overall budgetary cuts, high level international commitments had to be kept in abeyance. The Committee had taken serious note of the cavalier approach of the Ministry of Finance over such a significant matter that undermines India's credibility abroad. The Committee had, therefore, reiterated their earlier recommendation to the Ministry to pursue the bifurcation of the budget to include allocations earmarked for the internal usage of the Ministry on one side, and a separate budget for all international commitments for aid assistance on the other. The Committee had further desired to treat this issue with utmost priority as it involved the country's international credentials. The Committee had also desired to be apprised of the steps taken and progress made in that regard.

19. The Ministry of External Affairs, in their action taken reply, has stated as under:

“Ministry has taken up the matter of opening a new head of account to accommodate the budget relating to high level commitments once again with the Ministry of Finance by flagging the issue to the Joint Secretary (Budget). Ministry of Finance has informed that the MEA budget has been bifurcated into “Scheme” and “Non-Scheme” sections wherein international/bilateral commitments for developmental aid and assistance fall under the “Scheme” part of the budget. This would assist in allocation of funds as well as monitoring the expenditure for MEA's international aid commitments.”

20. **The Committee derive some satisfaction to know that consequent upon their continuous persuasion, the Ministry of External Affairs has recognized the centrality of the issue of allocation of sufficient funding for international aid commitments and has been able to convince the Ministry of Finance to create a system having separate budget to specifically cater to high level commitments. The Committee seek further clarification whether the decision to bifurcate the MEA budget into ‘Scheme’ and ‘Non Scheme’ sections will address**

**their concerns in total or not. The Committee desire that the Ministry should ensure that international / bilateral commitments for developmental aid and assistance are not at all affected by budgetary vagaries as that is a critical component of our soft power diplomacy. The Ministry of External Affairs is once again urged to accord it utmost priority by ensuring appropriate budgetary provision and ensuring the timely completion of all projects through regular assessment and monitoring at all stages.**

**(Recommendation No. 7)**

**Policy regarding ongoing/ new projects**

21. The Committee was concerned to note that despite India's expanding engagements around the world, the budgetary allocation has been contracting. As a result, the Ministry was making compromises in fulfilling its responsibilities. During deliberations, the Committee was apprised that the Ministry would not be taking up new projects until the old ones were finished. The Committee had noted that some of the projects were progressing satisfactorily while in some cases the progress had been slow due to various unforeseen circumstances like adverse climatic conditions, geological changes and technological changes causing time and cost overruns. The Committee had, therefore, reinforced the Ministry's intention not to take up new projects until the old projects are completed. The Committee had further urged the Ministry to formulate a clear cut policy in that regard and apprise the Committee about the action taken thereon.

22. The Ministry of External Affairs, in their action taken reply, has stated as under:

“Requirement of funds at various stages of budget allocations are being projected keeping in view the requirement of ongoing and future projects. Priority is being given to ongoing projects and remaining funds are being utilized to plan implementation of commitments already made. Besides political and strategic considerations, availability of funds, future requirements of ongoing projects, scope to accommodate new initiatives etc, remain vital aspects while formulating the schedule of projects planned for implementation.”

**23. While the Committee had reinforced the Ministry's intention of not taking up new projects until the old ones are completed, they had also recommended that the Ministry formulate a clear-cut policy in this regard. In their reply, the Ministry has only informed the Committee that while allocating the funds for projects, it gives priority to ongoing projects and their implementation. The Committee, therefore, reiterate that the Ministry should frame a comprehensive policy on prioritization of projects till it achieves minimal pendency and also apprise the Committee of the action taken thereon within three months.**

**(Recommendation No. 8)**

**Missions/Posts Abroad**

24. The Committee was aware that Missions and Posts are the field offices under the Ministry's control and their financial powers vested in the Ministry was delegated to GOI Representatives in Missions abroad. At present, there are 187 Missions/Posts in 123 countries and allocation of adequate funds in the Ministry budget was imperative for smooth functioning of Indian Missions & Posts abroad. The Committee were optimistic to note that there was a surge in budgetary allocation under that head both at the RE 2015-16 stage as well as the BE 2016-17 stage. The BE for 2015-16 was Rs.2265.01 crores which at RE stage was increased to 2370.47 crores and further enhanced to Rs.2460.58 crores during BE 2016-17. However, the Committee was perturbed to note that over the years there had been a discernible gap in the budgetary demands made by the Ministry and actual allocations provided under that head despite optimum utilization of funds. Further, the Committee had also noted the problems of under provisioning of Missions/Posts on account of the depreciating value of the Indian rupee and general inflation. The Committee had therefore urged the government to be mindful of the provisions of currency fluctuation while proposing budget under that head so that the functioning of Indian Posts/Missions abroad were not adversely impacted due to paucity of funds. The Committee had also reiterated their earlier recommendation that the Ministry should come up with a coherent policy regarding establishment of Indian Missions/Posts abroad.

25. The Ministry of External Affairs, in their action taken reply, has stated as under:

“As per recommendation of the Hon’ble Committee, the Ministry has been considering the currency fluctuation, while proposing budget of the Missions/Posts abroad. The Ministry has to do allocations of funds to the Indian Missions/Posts abroad as per the approved BE. The Ministry has demanded Rs. 3921.49 crore in the first supplementary grant for FY 2016-17. As a result of persistent efforts an additional cash allocation of Rs.600 crore has been obtained in the first supplementary demands for grants for the current financial year. RE 2016-17 has been proposed for Rs.17317.29 crore.

The Ministry has taken due note of the Hon’ble Committee’s recommendation regarding establishment of Indian Missions/Posts abroad, which is closely related to India’s geo-political priorities and intensity of bilateral engagement.”

**26. The salience of Indian Missions /Posts abroad to our geo-political priorities and in maintaining the intensity of bilateral engagements is well recognized. The Committee are not just disconcerted to note the disquieting silence of the Ministry over the issue of formulating a coherent policy regarding the establishment of Indian Missions / Posts abroad but the mention of additional budget allocation of Rs.600 crore in the first supplementary grants stage for the Ministry in total as part of action taken reply is also misleading and unrelated to the recommendation made.**

**The Committee, therefore, strongly recommend that the Ministry devise a definite policy, delineating the parameters for the establishment and maintenance of Indian Posts / Missions abroad. The Committee urge the Ministry of External Affairs to continue efforts to liaise with the Ministry of Finance to seek increased allocations in this regard. While acknowledging the fact that the Ministry had been considering the currency fluctuations while proposing budget of the Missions / Post abroad, it is also suggested that in order to avoid the problem of their under-provisioning, the Ministry may propose the budget under this head in both Indian currency and US dollar figures.**

**(Recommendation No. 9)**

**Clustering of Missions/Posts**

27. The Committee understood that many Missions-Posts were staffed by one Ambassador and two other local staff limited responsibilities. For such a small set up, the government was incurring significant establishment cost. The Committee had agreed to the consideration of the Ministry about the need to rationalize Missions and supported the view that in the case of small countries, a cluster of Missions under one roof could be a workable solution. Similarly, the Committee had also desired that to ensure economy in their expenditure, the Ministry should hire more local employees on average in the Missions/Posts, because the cost of the local employee was just 20% of the cost of an India based employee. The Committee had desired the Ministry to take an early decision on the issue of clustering of Missions/Posts and the possibility of hiring a larger number of local employees with an objective to reduce the establishment expenditure on Missions/Posts, and apprise them about the action taken thereon.

28. The Ministry of External Affairs, in their action taken reply, has stated as under:

“To address the increasing demand for additional human resources in Missions/Posts abroad, a comprehensive exercise in consultation with all the Missions/Posts abroad was undertaken by the Ministry to assess the requirement of additional local staff. This is under process.”

29. **In order to rationalize the expenditure incurred on Missions / Posts abroad, the Committee had suggested the Ministry to hire more local employees in Missions / Posts as well as to consider the issue of clustering of Missions in smaller countries. However, in its reply, the Ministry has only informed the Committee that an assessment is being made to know the additional requirement of local staff in Missions / Posts abroad but no reference has been made on the issue of clustering of Missions / Posts in this process. Such omissions of important issues should be avoided in future replies and an informed decision should be taken on clustering of Missions / Posts, bearing in mind the sensitivities of the countries**

**concerned. The Committee also desire to be apprised of the outcome of the process to assess the requirement of additional local staff in the Missions / Posts in due course.**

**(Recommendation No. 13)**

**Separate Budget Heads for 'Passport' and 'Emigration'**

30. The Committee had observed that following the merger of MOIA with the Ministry of External Affairs 'Passport and Emigration' was being covered under one head. Despite the fact that the two were separate issues altogether. Passports had been an ongoing scheme with the Ministry of External Affairs for decades. Emigration had now become a new responsibility. The Committee was shocked by the negligence accorded to the emigration section in the budget despite the fact that India has the second highest number of emigrants moving abroad for work and study. Therefore, the Committee had strongly desired that in order to have clarity in the merger's functioning, those two issues should be covered under two different heads to impart greater coherence and significance. In light of the merger of the erstwhile MOIA with MEA, that head called for adequate attention as it dealt with migrant workers, students and professionals abroad who are vulnerable to a series of tribulations and whose only resort during times of distress is their nationality. During deliberations, the Committee was informed that there was a separate budget head for the Protector of Emigrants. The Committee had noted that the head only covered allocations for the administrative costs of the PGE while the other costs were being covered under 'Passport and Emigrations' head. The Committee had, therefore, desired greater clarity about the elements of emigration to be dealt with by the Ministry under those two heads.

31. The Ministry of External Affairs, in their action taken reply, has stated as under:

"In budget Major Head 2061 "External Affairs", while the Sub-Head is called 'Passport and Emigration', the operative Minor Head is called 'Central Passport Organisation'. The nomenclature of this Minor Head was changed in FY 2012-13 as it was earlier called 'Central Passport and Emigration Organisation'. The total budget provision for Protector General of Emigrants (PGE) in FY 2016-17 is Rs.15.76 crore, and includes costs such as office expenses, salaries, medical expenses, domestic and foreign travel expenses, professional services, information technology etc. PGE does not incur any expenditure from the Passports-related Sub-Head and Minor Head."



**32. In the aftermath of the merger of MOIA with MEA, the latter has been given the additional responsibility of emigration. Consequently, this change was reflected in the budget Minor Head ‘Passport and Emigration’. The Committee had expressed apprehensions regarding the clubbing of these two unrelated, yet significant issues under a single head. Further, the Ministry has informed that Protector General of Emigrants (PGoE) does not incur any expenditure from the passport related sub-head and Minor Head. The Committee find it imperative that the nomenclature of the Minor Head should be changed in view of the fact that it does not cater to the expenses on Emigration and, therefore, it is quite misleading in its present form.**

**The Committee, therefore, reiterate their earlier recommendation that in order to avoid any ambiguity, this budget Minor Head should be renamed to impart more clarity. The two issues – Emigration and Passports – should be covered under two separate sub-heads. As emigration is a new responsibility of the Ministry, it should not only be accorded a distinct position, but also a separate budget Minor Head.**

**(Recommendation No. 17)**

**Formulation of an Indian Grand Strategy**

**33. The Committee were aware that over the past few years, there had been a deepening of India’s engagements at the bilateral, regional as well as multilateral level. The Ministry had informed the Committee that India’s international outreach since 2014 had been guided by principles and priorities which *inter-alia* included greater focus on implementation of international commitments, revitalizing India’s engagement with its immediate neighborhood, developing a comprehensive security strategy, giving greater energy to the “Look East” Policy, defining a well thought out approach towards the Indian Ocean and special outreach towards Indian Diaspora. The Committee had further observed a pragmatic mix of continuity and change in the conduct of India’s foreign policy. The Committee had also noted the existence of mechanisms of consultation and coordination between MEA and other arms of Government to**

ensure that factors shaping India's foreign policy were in tune with country's national priorities. The Committee was further informed that the Ministry has been adapting to the challenge of administering India's expanding engagement within available resources through its Fast Track Diplomacy initiatives.

The Committee had, therefore, suggested the Government seriously look into the twin problems of budgetary constraints and the lack of a coherent foreign policy on global issues that were undermining the potential of India's international outreach. In that direction, the Committee had recommended the Government of India that expanding international engagement should be supplemented by adequate budgetary allocations. Further, the Committee had also recommended that the Ministry of External Affairs to take all requisite institutional as well intellectual steps to spell out a coherent and balanced grand strategy for India in the world.

34. The Ministry of External Affairs, in their action taken reply, has stated as under:

“The Policy Planning and Research Division of the Ministry has been tasked to produce a number of research papers and policy briefs on specific aspects of India's foreign policy. The focus of these papers ranges from immediate response options to an emerging issue to medium and long-term trends and developments in the world and India's evolving role and interests over this strategic horizon. These papers tap into the expertise available within the Ministry, as well as that available externally, through consultations with other relevant Departments/Ministries and think-tanks. On the basis of this forward looking analysis, these papers draw out policy recommendations/ options for reorienting the energies of India's foreign policy apparatus. All these analyses collectively help shape the roadmap of India's international engagements in pursuit of our foreign policy objective of ensuring a peaceful, stable external environment and creating the most propitious climate for India's economic growth and development.

The Ministry will continue its efforts with Ministry of Finance to get sufficient funds to enable adequate budgetary allocation.”

**35. The Committee had been concerned with the problem of budgetary constraints which has resulted in lack of coherence in foreign policy implementation. While Indian Foreign Policy should necessarily incorporate a region-specific vision and outreach, the Committee urge the Government, particularly the Ministry of Finance, to be mindful of the**

**fact that budgetary allocations to the Ministry of External Affairs should be commensurate with India's global aspirations. For justifying their requirements, the Ministry of External Affairs should collect comparative figures of budgetary allocations to the Foreign Ministries of selective countries, or other bodies entrusted with the task of managing foreign affairs, and apprise the Committee about the outcome of such an exercise.**

**It seems that the research papers produced by the Policy, Planning and Research Division are not intended or able to shape the roadmap of India's international engagement. The Committee, therefore, would urge the Ministry to seriously formulate / outline a grand strategy that would delineate the short-term, medium term and long term objectives and contours of India's foreign policy.**

**(Recommendation No. 21)**

**India's 'Neighbourhood First' Policy: Dichotomy between funding and Policy**

36. The Committee was perturbed to note that there had been a sizeable reduction in aid and loans to countries in our immediate neighbourhood such as Maldives, Bhutan, Sri Lanka, Afghanistan and Bangladesh. The main reason for reduced allocation in aid to those countries was based on individual requirements evolving political situations. The Committee was of the opinion that the justification provided by the Ministry was far from reassuring. Further, owing to the poor Supplementary Grant record of the Ministry, the Committee was apprehensive of the feeble assurance given by the Ministry that additional fund requirements would be flagged to the Ministry of Finance at a later stage. The Committee had contended that the quantum of aid to a country under that head was viewed as a reflection of India's diplomatic engagements with its immediate and extended neighbourhood. Therefore, the Committee had specifically recommended that the Ministry of Finance should be convinced to have a considered view of the demands made by the Ministry at RE stage to ensure that the budgetary allocation under that head was enhanced in consonance with India's 'Neighbourhood First' Diplomatic posture.

37. The Ministry of External Affairs, in their action taken reply, has stated as under:

“The Ministry acknowledges the concern shown by the Hon’ble Committee. As a result of persistent efforts an additional cash allocation of Rs. 600 crore has been obtained in the first supplementary demands for grants for FY 2016-17 towards Aid to Mauritius, Aid to Seychelles and Chabahar Port in Iran. The Ministry has proposed adequate budgetary demands in RE 2016-17 and BE 2017-18.”

**38. The Committee had expressed their concern at the palpable reduction in aid and loans to countries in our immediate neighborhood in last year’s budgetary allocation. The Committee had found the justification offered by the Ministry for such lower projections to be somewhat feeble and they were equally sceptical about the Ministry augmenting the budget at the RE stage. The Committee’s scepticism has been borne out by the Ministry’s failure to garner additional funds for development aid to the neighboring countries. The Ministry in its action taken reply has pointed out that due to its persistent efforts, an additional cash allocation of Rs.600 crores was obtained in the first supplementary demands for grants for the Financial Year 2016-17 towards Aid to Mauritius, Aid to Seychelles and Chabahar Port in Iran.**

**The Committee, therefore, urge the Ministry to engage with the Ministry of Finance for additional funds to be deployed in our immediate neighborhood in its subsequent supplementary Demands for Grants.**

**(Recommendation No. 22)**

**Delineation of fiscal responsibilities with concerned Ministries**

39. The Committee had noted that the development partnership work of the Ministry integrated the portfolios of several other Ministries, necessitating the need of regular coordination with them at all the stages of project implementation. Further, the Committee was aware that there were areas, where the expenditure was incurred from the Ministry budget but the credit was given to other Ministries. The construction of the Police Academy in Maldives was a case in the point. The

Committee had, therefore, suggested the Ministry to chart out a model for effective coordination with related Ministries pertaining to project execution and spending. Further, as the Ministry had aptly pointed out, this could be a potential area for tapping additional resources which could prove extremely helpful to overcome the budgetary challenge it faces.

40. The Ministry of External Affairs, in their action taken reply, has stated as under:

“GOI’s grant assistance projects in neighboring countries are being implemented in close coordination with the line Ministries. Line Ministries are consulted at various stages of the project implementation including formulation of project parameters, finalization of Detailed Project Report (DPR), preparation of Tender Documents, etc. The Ministry also includes the concerned Line Ministries in the Committee(s) constituted for monitoring and review of project implementation. The Police Academy in Maldives [now called the Institute for Security & Law Enforcement Studies or ISLES] is now being implemented directly by MEA with inputs from MHA, as required.”

**41. The Committee are aware that Government’s grant assistance projects in neighboring countries are being implemented in close coordination with other concerned Ministries. There are certain projects where the financial burden is borne by the Ministry of External Affairs but the credit goes to other Ministries. Keeping this view in mind, the Committee had recommended that the Ministry prepare a model for coordination with related Ministries involved in the Government’s grant assistance projects with a clear delineation between spending and project implementation. The Ministry in its action taken reply has merely reiterated that concerned Ministries are consulted at various stages of project implementation and has failed to spell out its intentions of sharing the financial burden with other Ministries. The Committee, therefore, desire that the Ministry of External Affairs should come up with a tangible policy framework that clearly spells out the definite role and functions of the partner Ministries involved in a particular project since its**

**very inception along with sharing of the financial liability. Such approach can help to overcome the budgetary challenges before the MEA to some extent.**

**(Recommendation No.27)**

**Budgetary Allocation and Project Implementation to Myanmar**

42. The Committee had noted that the budgetary allocation under the head ‘Aid to Myanmar’ was Rs.400 crores. The Committee had welcomed the massive increase of 48% in allocation under that head. The Committee had also noted that enhanced allocation was on account of our need to finance implementation of key projects. The Committee had also observed that in the last financial year, the Ministry was unable to utilize even half the provided budget outlay under that head. The Committee had, therefore, directed the Ministry to take adequate steps to ensure that the allocated amount was utilized optimally for the purpose it had been provided for. The Committee had, further, desired that the Ministry should draw up an action plan for the timely completion of all those projects including the delayed Kaladan Multi Modal Transit Transport Project and if required, the Ministry should also obtain enhanced allocation at the RE stage.

43. The Ministry of External Affairs, in their action taken reply, has stated as under:

“In the last financial year, utilization of budget outlay under ‘Aid to Myanmar’ was considerably low, as projections at BE 2015-16 stage were made expecting that major infrastructure projects in Myanmar such as Road Component under Kaladan Multi Modal Transit Transport project, construction of 69 Bridges of Trilateral Highway and construction of Kalewa-Yargi Road of Trilateral Highway would commence in FY 2015-16. However, it took significant time in obtaining necessary approvals for these projects. All efforts are being made to ensure that tendering procedures are completed within the current FY for optimal utilization of budgetary allocation. Other projects include training programme and small development projects, which are far less capital intensive, and have been carried out and paid for throughout the year.”

**44. In view of the substantial increase in budgetary allocations during BE 2016-17 under the head ‘Aid to Myanmar’ for financing implementation of key projects, the Committee had directed the Ministry to make efforts for optimum utilization of the allocated amount. The Committee had also urged the Ministry to chart out an action plan for timely**

completion of projects, particularly the Kaladan Multi Modal Transit Project. However, the Committee are not satisfied with the justification given by the Ministry for the low utilization of the allocated funds, viz. significant time taken in obtaining necessary approval for these projects. Such delays could have been easily anticipated with a certain amount of foresight on part of the Ministry, which would have avoided the situation of locking up of scarce funds pending approvals. Even if the Ministry has said that it will take steps to ensure that the tendering procedures are completed within the current financial year, the Committee are sceptical about such a claim. Moreover, carrying out of less capital intensive projects such as training programmes and small development projects cannot compensate for the loss of time and resources in big ticket projects. The Committee, therefore, reiterate that the Ministry should come out with an action plan for timely completion of projects in Myanmar including the Kaladan Multi Modal Transit Project and also for regular monitoring of each project.

**(Recommendation No.29)**

**Greater Involvement in Cultural Activities in the SAARC Region**

45. The Committee had observed that the major activities funded from the allocation under the head 'SAARC Programme' included student exchange programmes among members of SAARC countries, establishment of SAARC Museum of Textiles and Handicrafts and grants to NGOs for organizing SAARC related activities. For all those activities, only Rs. 10 crores were allocated during 2015-16 and full allocation was spent without providing any grant in-aid to any NGOs for organizing cultural activities due to paucity of funds. For 2016-17, the same allocation of Rs. 10 crores was retained despite receiving several proposals from NGOs in the SAARC Division. The Committee had, therefore, desired the Ministry to ensure that a sufficient number of cultural activities were undertaken in SAARC countries during the last financial year by providing grants-in-aid to NGOs under that head in coordination with the Ministry of Culture and ICCR, as it deemed appropriate.

46. The Ministry of External Affairs, in their action taken reply, has stated as under:

“The Ministry has approved contribution as Grant-in-aid of up to Rs. 70 lakhs for organization of SAARC Sufi Festival in October 2016 and SAARC Festival of Literature in February 2017.

The Ministry also grants financial assistance regularly for participation of delegations from SAARC countries in the Surajkund Crafts Mela. Grants-in-aid to NGOs for cultural activities in SAARC countries will be considered after assessing suitability of new proposals and as per availability of funds.”

**47. Under the head ‘SAARC Programme’, the Committee had recommended that the Ministry organize an adequate number of cultural activities in SAARC countries by providing grants-in-aid to NGOs. The Committee are not satisfied with the reply of the Ministry that it has approved contribution as grant-in-aid upto Rs.70 lakhs for organizing SAARC Sufi Festival in October, 2016 and SAARC Festival of Literature in February, 2017, besides providing financial assistance for participation of delegations from SAARC countries in the Suraj Kund Crafts Mela. The Committee find it disconcerting that on the one hand, several proposals from NGOs have been received in the SAARC Division and on the other hand, the Ministry is maintaining that grants-in-aid to NGOs will be considered after assessing suitability of new proposals and as per availability of funds. The Committee, therefore, consider it imperative that the Ministry should provide grant-in-aid to the eligible NGOs for organizing SAARC related cultural activities from the allocated fund of Rs.10.00 crores for the year 2016-17. The Committee feel that being the largest country in the region, we should utilize cultural diplomacy to its fullest and should expand diplomatic depth in the South Asian Region by displaying an active involvement in activities both governmental and non-governmental, in coordination with the Ministry of Culture and ICCR.**



**(Recommendation No. 31)**

**Expanding footprints in the Latin American and Caribbean Region**

48. The Committee had noted that India's relations with the Latin American and Caribbean region had significantly intensified, both in terms of political as well as trade/commercial engagements. The budgetary provision of Rs.15 crores during BE 2016-17, in the opinion of the Committee, was highly incommensurate with the importance attached to that region. Further, nearly all the countries in that region had been supporting India at various international forums and were hopeful of India's increased developmental assistance. The Committee was pleased to note that the Line of Credit of US \$ 8 million to Guyana had been finally approved by the Inter Ministerial Finance Committee. The Committee was, however, distressed to note that despite being a region of importance to India, the budgetary allocation under that head has remained meagre. The Committee had therefore strongly recommended to the Ministry that the Budget should be reflective of the importance India attaches to that region. Further, the Committee was hopeful that the grant part of US \$ 8 million would be utilized by the Ministry during the last financial year. Furthermore, the Committee had desired that the politically momentous project of upgradation of ICT system of CARICOM Secretariat to be completed by the scheduled time of December 2016.

49. The Ministry of External Affairs, in their action taken reply, has stated as under:

“Over the last few years, our political as well as trade and commercial engagement with the Latin American and Caribbean region has intensified significantly. In the last two years, several high-level visits have been exchanged and political and official consultations have been conducted with almost all major countries in the region.

Approval of grant of US\$ 8 million and LOC of US\$ 10 million for purchase of Passenger Ocean Ferry from India has been conveyed to Government of Guyana. The process is under way for Ministry to approve the pre-tender documents for the Government of Guyana to issue the tender thereafter to select contractors. Once this process is completed, at least 25% of the approved grant of US\$ 8 million will be utilized in the current FY with payment to be released to the Indian company depending on the progress of the construction of the ferry as envisage in the Agreement. It is expected that the approved grant will be completely utilised in the next two financial years.

For the upgradation of ICT at the CARICOM Secretariat, a team of IT professionals and material are to be dispatched to Guyana and it is expected that the work will be completed by FY 2017-18. "

**50. The Committee are aware of our deepening engagement with the Latin American and Caribbean region. However, the budgetary allocation made to this region during 2016-17, did not correspond to the prominence we attach to this region and to the declared need to augment our diplomatic presence there through the opening of new Embassies. Consequently, the Committee had urged the Ministry / Government of India to ensure that the budget is reflective of importance this region has assumed in our foreign policy. However, the Ministry has not enumerated any steps through which it intends to enhance the budgetary allocation for a wider and deeper engagement with this region.**

The Committee express their displeasure over the lackadaisical attitude of the Ministry with regard to the upgradation of ICT at the CARICOM Secretariat for which it has failed to provide compelling reasons. The Committee, therefore, recommend that the Ministry should carry out the upgradation positively by the end of 2017-18 and a status report on the project should also be furnished to them. Further, the Committee are of the firm opinion that the Government needs to capitalize on the growing momentum in India-Latin America ties by making adequate budgetary provisioning to usher in a stronger and sustainable partnership.

**(Recommendation No.34)**

**Integration of Academic Consultants in the Ministry**

51. The Committee in their Sixth Report (16<sup>th</sup> Lok Sabha) had recommended that apart from the normal process of recruitment from other Governmental departments, lateral entry would be open to academia, think tanks, NGOs and the Private Sector. The Committee is happy to learn

that in pursuance of the Committee's recommendation, the Ministry had initiated the process of engaging consultants from the academia for its Policy Planning and Research Division. The Committee were of the opinion that instead of recruiting the consultants from academia on a contractual/temporary basis, the Ministry should try to integrate them into the Division wherein their specialization and expertise could be a valuable input for policy planning and formulation.

52. The Ministry of External Affairs, in their action taken reply, has stated as under:

“The Ministry has started the process of engaging Consultants from the academia for its Policy, Planning and Research Division as well as other Divisions. The Ministry has till now engaged Consultants with expertise in various spheres of International Relations. These Consultants have been deployed in Policy Planning & Research Division of the Ministry and in Southern Division, Multilateral Economic Relations (MER), Americas Division and SAARC Division.”

**53. Following the recommendation of the Committee in their Sixth Report, the Ministry has initiated the process of recruitment of Consultants from academia in its Policy, Planning and Research Division. However, the Ministry has failed to address the issue of their integration in the Ministry. Therefore, the Committee would reiterate their recommendation that the Ministry should integrate some of these Consultants, as appropriate, in the relevant Divisions, based on their domain knowledge and expertise, which is imperative for effective planning, formulation and execution of a sound foreign policy.**

**(Recommendation No. 35)**

**Strengthening of PoE Offices**

54. The Committee had noted that out of Rs. 402.31 crores budgetary allocation for General Secretariat Services during 2016-17, Rs. 15.76 crores had been earmarked for Protector General of Emigrants (PGoE). The Committee was relieved to note that there was a 40% increase in allocation for PGoE. The Committee had also noted that the different facets of the erstwhile MOIA, including PoE offices, were under review. The Committee were disturbed to note that

given the budgetary constraints, the Ministry was hesitant to embark on any new capital expenditure on establishment cost and was thereby considering rationalizing rather than multiplying the MEA offices.

The Committee had strongly recommended the Ministry to pay special attention to strengthening the office and establishment of the PGoE as it had now become the direct responsibility of the MEA. The Committee had been continuously asking the Ministry to improve the working conditions either by shifting them to another building or by creating new infrastructure. Therefore, the Committee had desired that such efforts should continue in the changed situation and the Ministry should liaise with the Ministry of Finance for seeking additional funds for PGoE, once the review process was completed.

55. The Ministry of External Affairs, in their action taken reply, has stated as under:

“The Ministry has noted the Hon’ble Committee’s recommendation and is making all efforts to progressively improve working conditions in POE offices. Rs. 15.76 crore has been allocated to PGoE in BE 2016-17 and further enhancement would be considered at the RE 2016-17 stage. The Ministry has initiated the process of establishing a ‘Videsh Bhawan’ at various State Capitals in India, which is envisaged to house MEA Branch Secretariats, RPOs, and PGOE within the same complex to enhance efficiency, economize expenditure and ensure faster delivery of public services.”

56. **As a direct consequence of the merger of MOIA with MEA, the Office of Protector General of Emigrant (PGoE) has become the responsibility of the latter. Therefore, the Committee had recommended that the Ministry strengthen the office of PGoE and seek additional funds from the Ministry of Finance after completion of the review process. Quite surprisingly, the Ministry in their reply has only stated that further enhancement would be considered at the RE 2016-17 stage without any specific purpose. In response to the Committee’s recommendation to improve the working condition of PoE offices the Ministry has informed them that it has commenced the process of establishing a ‘Videsh Bhawan’ at various State capitals in India, which is envisaged to have PoEs offices along with MEA**

**Branch Secretariat and Regional Passport Offices (RPOs). The setting up of such Bhawans is likely to take some time and till then PoE offices cannot be allowed to be run through ramshackle arrangements. The Committee would, therefore, desire that till the setting up of ‘Videsh Bhawans’, the Ministry should work upon improvement of the infrastructure of PoE offices with sufficient fund allocation. Further, the Committee desire that a status report on establishment of ‘Videsh Bhawan’ should be furnished at the action taken stage.**

**(Recommendation No. 44)**

**Current status of Prime Minister’s Global Advisory Council of Overseas Indian (PMGAC)**

57. The Prime Minister’s Global Advisory Council of Overseas Indian (PMGAC) was established in 2009 with a term of two years; and it was last reconstituted in 2011 and its last meeting was held in January, 2014. The Committee was aware of the significant role that Council was mandated to play by drawing upon the experience, knowledge and wisdom of eminent persons of Indian origin in diverse fields for a two-way engagement between India and Overseas Indians. The Committee had, however, noted that there was no mention about this Council in the entire budget documents with regard to financial year 2016-17 and the Ministry was also not clear about the continuation and reconstitution of the Advisory Council. The Committee had, therefore, desired to know whether the Government proposed to reconstitute the PMGAC or whether they preferred to proceed with regular consultation with eminent Overseas Indians under a revised format.

58. The Ministry of External Affairs, in their action taken reply, has stated as under:

“So far, five meetings of the Council have been held under the Chairmanship of the Prime Minister. The 5<sup>th</sup> meeting was held on 8 January 2014 at New Delhi. The Council meeting was attended by eminent Overseas Indians.

The Ministry is seeking sustained and issue based interaction with the Indian Diaspora. With this objective, the Ministry has initiated PBD Conferences in 2016 under which 10 Conferences will be held in New Delhi under the Chairmanship of EAM, on issues of relevance to the Indian Diaspora and the Government. To each conference, Government is inviting Overseas Indians who are domain experts and policymakers/stakeholders from India. These conferences

are enabling a deeper and more substantive and direct connect between the Government and the Overseas Indian Community.”

**59. The Prime Minister’s Global Advisory Council (PMGAC), was last reconstituted in 2011 and its last meeting was held in January, 2014. The Committee had specifically desired to know whether the Government proposes to reconstitute the PMGAC or whether it prefers to proceed with regular consultation with eminent overseas Indians under a revised format. Unfortunately, the Ministry has failed to give an informed reply and it has simply furnished details of the ongoing interactions with the Indian Diaspora, including the Conferences initiated under the auspices of Pravasi Bharatiya Divas (PBD). The Committee would reiterate that a body like PMGAC should not be left in limbo and a definitive decision on it should be taken at the earliest.**

**(Recommendation No. 48)**

***Evolving a comprehensive legal framework on emigration***

60. The Committee, over the years in their reports, had underscored the desirability of introducing a new Emigration Act that was reflective of the changed international as well as domestic situation. The Committee was disheartened to note that the Draft Emigration Bill stated to replace the Emigration Act, 1983 had been put in abeyance since 2011 and the Ministry had once again failed to adhere to the deadline for introducing the Bill during the Monsoon Session of Parliament last year. The Committee were not satisfied with the Ministry’s response that several administrative and operative measures such as MADAD, e-migrate etc. had been in place for the protection and welfare of emigrant workers. The Committee were of the considered opinion that administrative and operative measures can supplement but might not substitute legislation. Therefore, the Committee had recommended the Ministry to fix a time frame to complete the consultation process and introduce the Bill in the Parliament without any further delay.

61. The Ministry of External Affairs, in their action taken reply, has stated as under:  
“The Ministry is conscious of the need to modernize the legislative framework prescribed by the Emigration Act, 1983 and the Emigration Rules that governs

emigration of Indians for overseas employment. The then Ministry of Overseas Indian Affairs had held consultations with other Ministries/Agencies concerning the Draft Emigration Management Bill. It was felt that more extensive consultations were needed. Meanwhile, several administrative and operative measures have already been put in place and further strengthened to enhance the protection of emigrant workers and avoid their exploitation by unscrupulous agents. These are specifically aimed at making a difference at the ground level.

The E-migrate platform is an important step in this direction and is well-placed at eliminating corrupt practices and streamlining the recruitment of Indian workers in an efficient manner. The Government has also started a 24 × 7 Helpline “MADAD” for online lodging and redressal of grievances of the emigrants on a priority basis. A student registration module has also been developed under the MADAD portal for voluntary registration of students going abroad. In addition, five Migration Resource Centres are functional in different parts of the country and a 24 × 7 toll-free helpline of Overseas Workers Resource Centre is operational to disseminate information and provide counselling on issues related to overseas employment. The mandatory Pravasi Bharatiya Bima Yojana and the Indian Community Welfare Fund in Missions and Posts abroad are important schemes to assist emigrants in exigency.

Presently, the Ministry is in the process of considering all aspects of international migration in its totality in consultation with various stakeholders and is working towards evolving a comprehensive emigration management framework.”

**62. In their earlier Reports, the Committee had underlined the need for introducing a new Emigration bill that is reflective of the changed reality. At present, the Emigration Act, 1983 and the Emigration Rules constitute the legislative framework governing the emigration of Indians for overseas employment. The Ministry has broadly reproduced the same reply as it had furnished in the previous year. The Committee are not convinced with the Ministry’s arguments that several administrative and operative measures such as E-migrate platform, Migration Resource Centres , MADAD, Pravasi Bharatiya Bima Yojana, the Indian Community Welfare Fund in Missions and Posts abroad have been undertaken to strengthen and augment the protection of emigrant workers and for avoiding**

**their exploitation. The Committee would reiterate that a new framework for emigration is needed and in the absence of a firm legal backing, these administrative measures are likely to prove insufficient.**

**The Committee, in the strongest possible terms, recommend that the Ministry should adhere to a time frame to complete the consultation process to evolve a comprehensive emigration management framework and ensure that it comprises a comprehensive legislative framework delineating the rules governing emigration law by replacing the obsolete Emigration Act, 1983.**



## **CHAPTER II**

### **OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **(Recommendation No. 4)**

The Committee notes the trend of discernible mismatch between the budgetary demands made and the allocations given by the Ministry of Finance over the last three years. This is perplexing given the fact that the Ministry of External Affairs have been an effective spender with utilization to the tune of 100 percent utilization in 2013-14, 96.26 per cent in 2014-15 and 61.58 per cent (till December 2015). The Committee have noted that a consistent feature of the Ministry is that its Missions/Posts have been showing almost full utilization of the budgetary grant both on revenue and capital accounts. The Committee note that the revenue earned by the Ministry from Passport, visa and other services was Rs. 4095.31 crores in 2013-14, Rs. 4306.27 crores in Rs. 2014-15 and 3160.12 crores till December 2015. The Committee observe that for financial management, the Ministry has been implementing the Integrated Mission Accounting System (I-MAS) in all Missions/Posts that has brought about a common accounting platform and thereby enabled timely incorporation of the Ministry's monthly cash accounts in the Ministry's monthly account. However, the poor and uneven spending pattern of erstwhile MOIA has been an issue of serious concern over the years and the Committee in their earlier Reports have highlighted it.

The Committee, therefore, strongly recommend that the Ministry of Finance should particularly consider the past budgetary utilization pattern, revenue earning as well as future budgetary requirement and demand of MEA while making budgetary allocations to the Ministry for the next financial year. The Committee also recommend that the Ministry of External Affairs should ensure that it continues to be an effective spender, particularly of the allocation for schemes relating to Overseas Indian Affairs, through regular monitoring of expenditure and also take corrective measures to improve the poor expenditure patterns of the erstwhile MOIA which is now the part of MEA Budget.

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

During FY 2015-16, the budget provision for Overseas Indian Facilitation Centre (OIFC) was Rs.1.3 crore which could not be spent as demand could not be raised by OIFC till February 2016. The budgetary provision for OIFC in FY 2016-17 of Rs.1.5 crore would be reappropriated at RE stage in view of the decision to wind up operations of OIFC.

During FY 2015-16, the budget provision for Pravasi Bharatiya Divas (PBD) was Rs.13,58,00,000/- of which Rs.13,57,67,062/- was utilized. The provision for PBD in FY 2016-17 is Rs.5 crore of which Rs. 3.34 crore has been utilized till 30 November 2016. It is proposed to enhance budget allocation to Rs. 10 crore in the RE stage as the balance funds are not sufficient to meet payments arising from the PBD 2017 Convention in January 2017.

During FY 2015-16 the budget provision for Know India Programme (KIP) was Rs.8 crore, of which only Rs.1.62 crore was spent due to review and revision of the scheme during 2015-16, because of which only two KIPs were held in 2015-16. In FY 2016-17, the budget provision for KIP is Rs. 1.5 crore, of which Rs. 0.48 crore has been utilized till 30 November 2016.

The progressive expenditure under various budgetary heads and sub-heads pertaining to various schemes relating to overseas Indian affairs is closely monitored. Since the merger of erstwhile MOIA with MEA, efforts are underway for effective utilization of budget allocated for Diaspora outreach initiatives of the Government.

[File No. AA/Parl/125/44/2016]

**(Recommendation No. 6)**

The Committee observe that due to the overall budgetary cuts, there has been a budgetary cut for aid/assistance to countries under various heads. The Committee are distressed to note that as a result high level international commitments had to be kept in abeyance due to budgetary constraints. The Committee have taken serious note of the cavalier approach of the Ministry of Finance over such a significant matter that undermines India's credibility abroad. The Committee, therefore, reiterate their earlier recommendation to the Ministry to pursue the bifurcation of the budget to include allocations earmarked for the internal usage of the Ministry on one side and separate budget for all international commitments for aid assistance on the other. The Committee further desire to treat this issue with utmost priority as it involves the country's international credentials. The Committee also desire to be apprised of the steps taken and progress made in this regard.

**Reply of the Government**

Ministry has taken up the matter of opening a new head of account to accommodate the budget relating to high level commitments once again with the Ministry of Finance by flagging the issue to the Joint Secretary (Budget). Ministry of Finance has informed that the MEA budget has been bifurcated into "Scheme" and "Non-Scheme" sections wherein international/bilateral commitments for developmental aid and assistance fall under the "Scheme" part of the budget. This would assist in allocation of funds as well as monitoring the expenditure for MEA's international aid commitments.

[File No. AA/Parl/125/44/2016]

**(Recommendation No. 10)**

The Committee note that despite the overall reduction in the Ministry's budgetary allocations during the last two years, there was an increase under the head 'Special Diplomatic Expenditure' at the RE stage as well as in supplementary grants stage, on account of India's

increased engagements with other countries. This does prove the fact that the economy measures taken by the Ministry are duly followed in the utilization of budget under SDE. The Committee is glad to know that accepting the Committee's recommendation; the Foreign Secretary has commenced a monthly review of the expenditure under SDE to ensure that expenditure incurred under this head adheres to the purpose for which it has been provided. The Committee note that the allocation under SDE should be in line with the active foreign policy objectives being pursued by the GOI. In view of the discretionary nature of expenditure, the Committee are of the opinion that the exercise of monthly review of expenditure should be scrupulously done and measures of economy should also be followed in the utilization of budget under each head.

### **Reply of the Government**

Based on the recommendations contained in the 6<sup>th</sup> Report (16<sup>th</sup> Lok Sabha) of the Hon'ble Committee for the year 2015-16, a monthly review under the SDE budget has been instituted to scrupulously monitor the expenditure incurred as per the political and security requirements of India. This review mechanism is being followed rigorously to ensure that the expenditure under the SDE head is spent only for the purpose for which it has been sanctioned and is also kept within the amount approved.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 12)**

In view of the fact that India is the third largest passport issuing country in the world, the Committee are pleased to note that various steps have been taken for simplification and facilitation of passport applications/submission procedure and more than 1.2 crores passports were issued to citizens in India and abroad. The Committee, however, are worried to note that the deadline for phasing out of non-Machine Readable Passport has expired on 24<sup>th</sup> November, 2015 and there are still more than 2.5 lakh of handwritten passports. The Committee in their earlier recommendation had asked the Ministry to engage in a vibrant media campaign as well as highlight the issue on social media to generate awareness among the citizens of India in that regard. However, the Committee are concerned to note that the need for new passports has not even been flashed on the Passport Seva Portal till date. Therefore, the Committee desire that the Ministry should convert all the non-Machine Readable Passports by making the people aware through the media as well as social media campaign and also to flash this information on the Passport Seva Portal as well as on the website of the Ministry Missions/Posts abroad at the earliest.

### **Reply of the Government**

Information has been consistently been made available on the Passport Seva Portal advising about conversion of non-machine readable passports. Social media tools, such as the

Twitter accounts of the PSP Division of the Ministry including Passport Officers in India, are also being used to spread awareness amongst the public about the need to convert their passports to machine readable ones. A message has also been communicated to Indian Missions/Posts abroad to provide this information on their websites. Heads of Missions/Posts have also been advised for dissemination of this information among the Indian Diaspora through various media.

[File No. AA/Parl/125/44/2016]

**(Recommendation No. 14)**

The Committee note that notwithstanding an overall cut in the budget allocations at BE stage, there is 13.4% increase under the head 'Entertainment Charges' in view of the increase in Head of State//Head of Government/Vice President visits as well as FS level visits. In their earlier report, the Committee had recommended that the Ministry take adequate steps for an early settlement of pending bills and to pursue with the Ministry of Finance the issue of enhanced allocations at RE stage for the year 2015-16 for timely settlement of pending bills. The Committee are unhappy to learn that the expenditure incurred during 2015-16 has not been settled but rolled over to the next year. The Committee, therefore, reiterate their earlier recommendation that the Ministry should take all necessary steps to ensure time bound process of submission/settlement of bills relating to visits, to maintain financial discipline and prudence.

**Reply of the Government**

Observations and recommendations of the Hon'ble Committee have been carefully noted. A systematic bill processing system has been put in place to ensure receipt of bills within 15 days of an event and their settlement within 45 days of receipt of bills.

Ministry has expeditiously processed pending bills from all vendors and a majority of these have been cleared. All vendors have been requested to reconcile their accounts statements and submit fresh statement of pending bills so that necessary action can be taken. All efforts are being made to ensure that all pending bills are cleared within the current financial year and carrying forward of financial liability to the next financial year is minimized.

[File No. AA/Parl/125/44/2016]

**(Recommendation No. 15)**

The Committee have been informed that in BE 2016-17, Rs. 79 crores has been allocated for the South Asian University, which include Rs. 45 crores as contribution, Rs. 5 crores for creation of capital assets and Rs. 29 crores for rents and taxes. The Committee are deeply concerned about the slow and tardy progress of the construction work of SAU. The Committee would strongly recommend a speedy solution to this intricate problem with a meticulous and exhaustive consultation with the concerned stakeholders and authorities. The Committee also desire to be apprised about the progress made in this regard on a regular basis. The Committee

have been apprised that Pakistan has not made any contribution towards SAU. However, this has not really impeded the working to SAU. However, as a matter of principle, the Ministry should remind Pakistan to provide their contribution and the Committee may be apprised of the outcome thereof.

### **Reply of the Government**

The contributing factors for the delay till now in the SAU construction project are being addressed in consultation with stakeholders and authorities concerned. Meanwhile, the construction project is in full swing with construction under Package II (five buildings) under way. The tender for Package III (seven buildings including external development of campus site and landscaping) with an estimated cost of Rs. 682 crore is in the final stages of evaluation and will be awarded in current financial year.

The concerns of the Hon'ble Committee regarding non-payment of assessed contribution by Pakistan towards operational costs of the University have been noted. The matter has been raised in the previous meetings of the Governing Board of the University and will be raised again in the next meetings of the Governing Board and the Programming Committee.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 16)**

The Committee note that the budgetary allocation made for construction of the Nalanda University has been doubled to Rs. 200 crores during BE 2016-17 *vis-à-vis* BE 2015-16 due to expected commencement of the campus construction project and also initiation of teaching in the third school of studies. The Committee observe that over the year there has been a vast mismatch in the budgetary allocation, the amount released and the amount utilized under this head. The Committee are distressed to note the unwarranted postponement in commencement of construction work of a project that draws international contributions and attention and concerned this could potentially negatively impact India's image. The Committee would, therefore, urge the Ministry to expedite the tender process in compliance with extant Government rules and regulations and within a fixed time frame. The Committee are also desirous of being regularly informed about the status of the construction project along with timelines.

### **Reply of the Government**

The University had floated a composite tender in July 2015 for construction of its permanent campus. However, due to procedural shortcomings and non-compliance of CVC guidelines, this tender had to be cancelled. The University is now undertaking fresh tendering by breaking up the work into ten packages. The first tender package for construction of internal roads and earthwork for water bodies was awarded in September 2016. The tendering process for the

second package for construction of non-residential buildings, comprising academic and administrative buildings and related campus infrastructure facilities, is close to completion with technical bids evaluated and financial bids of the technically qualified bidders to be opened in December 2016. Award of this package is therefore likely to take place in January 2017. The other major package, for construction of residential buildings, will be taken up by the University thereafter. There is sufficient budgetary allocation in the current financial year to meet the funds requirement, as per the University's tendering schedule.

The Ministry shares the concerns of the Hon'ble Committee on the need for expeditious completion of the Nalanda University construction project and is working closely with the University in this regard. The Hon'ble Committee will be regularly kept informed of further progress in the project.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 18)**

The Committee are glad to note that the Ministry continues to support projects focusing on gender empowerment and social upliftment of vulnerable sections of society. The Committee also note that various steps have been taken by the Ministry to incorporate a gendered perspective to various policies/programmes of the Ministry. The Committee further observe that a Gender Budget Cell (GBC) was established by the Ministry in 2006 to work as a focal point for considering all gender related issues and measures. Further, the Committee note that 308.37 crores was incurred by the Ministry on various schemes directed towards women empowerment. The Committee are appreciative of the Ministry's attention towards rendering a gender perspective to various policies and programmes of the Ministry. The Committee are hopeful that under the able leadership of a woman External Affairs Minister, adequate measures will be taken to ensure a gendered perspective not only with regard to policies and programmes but also decision-making and policy formulation.

### **Reply of the Government**

The Gender Budget Cell (GBC) was established in this Ministry in 2006 to adopt gender budgeting as an important tool for gender mainstreaming in reflected allocation of resources for women. The GBC works as a focal point for considering all gender related issues from measures for women's empowerment to funding of schemes oriented towards women welfare. The GBC comprises five officers of different seniority and is headed by a Joint Secretary. The GBC developed an Action Plan in 2015-16. The Ministry positively notes the appreciation of the Hon'ble Committee, which encourages it to make more efforts in the direction of women empowerment in India and abroad.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 19)**

The Committee note that in order to address the increasingly complex nature of diplomatic engagements, the Ministry has significantly strengthened its own internal planning and strategizing abilities by enlarging the size and mandate of its Policy Planning and Research Division. The Committee are glad to note that in pursuance of the Committee's recommendation, external expertise has been formally brought into the Ministry through the contractual engagement of specialists on international relations. The Committee note that the existing mechanisms for incorporating academic expertise into policy formulation are inadequate, with the recruitment of only four area specialists into the policy planning & Research Division. There has been a noticeable strengthening of India's foreign policy thinking with the expansion of the IFS, of the growing number of think tanks and the increasing salience of the Indian Diaspora. The Committee recommend that the Ministry harness the growing number of think-tanks on international affairs by channelizing their intellectual inputs and subject expertise into the formulation of India's short, medium as well as long-term foreign policy objectives and goals.

### **Reply of the Government**

The Ministry has taken the following steps to channelize the intellectual inputs and subject expertise of the growing number of think-tanks on international affairs into the formulation of our short, medium and long-term foreign policy objectives:

- To fulfil its mandate of creating new platforms in India where contemporary foreign policy issues can be discussed, the Ministry has taken the initiative to organise some high-quality conferences and seminars in partnership with reputed Indian think-tanks. The first such conference was the 'Raisina Dialogue' organised in partnership with Observer Research Foundation (ORF) in New Delhi on 1-3 March 2016 and which focused mainly on connectivity issues. Another such conference, focusing on geo-economic issues, was held on 13-14 June 2016 in Mumbai under the title "Gateway of India Dialogue" in partnership with Gateway House Mumbai. More such conferences are being planned for the following months.
- In addition to MEA co-organising seminars and workshops, the Ministry has also been extending financial and advisory support to external research organisations to hold their own conferences and workshops.
- Officers from the Ministry have been regularly participating in the conferences/seminars/events being organised by think-tanks, so as to articulate the Government's thoughts and policies and to learn from the views expressed by other experts.

- The Ministry is also supporting participation of relevant experts from think-tanks in major international conferences to ensure adequate audibility of India's views and vision.
- The Ministry is also utilizing the papers/briefs being brought out by think-tanks to feed into the policy formulation process in the Ministry.
- The Ministry is undertaking consultations with relevant think-tanks and external experts on an ongoing basis on subjects under consideration of the Ministry.

[File No. AA/Parl/125/44/2016]

**(Recommendation No. 20)**

The Committee observe that the major portion of the Ministry's budget is earmarked for developmental assistance to various countries in the form of aids/assistance and loans. The Committee note that for the Financial Year 2016-17 an outlay of Rs. 7907.82 crores have been provided under the head TEC, which is 54% of the Ministry of External Affairs total budget. The Committee, however, are concerned to note that there has been a reduction of 6% in the proportion of funds allocated under this head *vis-a-vis* BE 2015-16 on account of decrease in Ministry's overall budget and the completion of several projects. The Ministry has further pointed out that certain large projects are in the pipeline for approvals or are undergoing tendering processes necessitating requirements of more funds that will be projected to the Ministry of Finance at the RE stage. The Committee express serious concerns over the Ministry's approach of slashing funds on international commitments that have the potential of jeopardizing bilateral partnership as well as tarnishing India's international image. The Committee strongly reiterate its earlier recommendation that the Government as well as the Ministry should refrain from reducing budgetary allocation/resources under the head 'Technical and Economic Cooperation' which is an important constituent of India's Foreign Policy. The Committee further direct the Ministry to review all pending projects, considering their economic viability as well as importance and accordingly prepare an action plan to implement them within a time frame. Requisite funds on the basis of such action plan must be communicated to the Ministry of Finance at RE as well as supplementary grants stage.

**Reply of the Government**

The Ministry acknowledges the concern shown by the Hon'ble Committee about low allocation of funds. As per recommendations of the Hon'ble Committee, the Ministry actively pursued the demand for additional funds with Ministry of Finance. The Ministry projected a requirement of additional Rs. 3921.49 crore in the first supplementary demand for grants for FY 2016-17. As a result of persistent efforts an additional cash allocation of Rs 600 crore has been obtained in the first supplementary, which have been allocated entirely for Technical and Economic Cooperation projects in Mauritius, Seychelles and Iran. The Ministry is fully



committed to fulfilling all its international TEC commitments, and budget allocation is based on a realistic assessment of expenditure phasing as per financial and physical progress of projects which is dependent on several factors including local conditions in beneficiary foreign countries.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 23)**

The Committee note that the budgetary allocation for BE 2016-17 under the head 'Aid to Bangladesh' has been kept at Rs. 150 crores which is lesser to the tune of 40% *vis-à-vis* BE 2015-16. Further, the Committee have also taken note of the Ministry reply for reduction in RE 2015-16 stage on account of lack of progress in certain projects. The Committee specifically note that the progress in construction of the Akhaura-Agartala Link is satisfactory and also the modalities for financing the Indian portion of the project has been worked out. The Committee, however, are unhappy to learn that the amount allocated for Small Development Projects (SDPs) could not be utilized fully due to non-agreement over implementation modalities between our Mission in Dhaka and counterpart agencies in Bangladesh. In the light of fresh announcements made during the recent high level visits to Bangladesh, the Committee recommend that the Ministry secure additional funds from the Ministry of Finance at the RE as well as supplementary grants stage. The Committee also suggest that the disagreement over the implementation modalities of SDPs should be immediately sorted out through constructive dialogue with the concerned stake holder. The Committee, further, hope that the Agartala-Aghuara link project will be expedited with a time bound action plan.

### **Reply to the Government**

The estimated revised project cost of Rs. 972.52 crore, with Rs. 580 crore for the Indian portion to be funded by Ministry of DONER and Rs. 392.52 crore for the Bangladesh portion to be funded by MEA, has been approved by Ministry of Finance. Ministry of Railways and Ministry of DONER have been advised to initiate further action for the work to begin on the Indian portion of the project. The foundation stone for the Indian portion of the project was laid in Tripura by Hon'ble Minister of Railways on 31 July 2016. Land acquisition process on the Indian side has begun. Government of Bangladesh has also been requested to initiate necessary action to begin land acquisition on their side. The Project Steering Committee established under the MOU with representatives from the Indian and Bangladesh sides will monitor and supervise the implementation on both sides in a time bound manner to complete the project within the stipulated time. Regarding SDPs, both countries took some time to understand each other's procedures. Future projects will be implemented on the basis of the template now agreed, and a few SDPs have already been initiated.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 24)**

The Committee are aware that a large portion of India's developmental assistance is embarked for 'Aid/Loans to Bhutan' and budgetary allocations for them are provided from both Plan and Non-Plan Head. The Committee, however, are dismayed to note that budgetary allocations for BE 2016-17 under this Head have been reduced to Rs. 5490.20 crores *vis-à-vis* Rs. 6160.20 crores during BE 2015-16. The main reason for the drop in the assistance, as stated by the Ministry, is lesser financial requirements as most projects have completed their construction phase. The Committee are pleased to note that the HEPs in Bhutan are not facing a shortage of funds and the timely flow of funds has been appreciated by the Royal Government of Bhutan at the highest levels. The Committee, however, are surprised by the underutilization of funds under the plan head. The Committee are unmoved by the Ministry's justification that these projects required reduced fund requirements as they have already passed their peak construction periods. The Committee, therefore, strongly recommend that the Ministry present a realistic demand backed by robust expenditure/utilization, so that the Ministry of Finance does not cite underutilization of funds as a justification for reduction in the Ministry's budgetary demands at the RE stage.

### **Reply of the Government**

The Ministry forwarded demands for FY 2016-17 under the Plan Head in February 2016, based on the requirements projected by the Project Authorities of Punatsangchhu-I, Punatsangchhu-II and Mangdechhu hydroelectric projects in Bhutan. The Revised Cost Estimates for all three HEPs have been approved by the Union Cabinet and sufficient funds are available based on funds utilisation and implementation progress. Implementation of Kholongchhu HEP, being implemented on a joint venture basis, is expected to gain momentum with the signing of the Concession Agreement this year.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 25)**

The Committee observe that the internal political developments in Nepal have affected the implementation of the projects. But the Committee are pleased to note that not only our ongoing projects for integral check posts, two cross border rail links, Terai roads phase-I, cross border, transitional lines are progressing well despite the constraints of the local situation, but also that India has stood for peace, stability and prosperity of Nepal. India was at the forefront of providing relief and assistance to Nepal following the 2015 earthquake. On an average India's yearly aid to Nepal budget is Rs. 400 crores. The Committee, however, expresses their deep concern over the prevalence of anti-India sentiments in certain parts of Nepal and the efforts of the Ministry to continue providing developmental assistance despite the challenging potential situation is praiseworthy. The Committee urge the Ministry to continue extending assistance in good faith and friendly terms and expedite the project implementation with the improvement in

the situation there. The Ministry should also obtain enhanced allocation under this Head at the RE stage to fulfill the commitments including the recent announcement for aid/ assistance.

### **Reply of the Government**

The Ministry is pursuing all ongoing projects in Nepal with due seriousness and is making all possible efforts for their expeditious completion. With the improvement of the situation in the Terai region of Nepal, work on several projects, including Integrated Check Post (ICP) at Birgunj, the Jogbani-Biratnagar and Jayanagar-Bijalpura Rail Links, and the India-Nepal Transmission Lines has resumed in early 2016. The process of appointment of an Indian Consultant for the Terai Road Phase-I project's Packages 2 to 6, as per the intergovernmental MoU signed on 20 Feb 2016, has been initiated. As soon as the Consultancy MoU between the Consultant and Government of Nepal (GoN) is signed, the process of awarding contracts by GoN will be initiated.

The Ministry through its Mission and Posts in Nepal is pursuing with GoN for expeditious availability of construction materials for ICP Birgunj and encumbrance-free land for the Rail Link projects and the upcoming ICT at Biratnagar. Subsequent to the signing of the intergovernmental MoU on 20 February 2016 for extending grant assistance for post-earthquake reconstruction assistance in Nepal, the modality for utilization of the grant in the four agreed sectors, i.e. housing, education, health and cultural heritage, are being finalized in consultation with GoN.

The Ministry has projected requirement of sufficient funds to Ministry of Finance for RE 2016-17 to enable adequate budgetary allocation.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 27)**

The Committee note that the Budgetary allocation under the head 'Aid to Myanmar' is Rs. 400 crores. The Committee welcome that under the head 'Aid to Myanmar' there has been a massive 48% increase in budgetary allocation. The Committee also note that enhanced allocation is on account of our need to finance implementation of key projects. The Committee also observe that in the last financial year, the Ministry was unable to utilize even half the provided budget outlay under this head. The Committee, therefore, direct the Ministry to take adequate steps to ensure that the allocated amount is utilized optimally for the purpose it has been provided for. The Committee, further, desire that the Ministry should draw up an action plan for the timely completion of all these projects including the delayed Kaladan Multi Modal Transit Transport Project and if required, the Ministry should also obtain enhanced allocation at RE stage.

### **Reply of the Government**

In the last financial year, utilization of budget outlay under 'Aid to Myanmar' was considerably low, as projections at BE 2015-16 stage were made expecting that major infrastructure projects in Myanmar such as Road Component under Kaladan Multi Modal Transit Transport project, construction of 69 Bridges of Trilateral Highway and construction of Kalewa-Yargi Road of Trilateral Highway would commence in FY 2015-16. However, it took significant time in obtaining necessary approvals for these projects. All efforts are being made to ensure that tendering procedures are completed within the current FY for optimal utilization of budgetary allocation. Other projects include training programme and small development projects, which are far less capital intensive, and have been carried out and paid for throughout the year.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 28)**

The Committee note that the training of foreign nationals in various civil and defence training programmes from 142 developing countries is an integral part of India's developmental cooperation. The Committee welcome the enhanced allocation of Rs. 200 crores under this head for BE 2016-17 against the BE and RE of 180 crores during 2015-16. The Committee observe that there exists regular and continuous review of training programmes under ITEC, SCAAP and TCS under the Colombo Plan. The Committee also note that the last review regarding inclusion of institutions providing training was done in 2008. The Committee, therefore, reiterate their earlier recommendation that the Ministry should conduct a comprehensive review of the ITEC Programme along with a review of the list of participating institutions on the basis of their specific experience performance and impact.

### **Reply of the Government**

The ITEC civilian and defence capacity building programme, which includes the capacity building offered by India under SCAAP and TCS of Colombo Plan, is a demand driven programme covering a diverse range of training areas, including Accounts, Audit, Banking and Finance courses, IT, Telecommunication, English language, Management courses, SME/Rural development courses, Environment and Renewable energy courses, technical courses and specialized courses. Special courses are also conducted at specific request of ITEC partner countries. All these courses are conducted in the selected premier and reputed institutes in India. For special courses and country specific courses, new institutes are approached and selected to impart training.

Every year fresh proposals are called from regular institutes for inclusion of their courses in the next financial year, where new courses are proposed keeping in view the present day need in the concerned areas. The proposal for continuation of the existing courses as well as inclusion of new courses are comprehensively reviewed taking into consideration feedback received from participants, the training Institutes and the nominating government through Indian Missions abroad on popularity of the course, contents of the course, management, faculty and overall performance of Institute. Popular courses are continued, courses not soliciting good response are discontinued and new courses are introduced.

In FY 2016-17 also, the Ministry has reviewed the capacity building programmes offered under the ITEC Programme. Based upon the assessment of needs of the partner countries and India's foreign policy priorities, some courses/institutions have been dropped and new courses have been introduced, including at reputed institutions where ITEC courses had hitherto not been conducted.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 30)**

The Committee are cognizant of the fact that India's partnership with African countries is based on a consultative model of cooperation which is responsive to the needs of African countries. The Committee note that under the head 'Aid to African Countries', BE 2015-16 was Rs. 200 crores which remained unchanged at the RE stage. While the BE 2016-17 has been pegged at Rs. 290 crores is on account of announcements made during PM's recent visit to Seychelles, the anticipated expenditure on some ongoing projects and implementation of decision under IAFS-III. The Committee are concerned to note that over the years there has been slow progress in implementation of projects under India Africa Forum Summits I and II. The Committee are glad to know that the third IAFS held in New Delhi in October 2015 was one of India's largest diplomatic outreach initiatives and PMO has been monitoring the progress of implementation of decisions and proposals of IAFS.

The Committee hope that the Ministry should engage with the African Union as well as the host countries for the expeditious implementation of projects so that the entire purpose of these projects are not defeated. Moreover, learning from the past projects under IAFS I and II, the Committee suggest that the Ministry conduct a feasibility study at the stage of identification of projects itself. The Committee, further, hope that the Ministry takes adequate measures to ensure the timely handover of the Pan African e-Network Project.

### **Reply of the Government**

The Ministry has been reviewing policies and procedures with the African Union to ensure effective implementation of projects/institutions in Africa. Regular inter-Ministerial meetings are

convened with Line Ministries/Agencies to discuss the follow up action. A draft Joint Plan of Action was drafted pursuant to deliberations in IAFS-III and forwarded to the African Union Commission and the resident African Missions in New Delhi. A response is awaited.

The Ministry is working closely with the concerned host Governments to ensure timely completion of all ongoing projects. Since IAFS-III, Ministry is focusing on completing ongoing projects. The Ministry would endeavour to conduct feasibility studies for all fresh proposals at the stage of identification of projects.

The operational Pan Africa e-Network Project (PAENP) was to be handed over to the Africa Union (AU) in July 2014. However, at the request of the AU, due to lack of their preparedness, support to the network was extended for two years within the approved initial budgetary provision of Rs. 542.90 crore. During the IAFS-III held in October 2015, India announced continuation of operational support to the project for a further period of five years. The project's extension for two years was not due to delay in completion but due to the AU's request to manage the operational system for another two years. Similarly, during IAFS-III, support to the operational existing project was extended for a further period of five years. Ministry is communicating with AU to finalise the Addendum to the existing MoU for its extension for operation and maintenance purposes up to 31 March 2017. The modalities to implement PAENP for the remaining four years (2017-2021) will be decided subsequently.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 32)**

The Committee have taken note of the reduced allocation under the head 'Aid to Afghanistan' during BE 2016-17 and the dismally low utilization of funds. The Committee are concerned to note the admission by the Foreign Secretary during oral evidence that Aid to Afghanistan would require additional funds to meet our existing commitments. The Committee take due note of the daunting logistic and security challenges faced during implementation of infrastructure projects in Afghanistan. The Committee are satisfied to note that some important projects including the construction of the Parliament building have been completed.

The Committee specifically desire that the Ministry should ensure that funds allocated under this head are optimally and fully utilized. The Committee would further direct the Ministry to pursue the matter of additional fund requirements under this head for smooth implementation of critical projects.

### **Reply of the Government**

The budget allocation under "Aid to Afghanistan" was fully utilized in FY 2015-16. While Rs. 676 crore was allocated at BE 2015-16 stage, the allocation was increased to Rs. 682.94 crore

at RE due to the higher utilization. This was further increased to Rs. 872.95 crore at FE stage owing to additional requirements of funds for two major projects, the Parliament Building and the Afghan-India Friendship Dam. The allocated amount at FE stage was fully utilized. The Ministry has projected requirement of sufficient funds at RE stage to ensure adequate budget allocation for FY 2016-17.

[File No. AA/Parl/125/44/2016]

**(Recommendation No. 33)**

The Committee note that the budgetary allocation under the head 'General Secretarial Services' has been kept at Rs. 402.31 crores, which is Rs. 104.33 crores higher than that of Be 2-05-16. Further, the Committee observe that an allocation of Rs. 33.47 crores has been earmarked for establishment and secretariat functions of the erstwhile MOIA. The Committee would strongly recommend that the Ministry ensure that following the merger, the administrative and Secretariat functions and activities are accorded adequate space, priority and significance in the present organizational set-up.

**Reply of the Government**

The Ministry has noted the Hon'ble Committee's recommendation in this regard. Following the merger of erstwhile MOIA with MEA, the administrative, establishment and secretariat functions have been merged within the existing set up of MEA to further streamline and consolidate the organizational set up dealing with Overseas Indian Affairs.

[File No. AA/Parl/125/44/2016]

**(Recommendation No. 35)**

The Committee note that out of Rs. 402.31 crores budgetary allocation for General Secretariat Services during 2016-17 Rs. 15.76 crores has been earmarked for Protector General of Emigrants (PGoE). The Committee is relieved to note that there has been a 40% increase in allocation for PGoE. The Committee have also taken a note that the different facets of the erstwhile MOIA, including PoE offices, are under review. The Committee are disturbed to note that given the budgetary constraints, the Ministry is hesitant to embark on any new capital expenditure on establishment cost and is thereby considering rationalizing rather than multiplying the MEA offices.

The Committee strongly recommend that the Ministry pay special attention to strengthening the office and establishment of the PGoE as it has now become the direct responsibility of the MEA. The Committee have been continuously asking the Ministry to improve the working conditions either by shifting them to another building or by creating new infrastructure. Therefore, the Committee desire that these efforts should continue in the changed

situation and the Ministry should liaise with the Ministry of Finance for seeking additional funds for PGoE once the review process is completed.

### **Reply of the Government**

The Ministry has noted the Hon'ble Committee's recommendation and is making all efforts to progressively improve working conditions in POE offices. Rs. 15.76 crore has been allocated to PGoE in BE 2016-17 and further enhancement would be considered at the RE 2016-17 stage. The Ministry has initiated the process of establishing a 'Videsh Bhawan' at various State Capitals in India, which is envisaged to house MEA Branch Secretariats, RPOs, and PGOE within the same complex to enhance efficiency, economize expenditure and ensure faster delivery of public services.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 36)**

The Committee note that the number of training programmes conducted by FSI as well as the number of training hours have also gone up significantly without a consequent increase in expenditure due to introduction of cost-effective and innovative methods of training delivery. However, the Committee are dismayed to note the Ministry's continuous trend of non-utilization of allocated funds under the sub-head 'training', despite the Committee's constant attention drawn to this matter over the years. The Committee, therefore, desire that the utilization under this head should improve along with an increase in the number of training programmes. The Committee, would further reiterate their earlier recommendation of imparting mid-career training to all officers of the rank of Joint Secretary and above in the Ministry.

### **Reply of the Government**

Since implementation of the MEA Training Framework in July 2013, there has been progressive escalation in the number of Indian diplomats/officials trained. The number of training programmes conducted by FSI as well as the number of training hours have also increased significantly especially during FY 2014-2015. FSI has taken into account the recommendations of the Hon'ble Committee to enhance utilization of allocated funds. FSI has spent Rs. 2.39 crore in FY 2014-15, which is more than double the expenditure incurred in the previous financial year. Budget utilization further improved in FY 2015-16, during which FSI spent Rs. 2.6 crore on training. All efforts are being made to further improve utilization in FY 2016-17.

FSI has endeavored to implement the recommendations of the Hon'ble Committee to organize the Mid-Career Training Programme (MCTP). For the first time ever, MCTP Phase-I for Under Secretary and Deputy Secretary level IFS officers was conducted from October 2016 onwards. The MCTP Phase-II, for Director-level IFS Officers of 1999 and 2000 Batches was organized in December 2015. The next MCTP Phase-II for Director-level IFS Officers of 2001



and 2002 Batches is planned in March 2017. Mid-Career Training Programme Phase–III for Joint Secretary level officers of 1989, 1990 and 1991 Batches was held in September-October 2016. For the very first time, FSI also organized a training programme for first-time HoMs for a period of three weeks in November-December 2016. In addition, FSI is also proposing to organize brief training programmes for officers on deputation to MEA and for graduate and post graduate students interning with MEA.

[File No. AA/Parl/125/44/2016]

**(Recommendation No. 37)**

The Committee note that following the merger of erstwhile MOIA with MEA all budget heads and sub-heads pertaining to various schemes, programmes and events relating to the Indian Diaspora will be retained in their current forms. The Committee also note that all aspects related to merger will be reviewed in the course of this year in order to enhance their effectiveness and to ensure optimal utilization of and synergy in available resources and capacities. The Committee have, further, learnt that this is an administrative decision which would be a major step in the direction of Government's overall objective of minimizing government and maximizing governance. However, the Committee are concerned to note that against a demand of Rs. 290.18 crores by erstwhile MOIA only Rs. 81.44 crores has been allocated and additional requirement of funds that is certainly going to arise after the review exercise is completed. However, the Committee are hopeful that in the aftermath of this merger the activities of MOIA will gather more attention, focus as well as financial resources leading to strengthening of our engagement with the Diaspora. The Committee feel that the glaring mismatch between the budgetary demands made by erstwhile MOIA and actual budgetary allocation runs in contrast to the hope expressed by the Ministry. The Committee, therefore, strongly recommend that the Ministry should make all the requisite institutional, administrative as well as financial arrangements to make the merger smooth and effective.

**Reply of the Government**

The Ministry will continue its efforts with the Ministry of Finance to get adequate funds. After the merger of erstwhile MOIA with MEA, all measures have been taken to allocate adequate manpower and working spaces to OIA Divisions in MEA.

[File No. AA/Parl/125/44/2016]

**(Recommendation No. 38)**

The Committee note that the erstwhile MOIA has been organizing several events, programmes, and schemes to reach out to its 1.6 crores Overseas Indian population. The Committee have noted that the Ministry has been preparing an updated database of NRIs and PIOs on the basis of information provided by Indian Missions abroad and wish to be apprised of its progress. In view of the merger of MOIA with MEA, the Committee have duly noted that all schemes/programmes related to Overseas Indians are being reviewed and revamped with the objective of streamlining the schemes, rationalizing the expenditure and avoiding duplication with

existing schemes. The Committee however, recommend that the Ministry should conduct a review of all the schemes and programmes in a comprehensive way, keeping in mind the problems faced by the Diaspora and their needs. The Committee further desire to be apprised of the outcomes and implications of this review exercise on the ongoing schemes and programmes of the Ministry.

### **Reply of the Government**

The country-wise data of NRIs and PIOs has been re-compiled in April, 2016 on the basis of inputs received from Indian Missions/Consulates abroad. This data has been uploaded on Ministry's website.

### **Setting up a NRI/PIO University**

On 24 April 2008, the Union Cabinet had approved setting up of a PIO/NRI University in Bangalore by Manipal Academy of Higher Education Trust (MAHET), Manipal, Karnataka. However the project could not be implemented due to various legal and procedural issues. The proposal was reviewed and it was felt that instead of establishing an exclusive university for NRI/PIO students, they could be offered educational facilities in existing Universities in India by increasing the existing NRI seats so that NRI/PIO students get access to a wide variety of subjects and courses. The Ministry's proposal for revocation of the approval dated 24 April 2008 has been approved by the Union Cabinet in its meeting held on 13 July 2016.

### **SPDC Scheme**

There was a holiday for the SPDC (Scholarship Programme for Diaspora Children) scheme in the academic year 2015-16 in order to undertake its review. Accordingly, after deliberations and consulting Indian Missions/Posts, the Ministry announced a revised Scheme from the current academic year 2016-17, with the following broad modifications/additions.

- The number of scholarships has been increased from 100 to 150 with 50 seats allotted to ECR countries. Fifty scholarships which are now allotted for Children of Indian Workers in Gulf (CIWG) should be open for Children of Indian Workers in ECR countries. One-third of these 50 scholarships shall be reserved for children of Indian Workers in ECR countries (workers, along with income criteria) studying in India. Therefore, there will be four categories of applicants, i.e. PIOs, NRIs, Children of Indian workers in ECR countries studying outside India and Children of Indian workers in ECR countries studying in India.
- The income criteria would be applicable to all categories of students.

- Students would be eligible for scholarships for pursuing undergraduate programmes in following institutions.
  - Central Universities of India offering Under Graduate Courses,
  - Institutions accredited “A” Grade by NAAC; and
  - Institutions covered under DASA Scheme: National Institutes of Technology (NITs), Schools of Planning and Architecture (SPAs), Indian Institutes of Information Technology (IIITs).
- Information Technology, B.Sc (Nursing) and B. Pharma have been added in the courses eligible for scholarships.
- The Scheme has been extended from existing 40 countries to 66 countries having substantial Diaspora population.
- SPDC portal has been launched on 23 August 2016 for online applications and processing of applications.
- SPDC scheme for the year 2016-17 for scholarship was announced on 23 August 2016.

### **Know India Programme (KIP)**

To strengthen engagement with the young Indian Diaspora, KIPs was reviewed and following changes have been introduced in the programme:

- Number of KIPs organized in one year was enhanced to six in 2016 with 40 participants in each KIP. The first KIP was held in May. The second KIP was held in October. The next four KIPs will be held in December 2016 to January 17.
- The duration of the KIPs has been increased to 25 days. Every KIP will have a State Government as partner and will host KIP participants for 10 days at their cost. This will enable KIP participants to connect with their respective States of origin in India.
- Age limit of participants has been increased from 26 to 30 years.
- Air fare will be reimbursed to the participant before they leave for India.

### **Study India Programme (SIP)**

Ministry's SIP which has evoked a poor response from PIOs was closed down after a thorough review as it was felt that objectives of SIP and target group were similar to the KIP.

## **Pravasi Bharatiya Divas (PBD) Conference**

To re-energise our engagement with the Indian Diaspora and to seek pro-active, sustained and issue based engagement, we have revised the format of the PBD. The annual PBD Convention will henceforth be held once in two years in a Convention format with participation of a large number of Indian delegates from overseas. In the intervening year, PBD Conferences will be held in New Delhi on a monthly basis on 10 subjects of interests of Indian Diaspora. Accordingly from February 2016 PBD Conferences are being held with participation of nearly 10 overseas Indians who are domain experts and about 10 resident Indians who are stakeholders with regard to that issue. From January 2015, Indian Missions/Consulates will also celebrate PBD on 9 January.

## **Overseas Indian Facilitation Centre**

Overseas Indian Facilitation Centre (OIFC) is a PPP between erstwhile MOIA and CII to facilitate knowledge and economic engagement of overseas engagement with India. Following the merger of erstwhile MOIA with MEA, under the Allocation of Business Rules order issued in February 2016, investment facilitation aspects of the work pertaining to Indian Diaspora have been transferred from MEA to Department of Industrial Policy and Promotion (DIPP). Therefore in order to avoid duplication of work between the two Ministries and since “Invest India” has been set up by DIPP to provide advisory services with regard to foreign investment, it has been decided to close OIFC. Ministry will be initiating procedures to this effect.

## **Pravasi Bharatiya Samman Awards (PBSA)**

The Pravasi Bharatiya Samman Awards (PBSA) were reviewed and following changes were made:

- PBSA will hence forth be granted once in two years at the PBD Convention.
- The maximum number of Awards every alternate year shall be 30 (Thirty) in place of 15 as the PBS's will now be granted once in two years.
- PBS Award will also be conferred for Achievements within India in Philanthropic investments and charitable work in India; and for contributions made towards India's Development.
- Jury-cum-Awards Committee can make suo-moto nominations not exceeding 6 of the total number of Awardees of that year.

### **Pravasi Kaushal Vikas Yojana (PKVY)**

A Memorandum of Understanding (MoU) has been signed on 2 July 2016 between MEA and the Ministry of Skill Development and Entrepreneurship (MSDE) for implementation of PKVY. The scheme aims at enhancing the skills set of potential emigrant workers in select sectors and job roles, in line with international standards, to facilitate overseas employment. Initially, the scheme would focus on sectors that are in demand in ECR countries. The Ministry has allocated Rs. 10.00 crore for this scheme for the current financial year. The Ministry is in process of working out the modalities of transfer of funds to the MSDE.

### **Indian Community Welfare Fund (ICWF)**

The Indian Community Welfare Fund has emerged as an important tool to assist Overseas Indian nationals abroad in times of distress and emergency on a 'means tested' basis. The Fund has already been extended to all Indian Missions and Posts abroad. The Ministry is in process of revising the ICWF guidelines so as to make them more broad-based with necessary checks and balances.

### **Mahatma Gandhi Pravasi Suraksha Yojana (MGPSY)**

Being a voluntary scheme and for a variety of other reasons, the subscription under the Mahatma Gandhi Pravasi Suraksha Yojana (MGPSY) has remained extremely low. The Ministry is in process of closing the MGPSY while strengthening other measures including the mandatory insurance scheme Pravasi Bharatiya Bima Yojana (PBBY) for welfare of overseas Indian workers.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 39)**

The Committee note that during BE 2016-17, an outlay of Rs. 1.50 crores has been provided for the Overseas Citizenship of India (OCI) Scheme. The Committee have also taken note of the fact that MEA and MHA works in tandem in implementation of the OCI scheme. The Committee are happy to note that the merger of the PIO scheme into the OCI scheme has been well received by the Members of the PIO community. Moreover, the Committee observe that the Ministry is planning to deploy additional staff and position printers at the Missions abroad to meet the heavy load of conversion applications. The deadline for such conversion has already been extended to June 30, 2016 and may be further extended to September, 30, 2016. The Committee, therefore, recommend that the merger of PIO and OCI applications after scheme should be processed smoothly in a time-bound manner. The Committee further desire that manpower paucity should not be a hurdle in the processing of conversion applications. The Ministry should expedite the process of deployment of additional staff and position printers at the requisite Missions/Posts so that the work is completed positively by the deadline of September 30, 2016.

## **Reply of the Government**

In pursuance of EAM's directions to identify Missions/Posts in terms of number of PIO/OCI cards issued, top two Indian Missions/Posts concerned were identified to begin with. After purchase of printers at HCI, London and CGI, New York, and visit of technical team there, the processing/printing of PIO cards to OCI cards has commenced. In addition, eleven Missions/Posts at Birmingham, San Francisco, Houston, Toronto, Chicago, Sydney, Melbourne, Washington DC, Atlanta, Vancouver and Singapore have been identified where the printing of OCI cards is to commence. All necessary steps are being taken by the Ministry as and when there is requirement for deployment of additional staff to ensure smooth process of merger of PIO and OCI Cards schemes.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 41)**

The Committee observe that Know India Programme (KIP) is an important way of engaging with the future generation of Indian Diaspora. The Ministry has conducted 34 editions of KIPs so far with Participation of 1053 Overseas Indian Youth. The Committee note that during 2015-16 the Ministry organized only two such programmes with 70 participants and no Programme was organized after the contract of previous event Managar of KIP expired in September, 2015. The Committee are concerned to note such casual approach adopted by the Ministry for such an important programme to bring Indian Diaspora youth close to the land of their ancestors. The Committee are disturbed to note that the budgetary allocation under this scheme has dwindled from Rs. 8 crores during BE 2015-16 to Rs. 1.5 crores during BE 2016-17, against a projected demand of Rs. 8 crores. The Ministry proposes to seek additional allocation of KIP at RE stage. The Committee, therefore, strongly recommend that the Ministry should conduct a thorough review of the scheme and report to the Committee on its continued utility.

## **Reply of the Government**

To strengthen engagement with the young Indian Diaspora, KIPs was reviewed and following changes have been introduced in the programme:

- Number of KIPs organized in one year was enhanced to six in 2016 with 40 participants in each KIP. The first KIP was held in May. The second KIP was held in October. The next four KIPs will be held in December 2016 to January 17.
- The duration of the KIPs has been increased to 25 days. Every KIP will have a State Government as partner and will host KIP participants for 10 days at their cost. This will enable KIP participants to connect with their respective States of origin in India.
- Age limit of participants has been increased from 26 to 30 years.

- Air fare will be reimbursed to the participant before they leave for India.

35<sup>th</sup> KIP was held from 5 to 29 May 2016 with Maharashtra as the partner State.

36<sup>th</sup> KIP was held from 1 to 25 October 2016 with Punjab as the partner State.

37<sup>th</sup> to 40<sup>th</sup> KIPs are to be organized during December 2016 to January 2017 with Kerala, Uttar Pradesh, West Bengal, and Gujarat as partner States.

Additional funds would be provided at RE 2016-17 stage, as required.

### **(Recommendation No. 42)**

The Committee observe that under the scholarship programme for Diaspora children (SPDC) 770 candidates have availed the scholarship since its inception in the year 2006-07. The scheme is being revised considering the issues like enhancement in number and amount of scholarship. This is being done in consultation with MHRD and ICCR. The Committee, therefore, recommend that the Ministry should conclude a comprehensive review of SPDC and take a final decision on its various aspects including scholarship amount, number of scholarships to be offered, inclusion of countries so that there is an improvement in the quality and quantity of applicants under this scheme, should it be persisted with.

### **Reply of the Government**

#### **SPDC Scheme**

There was a holiday for the SPDC scheme in the academic year 2015-16 in order to undertake its review. Accordingly, after deliberations and consulting Indian Missions/Posts, the Ministry announced a revised Scheme from the current academic year 2016-17, with the following broad modifications/additions.

- The number of scholarships has been increased from 100 to 150 with 50 seats allotted to ECR countries. Fifty scholarships which are now allotted for Children of Indian Workers in Gulf (CIWG) should be open for Children of Indian Workers in ECR countries. One-third of these 50 scholarships shall be reserved for children of Indian Workers in ECR countries (workers, along with income criteria) studying in India. Therefore, there will be four categories of applicants, *i.e.* PIOs, NRIs, Children of Indian workers in ECR countries studying outside India and Children of Indian workers in ECR countries studying in India.
- The income criteria would be applicable to all categories of students.
- Students would be eligible for scholarships for pursuing undergraduate programmes in following institutions.

- Central Universities of India offering Under Graduate Courses,
  - Institutions accredited “A” Grade by NAAC; and
  - Institutions covered under DASA Scheme: National Institutes of Technology (NIT’s) Schools of Planning and Architecture (SPA’s) Indian Institutes of Information Technology (IIT’s).
- Information Technology, B.Sc (Nursing) and B. Pharma have been added in the courses eligible for scholarships.
  - The Scheme has been extended from existing 40 countries to 66 countries having substantial Diaspora population.
  - SPDC portal has been launched on 23 August 2016 for online applications and processing of applications.
  - SPDC scheme for the year 2016-17 for scholarship was announced on 23 August 2016.

[File No. AA/Parl/125/44/2016]

**(Recommendation No. 46)**

The Committee have noted that since 2007, the erstwhile MOIA had initiated a scheme for providing legal/financial assistance to Indian women deserted by their overseas spouses. As per the information provided by the Ministry during 2012-13 to February 2016, 81 beneficiaries have received legal/financial assistance with an allocation of Rs. 60.18 lakhs. The Committee are concerned with the continuation of this scheme at the present level. The Committee, therefore, strongly recommend that this scheme should be included under the scope of Indian Community Welfare Fund (ICWF) and funded adequately so that the deserving beneficiaries of this category may get sufficient assistance directly from the Missions. The Committee desire that the problems being faced by Indian women abroad should be studied and adequate provisions made for their assistance. The Committee wish to be apprised of the progress made in this regard.

**Reply of the Government**

Inclusion of the scheme under Indian Community Welfare Fund (ICWF) is being considered, *inter alia*, as a part of the exercise to revise the ICWF utilization guidelines.

- From 2012-13, Ministry has assisted 85 beneficiaries so far under the scheme.
- Last year, the Ministry has prepared a detailed list of FAQs regarding the issue of NRI marriages, which provide information and guidance to the aggrieved women about various



options available to them to address the problems that they face. We also prepared a compilation of legal provisions in specific countries (where the problem is more prevalent) w.r.t issues such as ex-parte divorce, child custody, maintenance, etc. Both these documents are available on the Ministry's website. Hindi translation of the FAQs is also available on the website <http://www.mea.gov.in/faq.htm>.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 47)**

The Committee take a serious note of the fact that no expenditure was incurred for media campaign in the financial year 2015-16 as well as 2014-15 to spread awareness about safe and legal migration. Consequently, an allocation of only Rs. 5.54 crores has been made under the sub-head awareness Campaign Media'. The Committee disapproves such lackadaisical attitude of the Ministry over such an important issue, given the fact that India has nearly 28 million emigrants and they are facing migration related problems. The Committee have noted that the Ministry is in the process of finalizing blueprint for spreading awareness through media. The Committee, would, therefore, reiterate their earlier recommendation that the Ministry should embark upon a vibrant and rigorous media campaign on the basis of proposed blueprint without any further delay. The Committee would also suggest the Ministry to tap the social media platform for spreading awareness about various aspects related to safe and legal migration.

### **Reply of the Government**

A media campaign on "Safe and legal Migration of the Indian Migrant worker (सुरक्षित जाओ, प्रशिक्षित जाओ) was launched in 2016.

The first stage of the campaign was launched in Doordarshan from 12 May 2016 for 17 days telecast in DD News, DD Punjabi, DD Bangla, RLSS-Mumbai (DD Sahayadri), Lucknow, Rajasthan and Delhi stations. The media campaign was broadcast from 1 to 15 June 2016 on All India Radio in Uttar Pradesh, Bihar, West Bengal, Punjab, Rajasthan, Maharashtra, and Delhi.

In the second stage, a national-level media campaign was launched in Hindi, Punjabi, Telugu Malayalam, Tamil and Kannada languages, in Uttar Pradesh, Bihar, Tamil Nadu, West Bengal, Punjab, Rajasthan, Kerala, Andhra Pradesh, Telangana, Maharashtra, Karnataka and Delhi telecast from 18 July to 2 August 2016 on Lok Sabha TV channels, 13 Doordashan channels, 43 All India Radio stations, 31 private TV Channels and 68 Private Radio/FM channels and 329 Digital Cinema Theatres .

Ministry has sought additional funds for the fourth stage of the Awareness Campaign/Media Plan campaign in RE 2016-17.

The Hindi advertisement has been uploaded on the Indian Diplomacy channel on You Tube, Twitter and Facebook and about 1.68 lakhs viewers have seen the advertisement.

Advertisement has been also uploaded on websites and social media platforms of Indian Missions/Post abroad, especially in Gulf countries. Chief Secretaries of Uttarakhand, Uttar Pradesh, Chhattisgarh, Punjab, Rajasthan, Bihar, Haryana, Madhya Pradesh, Gujarat, West Bengal, Orissa, Maharashtra have been requested to popularize the advertisement.

The Overseas Workers Resource Centre (OWRC) runs a 24 x 7 x 365 help-desk attending to queries in 11 languages (Hindi, English, Punjabi, Malayalam, Tamil, Telugu, Gujarati, Marathi, Odia, Kannada, and Bengali) through its toll free number 1800-11-3090 in India and +91-124-2341002 for Indian emigrants working overseas.

Before the launch of the media campaign, an average of 200 phone calls per day were received by OWRC. During the first stage campaign, 370 to 400 phone calls per day were received by OWRC. During the second stage campaign, 800-900 phone calls per day were received. These calls were mostly from intending migrant workers seeking information about recruitment procedures and recruitment agents.

[File No. AA/Parl/125/44/2016]

#### **(Recommendation No. 49)**

The Committee are concerned to note that the budgetary allocation of Rs. 192 crores was made during BE 2015-16 and the same was retained at the RE stage and some activities approved in the council's plan of Action were reduced in order to remain within the budgetary constraints. The Committee were further informed that in the absence of timely release of funds to the foreign students studying in India, ICCR has been spending its own allocation, at the expense of its own activities and outreach. The Committee, however, feel satisfied to note that despite an overall budgetary reduction, the allocation to ICCR has been enhanced by 12.40% i.e 215.80 crores at BE 2016-17 in keeping with the Committee's have been recommending in their previous reports. The Committee in their reports over the years have been recommending for providing enhanced budgetary allocations to ICCR in light of the pro-active foreign policy being pursued by the Government of India. The Committee hope that with enhanced allocations, ICCR would be better equipped to project and leverage India's soft power. The Ministry should also continue to explore the possibility of being provided with more funds at the RE stage as per the projections made by ICCR for its activities, including the opening of eight cultural centres which would require necessary approvals along with provision of requisite financial resources.

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

ICCR leads Government of India's efforts and initiatives to promote, expand and create soft power outreach activities globally through its 37 Indian Cultural Centres abroad. To further strengthen its outreach efforts and address increased responsibilities, ICCR requires to open more Cultural Centres. Countries like USA, China, France and UK have a large number of Cultural and Information Centres that help them promote their national interest through soft power foot print. The current allocation of Rs. 215.80 crore is only sufficient to meet regular establishment and administrative outgo and other activities of ICCR. For opening of eight new Cultural Centres, additional allocation of funds would be required. In addition to expenditure to be incurred in establishing new ICCs in Hanoi and Sydney, against the budget allocation of Rs. 215.80 crores in FY 2016-17, the projected expenditure till December 2016 will be around Rs. 150.00 crores, which would include the Council's regular activities like BRICS exhibition, winter camps for foreign students, installing a bust of Buddha/ Tagore in various countries such as Mongolia, Germany and Cyprus. RE 2016-17 and BE 2017-18 budget requirements have been projected for Rs. 222.70 crore and Rs. 273.38 crore respectively.

[File No. AA/Parl/125/44/2016]

**(Recommendation No. 51)**

The Committee are happy to note the overwhelming positive response of the State Governments to the creation of a States Division as it will help them effectively extending their outreach to the external world and also enhance their profile abroad. The Committee observe that the States Division is in the process of evolving new institutional structures and deepening the partnership between MEA and the States, thereby contributing to the implementation of the concept of 'Diplomacy for Development'. The Committee have learnt that a separate budget head titled 'States Facilitation Abroad' has been created that will be operated by the States Division and a provision of Rs. 15 crores have been made to it for BE 2016-17. The Committee were puzzled to know that no specific allocation was made for this Division during the financial year 2014-15 and 2015-16. The Committee, further note that in the opinion of the Ministry, an allocation of Rs. 15 crores would be sufficient to carry out the activities of the Division. The Committee observe that the expenditure incurred on activities pertaining to this Division has been scattered under various heads. The Committee, therefore, suggest that the Ministry keep all expenditures and allocations made with regard to the mandate of the Division under a single budgetary head for the purpose of uniformity and financial efficacy. The Committee are desirous of being informed about the institutional structures that will be carved out under this Division for deepening partnership with States.

**Reply of the Government**

Two budget heads, 'States Facilitation Abroad' and 'States Facilitation and Knowledge Support', were created to meet expenditure undertaken abroad and being undertaken within India

respectively. The Ministry envisages creation of the following institutional structures, amongst others, to deepen the partnership between MEA and the States:

- (a) Grant of State Facilitation Funds to Missions/Posts to undertake State-specific activities in FY 2016-2017.
- (b) Grant of funds to Missions/Posts for celebration of State Days, festivals and culture and tourism related opportunities.
- (c) 'Meet the States' event to connect with Diplomatic Corps, Trade and Consular Missions with Resident Commissioners and representatives of various State Governments.
- (d) Outreach and interaction with State Governments and Consular Missions through Branch Secretariats, Regional Passport Offices and Passport Offices.
- (e) Coordination of all MEA Offices in States to provide seamless interaction with State Governments.
- (f) Training of IFS Officers at various stages of career on States related interests.
- (g) Promoting Twinning Agreements for Indian cities and States with provincial entities of foreign countries.
- (h) Promoting State-level Global Investment Forums for greater outreach of States
- (i) Promoting visits of residential foreign Ambassadors and diplomats to States to enable wider understanding of the potential of States.

[File No. AA/Parl/125/44/2016]

**(Recommendation No.52)**

The Committee are pleased to note that in pursuance of the Committee's recommendation, the Ministry undertook a complete assessment of the role of Investment & Trade Promotion Division and also strengthened this Division with Additional manpower and greater funding support. The Committee observe that under the "Market Expansion Activities" of ITP Division, an enhanced budgetary allocation of Rs. 15 crores has been provided in BE 2016-17 to Indian Missions to carry out investment promotion activities abroad. The Committee also note that professionals have been taken in the ITP Division as Interns, consultants and Technical Advisors. The Committee would recommend that the Ministry prepare a proposal for the long term hiring of professionals in the ITP Division and submit the same for the consideration of Department of

Personnel and Training (DoPT). As the economic arm of the Ministry, the Committee would recommend that the Ministry seek additional resources for Market Expansion Activities by the Missions/Posts.

### **Reply of the Government**

The ITP Division has recently been renamed as “Economic Diplomacy” Division. The Ministry is taking pro-active steps to take suitable personnel with relevant expertise in the Economic Diplomacy Division including officers with domain knowledge and expertise on deputation from GOI Ministries and Departments. The Division strives to bring out investment guides, sector-specific publications, quarterly macro-economic newsletters and other regular updates on the Indian economy to be circulated among foreign investors through Indian Missions/Posts abroad, and plans to commission research/reports on different aspects of the Free Trade Agreements, Social Security Agreements, Double Taxation Avoidance Agreements etc. The Division has also been preparing and circulating publicity material such as PPTs, regular updates on policy developments among Indian Missions/Posts. In FY 2015-16, budget allocation for Market Expansion Activities was increased to Rs 10 crore from Rs 4.65 crore. For FY 2016-17, Rs 15 crore has been allocated.

[File No. AA/Parl/125/44/2016]

## **CHAPTER – III**

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

#### **(Recommendation No. 26)**

The Committee notice that the budgetary allocation for Financial Year 2016-17 under the Head 'Aid to Maldives' is Rs. 40 crores which is 78.1% less than BE 2015-16. This massive reduction, according to the Ministry, is on account of fluid political situation in Maldives, along with lack of clarity of specific investment opportunities. The Committee have also noted that the last tranche of USD 25 million of standby credit to Maldives has not been disbursed so far. The Committee would, therefore, recommend that the Ministry engage with the competent authorities to channelize the last tranche of credit facility and ensure that the National Police Academy (with changed name and location) is completed as per schedule.

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

Construction of the National Police Academy, now named as Institute for Security and Law Enforcement Studies or ISLES, is being carried out with GoI's grant assistance. M/s National Building Construction Company Limited (NBCC) is the executing agency. Based on fresh layout and updated project cost prepared by NBCC, the revised project cost of Rs. 188.18 crores has been approved in February 2016 and work has been awarded to the contractor in June 2016. All efforts are being made to ensure that the project is completed by its scheduled completion time of June 2018.

The last tranche of standby credit to Maldives of USD 25 million was to be disbursed during a VVIP visit which was expected to take place in March 2015, but which was deferred due to developments at the time in Maldives. This last tranche remains undisbursed due to the continued fluidity in the political situation and lack of clarity on the specific investment opportunities in Maldives

The Ministry has projected requirement of sufficient funds to Ministry of Finance for RE 2016-17 to enable adequate budgetary allocation.

[File No. AA/Parl/125/44/2016]

#### **(Recommendation No. 40)**

The Committee observe that no budgetary allocation has been made for the Mahatma Gandhi Pravasi Suraksha Yojna for BE 2016-17. The Ministry has informed the Committee that sufficient funds are available under the head 'other charges' for supporting the expenditure on new subscribers opting for this scheme. The Committee further observe that the subscription under this scheme has remained dismally low with only 1071 subscribers enrolled so far under this scheme.

The Committee are concerned to note the negligence shown by the Government in regard to this scheme and continuing it without any separate head. The Ministry has identified the reasons for its failure but has not made sincere efforts to remove those hurdles. The Committee therefore, recommend that the Ministry to take all adequate steps such as simplification of KYC norms, providing clarity on the pension component, carrying out media awareness campaign and making arrangements of sufficient service providers in overseas countries so that the scheme picks up and contributes to the welfare of Overseas Indian Workers, failing which the scheme needs to be revisited to ensure whether it is serving a useful purpose.

### **Reply of the Government**

Being a voluntary scheme and for a variety of other reasons, the subscription under the Mahatma Gandhi Pravasi Suraksha Yojana (MGPSY) has remained extremely low. In spite of constant efforts of the erstwhile MOIA, the scheme did not find any traction among the emigrant workers. The total number of registered subscribers till end August 2016 was 1071 with no subscription during the last one year. The Ministry is in the process of closing the MGPSY while strengthening other measures including the mandatory insurance scheme Pravasi Bharatiya Bima Yojana(PBBY) for welfare of overseas Indian workers.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 43)**

The Committee are worried to note that no expenditure has been incurred under the Overseas Indian Facilitation Centre till 15<sup>th</sup> March, 2016. The Committee note that following the merger of MOIA with MEA the activities of investments promotion and facilitation in India by Overseas Indians would fall under the Department of Industrial Policy & Promotion (DIPP) Ministry of Commerce & Industry. The Committee would desire to be apprised about the implications of the new changes on the functioning of OIFC and also the new role of the Ministry of External Affairs *vis-à-vis* OIFC.

### **Reply of the Government**

Following the merger of erstwhile MOIA with MEA, work relating to promotion of investment in India by overseas Indians has been transferred to DIPP. The following work of erstwhile MOIA has been allocated to DIPP under the Allocation of Business Rules: "21. Direct

foreign and non-resident investment in industrial and service projects. 21A. Promotion of investment by Overseas Indians in India including innovative investments and policy initiatives consistent with the overall Government policies particularly in areas such as exclusive Special Economic Zones for Overseas Indians.” In view of this development, the status of OIFC was reviewed and it has been decided to close its operations. As OIFC was set up with the approval of the Union Cabinet, action is being taken to seek Cabinet's approval for winding up OIFC. During FY 2015-16, the budget provision for OIFC was Rs.1.3 crore which could not be spent as demand could not be raised by OIFC till February 2016. The provision for OIFC in FY 2016-17 is Rs.1.5 crore which would be reappropriated due to a decision to wind up its operations.

[File No. AA/Parl/125/44/2016]



## CHAPTER – IV

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

#### **(Recommendation No. 2)**

While analyzing the budgetary allocations made for MEA during 2015-16, the Committee found that the Ministry sought an allocation of Rs. 22967.01 crores including the Plan component of Rs. 4940.36 crores and non-Plan component of Rs. 18026.65 crores against which the actual allocation made at the BE stage was Rs. 14,966.83 crores only. The Committee, therefore, had criticized such a drastic reduction in the budget of the Ministry and had desired the Ministry to rigorously pursue substantially enhanced allocation at Revised Estimates stage. The Committee, however, are disappointed to note that despite the intervention made at the level of the External Affairs Minister as well as the Foreign Secretary, the situation could not be improved. The budgetary allocation at RE stage remained unchanged and there was only a reallocation of Rs. 678.02 crores from plan to non-plan owing to underutilization of funds in HEPs in Bhutan. The Committee note that against the demands of Rs. 3770.84 crores, Rs. 4017.53 crores and Rs. 414.60 crores sought by the Ministry for developmental projects at the first, second and third supplementary stage respectively, an allocation of only Rs. 10 crores was provided in the name of World Hindi Conference at Bhopal in the first supplementary stage. The Committee are distressed to note the unsympathetic attitude of the Government of India, particularly the Ministry of Finance, towards the conduct of India's Foreign policy.

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

Ministry acknowledges the concern shown by the Hon'ble Committee about grant of budgetary allocation. For FY 2016-17, Ministry of Finance allocated Rs. 14662.66 crore to MEA in the Budget Estimates against the BE sought of Rs. 22966.89 crore, which is 2.03% less than BE 2015-2016 allocation of Rs. 14966.80 crore, comprising 3.24% increase in the Plan heads and 11.55% decrease in the Non-Plan heads. MEA requested for additional allocation of Rs.3921.49 crore in the first supplementary demand for grants in FY 2016-17 for fulfillment of various project commitments made at the highest level. As a result of persistent efforts, an additional cash allocation of Rs. 600 crore was provided to MEA in the first supplementary demand for grants.

[File No. AA/Parl/125/44/2016]

#### **(Recommendation No. 3)**

The Committee note that one of the important challenges the Ministry faces is that its developmental projects implemented abroad are impacted by climatic conditions, political

uncertainties, security concerns etc. Therefore, there is a limited working period available to complete the projects. Non-availability of funds during critical windows makes timely completion even more difficult and leads to cost overruns. Delay in release of payment to vendors can also stall projects. Therefore, the Committee strongly urge the Ministry of External Affairs to bring all these facts forcefully to convince the Ministry of Finance to provide predictable and full funding at BE stage itself so that embarrassing conditions can be avoided and effective financial planning and better project management can be done. Further, the Committee recommend that the Ministry regularly take up the low allocation of funds with the Ministry of Finance at all possible levels.

### **Reply of the Government**

Ministry acknowledges the concern shown by the Hon'ble Committee about low allocations of funds. The issue has been actively coordinated with the Ministry of Finance. As a result of persistent efforts, an additional cash allocation of Rs. 600 crore has been obtained in the first Supplementary Demands for Grants for FY 2016-17 for implementation of various developmental projects.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 5)**

The Committee note that against the projected demand of Rs. 22967.01 crores by MEA only an allocation of Rs. 14662.66 crores was made at the BE stage during the year 2016-17. Surprisingly, the percentage of budget of the Ministry of External Affairs against the total allocation of the Government of India has been reduced 0.74% as compared to 0.84 % during 2015-16. The proposed allocation is only 63% of the overall projections made by the Ministry. Similarly, against the demand of Rs. 290.18 crores of MOIA, only 81.44 crores has been allocated and both these demands have been merged for BE 2016-17. During deliberations, the Foreign Secretary stated that additional requirement of funds will be taken up after the review exercise on the merging of two Ministries will be completed. The Committee, further note that while providing allocations at BE 2016-17, the Ministry of Finance has also not taken into account the inflationary trend and the devaluation of Indian rupee against dollar. The Committee are concerned to note that with such a mismatch in projections and allocations at the BE stage, the Ministry of External Affairs has been put in a situation where during the current year they will have to manage India's expanding international engagement and the welfare of the Diaspora with limited resources that the objectives of India's foreign policy are definitely going to be compromised. In the Committee's view, the Ministry of External Affairs requires full predictable funding at the BE stage itself to enable them to achieve India's international commitments, foreign policy goals and objectives as well as the establishment costs of the Ministry of External Affairs Secretariat, 187 Missions and Posts abroad, Central Passport Organization, the Foreign Service Institute and now the Office of the Protector of Emigrants and Diaspora related schemes. But this has not been done at the BE 2016-17 stage. The Committee, therefore, urge the Ministry

of External Affairs to convince the Ministry of Finance to provide the required allocations at the RE stage during the year 2016-17. The Committee also desire that the Ministry should explore the integration of other sources of funds as developmental partnership with other participating Ministries in pursuance of the country's foreign policy goals.

### **Reply of the Government**

Ministry acknowledges the concern shown by the Hon'ble Committee about low allocation of funds. As per recommendations of the Hon'ble Committee, the Ministry has been actively pursued the demand for additional funds with Ministry of Finance. The Ministry had projected a requirement for additional Rs. 3921.49 crore in the first supplementary demand for grants for FY 2016-17. As a result of persistent efforts, an additional cash allocation of Rs 600 crore was received. RE 2016-17 has been proposed for Rs. 17317.29 crore.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 7)**

The Committee are concerned to note that despite India's expanding engagements around the world, the budgetary allocation is contracting. As a result, the Ministry is making compromises in fulfilling its responsibilities. During deliberations, the Committee were apprised that the Ministry will not be taking up new projects until the old ones are finished. The Committee note that some of the projects are progressing satisfactorily while in some cases the progress has been slow due to various unforeseen circumstances like adverse climatic conditions, geological changes and technological changes causing time and cost overruns. The Committee, therefore, reinforce the Ministry's intention not to take up new projects until the old projects are completed. The Committee further urge the Ministry to formulate a clear cut policy in this regard and apprise the Committee about the action taken thereon.

### **Reply of the Government**

Requirement of funds at various stages of budget allocations are being projected keeping in view the requirement of ongoing and future projects. Priority is being given to ongoing projects and remaining funds are being utilized to plan implementation of commitments already made. Besides political and strategic considerations, availability of funds, future requirements of ongoing projects, scope to accommodate new initiatives etc remain vital aspects while formulating the schedule of projects planned for implementation.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 8)**

The Committee are aware that Missions and Posts are the field offices under the Ministry's control and their financial powers vested in the Ministry is delegated to GOI Representatives in Missions abroad. At present there are 187 Missions/Posts in 123 countries and allocation of adequate funds in the Ministry budget is imperative for smooth functioning of Indian Missions & Posts abroad. The Committee are optimistic to note that there was a surge in budgetary allocation under this head both at the RE 2015-16 stage as well as the BE 2016-17 stage. The BE for 2015-16 was Rs. 2265.01 crores which at RE stage was increased to 2370.47 crores and further enhanced to Rs. 2460.58 crores during BE 2016-17. However, the Committee are perturbed to note that over the years there has been a discernible gap in the budgetary demands made by the Ministry and actual allocations provided under this head despite optimum utilization of funds. Further, the Committee have also noted the problems of under provisioning of Missions/Posts on account of the depreciating value of the Indian rupee and general inflation. The Committee would therefore urge the government to be mindful of the provisions of currency fluctuation while proposing budget under this head so that the functioning of Indian Posts/Missions abroad are not adversely impacted due to paucity of funds. The Committee also reiterate their earlier recommendation that the Ministry should come up with a coherent policy regarding establishment of Indian Missions/Posts abroad.

### **Reply of the Government**

As per recommendation of the Hon'ble Committee, the Ministry has been considering the currency fluctuation, while proposing budget of the Missions/Posts abroad. The Ministry has to do allocations of funds to the Indian Missions/Posts abroad as per the approved BE. The Ministry has demanded Rs. 3921.49 crore in the first supplementary grant for FY 2016-17. As a result of persistent efforts an additional cash allocation of Rs. 600 crore has been obtained in the first supplementary demands for grants for the current financial year. RE 2016-17 has been proposed for Rs. 17317.29 crore.

The Ministry has taken due note of the Hon'ble Committee's recommendation regarding establishment of Indian Missions/Posts abroad, which is closely related to India's geo-political priorities and intensity of bilateral engagement.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 13)**

The Committee observe that now the MOIA has been merged with the Ministry of External Affairs 'Passport and Emigration' are being covered under one head. It seems to be very clear that passports are one issue and emigration is another issue. Passports have been an ongoing scheme with the Ministry of External Affairs for decades. Emigration is now a new

responsibility. The Committee are shocked by the negligence accorded to the emigration section in the budget despite the fact that India has the second highest number of emigrants moving abroad for work and study. Therefore, the Committee strongly desire that in order to have clarity in the merger's functioning, these two issues should be covered under two different heads to impart greater coherence and significance. In light of the merger of the erstwhile MOIA with MEA, this head calls for adequate attention as it deals with migrant workers, students and professionals abroad who are vulnerable to a series of tribulations and whose only resort during times of distress is their nationality. During deliberations, the Committee were informed that there is a separate budget head for the Protector of Emigrants. The Committee note that this head only covers allocations for the administrative costs of the PGE while the other costs are being covered under Passport and Emigrations head. The Committee, therefore, desire that there should be clarity about the elements of emigration to be dealt with by the Ministry under these two heads.

### **Reply of the Government**

In budget Major Head 2061 "External Affairs", while the Sub-Head is called "Passport and Emigration", the operative Minor Head is called "Central Passport Organisation". The nomenclature of this Minor Head was changed in FY 2012-13 as it was earlier called "Central Passport and Emigration Organisation". The total budget provision for Protector General of Emigrants (PGE) in FY 2016-17 is Rs.15.76 crore, and includes costs such as office expenses, salaries, medical expenses, domestic and foreign travel expenses, professional services, information technology etc. PGE does not incur any expenditure from the Passports-related Sub-Head and Minor Head.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 17)**

The Committee are aware that over the past few years, there has been a deepening of India's engagements at the bilateral, regional as well as multilateral level. The Ministry has informed the Committee that India's international outreach since 2014 has been guided by principles and priorities which *inter-alia* includes greater focus on implementation of international commitments, revitalizing India's engagement with its immediate neighbourhood, developing a comprehensive security strategy, giving greater energy to the "Look East" Policy, defining a well thought out approach towards the Indian Ocean and special outreach towards Indian Diaspora. The Committee further observe a pragmatic mix of continuity and change in the conduct of India's foreign policy. The Committee also note the existence of mechanisms of consultation and coordination between MEA and other arms of Government to ensure that factors shaping India's foreign policy are in tune with the country's national priorities. The Committee have been further informed that the Ministry has been adapting to the challenge of administering India's expanding engagement within available resources through its Fast Track Diplomacy initiatives.

The Committee, therefore, suggest that the Government take a serious look into the twin problems of budgetary constraints and the lack of a coherent foreign policy on global issues that are undermining the potential of India's international outreach. In this direction, the Committee recommend the Government of India that expanding international engagement should be supplemented by adequate budgetary allocations. Further, the Committee also recommend that the Ministry of External Affairs take all requisite institutional as well intellectual steps to spell out a coherent and balanced grand strategy for India in the world.

### **Reply of the Government**

The Policy Planning and Research Division of the Ministry has been tasked to produce a number of research papers and policy briefs on specific aspects of India's foreign policy. The focus of these papers ranges from immediate response options to an emerging issue to medium and long-term trends and developments in the world and India's evolving role and interests over this strategic horizon. These papers tap into the expertise available within the Ministry, as well as that available externally, through consultations with other relevant Departments/Ministries and think-tanks. On the basis of this forward looking analysis, these papers draw out policy recommendations/ options for reorienting the energies of India's foreign policy apparatus. All these analyses collectively help shape the roadmap of India's international engagements in pursuit of our foreign policy objective of ensuring a peaceful, stable external environment and creating the most propitious climate for India's economic growth and development.

The Ministry will continue its efforts with Ministry of Finance to get sufficient funds to enable adequate budgetary allocation.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 21)**

The Committee are perturbed to note that there has been a sizeable reduction in aid and loans to countries in our immediate neighbourhood such as Maldives, Bhutan, Sri Lanka, Afghanistan and Bangladesh. The main reason for reduced allocation in aid to these countries is based on individual requirements evolving political situations. The Committee are of the opinion that the justification provided by the Ministry is far from reassuring. Further, owing to the poor Supplementary Grant record of the Ministry, the Committee are apprehensive of the feeble assurance given by the Ministry that additional fund requirements will be flagged to the Ministry of Finance at a later stage. The Committee contend that the quantum of aid to a country under this head is viewed as a reflection of India's diplomatic engagements with its immediate and extended neighbourhood. Therefore, the Committee would specifically recommend that the Ministry of Finance should be convinced to have a considered view of the demands made by the Ministry at RE stage to ensure that the budgetary allocation under this head is enhanced in consonance with India's "Neighbourhood First" Diplomatic posture.

### **Reply of the Government**

The Ministry acknowledges the concern shown by the Hon'ble Committee. As a result of persistent efforts an additional cash allocation of Rs. 600 crore has been obtained in the first supplementary demands for grants for FY 2016-17 towards Aid to Mauritius, Aid to Seychelles and Chabahar Port in Iran. The Ministry has proposed adequate budgetary demands in RE 2016-17 and BE 2017-18.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 22)**

The Committee note that the development partnership work of the Ministry integrates the portfolios of several other Ministries, necessitating the need of regular coordination with them at all the stages of project implementation. Further, the Committee are aware that there are areas where the expenditure is incurred from the Ministry budget but the credit is given to other Ministries. The construction of the Police Academy in Maldives is a case in the point. The Committee, therefore, suggest the Ministry to chart out a model for effective coordination with related Ministries pertaining to project execution and spending. Further, as the Ministry has aptly pointed out, this could be a potential area for tapping additional resources which could be extremely helpful to overcome the budgetary challenge it faces.

### **Reply of the Government**

GOI's grant assistance projects in neighboring countries are being implemented in close coordination with the line Ministries. Line Ministries are consulted at various stages of the project implementation including formulation of project parameters, finalization of Detailed Project Report (DPR), preparation of Tender Documents, etc. The Ministry also includes the concerned Line Ministries in the Committee(s) constituted for monitoring and review of project implementation. The Police Academy in Maldives [now called the Institute for Security & Law Enforcement Studies or ISLES] is now being implemented directly by MEA with inputs from MHA, as required.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 34)**

The Committee in their Sixth Report (16<sup>th</sup> Lok Sabha) had recommended that apart from the normal process of recruitment from other Governmental departments, lateral entry should be open to academia, think tanks, NGOs and the Private Sector. The Committee are happy to learn that in pursuance of the Committee's recommendation, the Ministry has initiated the process of engaging consultants from the academia for its Policy Planning and Research Division. The Committee are of the opinion that instead of recruiting the consultants from academia on a contractual/temporary basis, the Ministry should try to integrate them into the Division wherein their specialization and expertise could be a valuable input for policy planning and formulation.

### **Reply of the Government**

The Ministry has started the process of engaging Consultants from the academia for its Policy, Planning and Research Division as well as other Divisions. The Ministry has till now engaged Consultants with expertise in various spheres of International Relations. These Consultants have been deployed in Policy Planning & Research Division of the Ministry and in Southern Division, Multilateral Economic Relations (MER), Americas Division and SAARC Division.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 44)**

The Prime Minister's Global Advisory Council of Overseas Indian (PMGAC) was established in 2009 with a term of two years; and it was last reconstituted in 2011 and its last meeting was held in January, 2014. The Committee is aware of the significant role this Council was mandated to play by drawing upon the experience, knowledge and wisdom of eminent persons of Indian origin in diverse fields for a two-way engagement between India and Overseas Indians. The Committee, however, note that there is no mention about this Council in the entire budget documents with regard to financial year 2016-17 and the Ministry is also not clear about the continuation and reconstitution of the Advisory Council. The Committee, therefore, desire to know whether the Government propose to reconstitute the PMGAC or whether they prefer to proceed with regular consultation with eminent Overseas Indians under a revised format.

### **Reply of the Government**

So far, five meetings of the Council have been held under the Chairmanship of the Prime Minister. The 5<sup>th</sup> meeting was held on 8 January 2014 at New Delhi. The Council meeting was attended by eminent Overseas Indians.

The Ministry is seeking sustained and issue based interaction with the Indian Diaspora. With this objective, the Ministry has initiated PBD Conferences in 2016 under which 10 Conferences will be held in New Delhi under the Chairmanship of EAM, on issues of relevance to the Indian Diaspora and the Government. To each conference, Government is inviting Overseas Indians who are domain experts and policymakers/stakeholders from India. These conferences are enabling a deeper and more substantive and direct connect between the Government and the Overseas Indian Community.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 48)**

The Committee over the years in their reports have underscored the desirability of introducing a new Emigration Act that reflects the changed international as well as domestic



situation. The Committee are disheartened to note that the Draft Emigration Bill stated to replace the Emigration Act, 1983 has been put in abeyance since 2011 and the Ministry has once again failed to adhere to the deadline for introducing the Bill during the Monsoon Session of parliament last year. The Committee are not satisfied with the Ministry's response that several administrative and operative measures such as MADAD, e-migrate etc. have been in place for the protection and welfare of emigrant workers. The Committee are of the considered opinion that administrative and operative measures can supplement but may not substitute legislation. Therefore, the Committee recommend that the Ministry should fix a time frame to complete the consultation process and introduce the Bill in Parliament without any further delay.

### **Reply of the Government**

The Ministry is conscious of the need to modernize the legislative framework prescribed by the Emigration Act, 1983 and the Emigration Rules that governs emigration of Indians for overseas employment. The then Ministry of Overseas Indian Affairs had held consultations with other Ministries/Agencies concerning the Draft Emigration Management Bill. It was felt that more extensive consultations were needed. Meanwhile, several administrative and operative measures have already been put in place and further strengthened to enhance the protection of emigrant workers and avoid their exploitation by unscrupulous agents. These are specifically aimed at making a difference at the ground level.

The E-migrate platform is an important step in this direction and is well-placed at eliminating corrupt practices and streamlining the recruitment of Indian workers in an efficient manner. The Government has also started a 24 × 7 Helpline "MADAD" for online lodging and redressal of grievances of the emigrants on a priority basis. A student registration module has also been developed under the MADAD portal for voluntary registration of students going abroad. In addition, five Migration Resource Centres are functional in different parts of the country and a 24 × 7 toll-free helpline of Overseas Workers Resource Centre is operational to disseminate information and provide counselling on issues related to overseas employment. The mandatory Pravasi Bharatiya Bima Yojana and the Indian Community Welfare Fund in Missions and Posts abroad are important schemes to assist emigrants in exigency.

Presently, the Ministry is in the process of considering all aspects of international migration in its totality in consultation with various stakeholders and is working towards evolving a comprehensive emigration management framework.

[File No. AA/Parl/125/44/2016]

## CHAPTER V

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

#### **(Recommendation No. 1)**

The Committee note that the Government have taken a very welcome decision to merge the Ministry of Overseas Indian Affairs with the Ministry of External Affairs w.e.f. February, 2016. The Committee have been continuously expressing their concerns about the performance of MoIA during the one decade of its existence. MOIA was totally dependent upon MEA for every matter pertaining to Indian Nationals abroad and all the Diaspora activities were undertaken through Missions and Posts abroad which were controlled by the MEA. Due to such an arrangement, there were unnecessary delays in the implementation of decisions, schemes, programmes for the Diaspora. Moreover, during all these years MOIA received a very meagre allocation and it was not even able to utilize that small allocation. The Committee are also pleased to note that following the merger of the erstwhile MOIA with the MEA, all budget heads and sub-heads under which various schemes, programmes and events relating to the Diaspora will be retained in their current form. The Committee are hopeful that in the aftermath of this merger, the resources and capabilities will be strengthened and the needs and concerns of Diaspora would be addressed in a better way.

The Committee, therefore, strongly recommend that the Ministry should ensure that the work relating to reviewing all the schemes/programmes and events related to the erstwhile MoIA and issues concerned with the merger is completed within six months. The Committee may be apprised about the outcome of the review process, once it is completed.

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

The merger of Ministry of Overseas Indian Affairs (MOIA) with Ministry of External Affairs (MEA) became effective in February 2016. Since then the Ministry has reviewed several programmes, schemes and initiatives that had been launched by erstwhile MOIA.

Ongoing schemes and programmes for Diaspora engagement were reviewed and the following decisions were taken:

#### **A. Know India Programme (KIP)**

To strengthen engagement with the young Indian Diaspora, KIP was reviewed and following changes have been introduced in the programme:

- Number of KIPs organized in one year was enhanced to six in 2016 with 40 participants in each KIP. The first KIP was held in May. The second KIP was held in October. The next four KIPs will be held from December 2016 to January 2017.
- The duration of the KIP has been increased to 25 days. Every KIP will have a State Government as partner and will host KIP participants for 10 days at their cost. This will enable KIP participants to connect with their respective States of origin in India.
- Age limit of participants has been increased from 26 to 30 years
- Air fare will be reimbursed to the participant before they leave for India.

#### **B. Study India Programme (SIP)**

Ministry's SIP, which has evoked a poor response from PIOs, was closed down after a thorough review as it was felt that objectives of SIP and target group were similar to the KIP.

#### **C. Scholarship Programme for Diaspora Children (SPDC)**

Scholarship Programme for Diaspora Children enables Children of Persons of Indian Origin (PIOs) and Non-Resident Indians (NRIs), to pursue Under Graduate courses in Indian Universities/Institutes in different fields (except medical and related courses) both professional and non-professional in Engineering/Technology, Humanities/ Liberal Arts, Commerce, Management, Journalism, Hotel Management, Agriculture/ Animal Husbandry etc. SPDC was reviewed in 2015-16. The revamped SPDC is now in place from academic year 2016-17 with the following highlights:

- The Scheme has been extended from 40 to 66 countries including 17 ECR countries.
- The number of scholarships has been increased from 100 to 150 with 50 slots earmarked for the Children of Indian Workers in ECR countries. Of these 50 slots, 1/3<sup>rd</sup> of slots are reserved for children of Indian workers in ECR countries studying in India.
- Income criteria would be applicable to all categories of students.
- Scholarship will be offered for pursuing courses in:
  - Central Universities of India offering Under Graduate Courses
  - Institutions accredited "A" Grade by NAAC; and
  - Institutions covered under DASA Scheme: National Institutes of Technology (NITs), Schools of Planning and Architecture (SPAs), Indian Institutes of Information

Technology (IITs).

- Information Technology, B.Sc (Nursing) and B.Pharma have been added to courses eligible for scholarships.
- As an e-governance mechanism, a portal SPDCINDIA.GOV.IN has been developed to enable online application and processing.
- Applications were to be submitted online from 23<sup>rd</sup> August 2016 to 23<sup>rd</sup> September 2016.
- List of scholarship awardees will be announced in October-November 2016. SPDC scheme for the year 2016-17 for scholarship was announced on 23 August 2016.

#### **D. Pravasi Bharatiya Divas (PBD) Conference**

To re-energise our engagement with the Indian Diaspora and to seek pro-active, sustained and issue-based engagement, we have revised the format of the PBD. The annual PBD Convention will henceforth be held once in two years in a Convention format with participation of a large number of Indian delegates from overseas. In the intervening year, PBD Conferences will be held in New Delhi on a monthly basis on 10 subjects of interests of Indian Diaspora. Accordingly from February 2016 PBD Conferences are being held with participation of nearly 10 overseas Indians who are domain experts and about 10 resident Indians who are stakeholders with regard to that issue. From January 2015, Indian Missions/Consulates also celebrate PBD on 9 January.

#### **E. Overseas Indian Facilitation Centre**

Overseas Indian Facilitation Centre (OIFC) was set up as a PPP between erstwhile MOIA and CII to facilitate knowledge and economic engagement of overseas engagement with India. Following the merger of MOIA with MEA, under the Allocation of Business Rules order issued in February 2016, investment facilitation aspects of the work pertaining to Indian Diaspora have been transferred from MEA to Department of Industrial Policy and Promotion (DIPP). Therefore in order to avoid duplication of work between the two Ministries, and since “Invest India” has been set up by DIPP to provide advisory services with regard to foreign investment, it has been decided to close OIFC. Ministry is in the process of undertaking procedures to this effect.

#### **F. Pravasi Kaushal Vikas Yojana (PKVY)**

A Memorandum of Understanding (MoU) has been signed on 2 July 2016 between MEA and the Ministry of Skill Development and Entrepreneurship (MSDE) for implementation of PKVY. The scheme aims at enhancing the skills set of potential emigrant workers in select

sectors and job roles, in line with international standards, to facilitate overseas employment. Initially, the scheme would focus on sectors that are in demand in ECR countries. The Ministry has allocated Rs. 10.00 crore for this scheme for the current financial year. The Ministry is in process of working out the modalities of transfer of funds to the MSDE.

#### **G. Indian Community Welfare Fund (ICWF)**

The Indian Community Welfare Fund has emerged as an important tool to assist Overseas Indian nationals abroad in times of distress and emergency on a 'means tested' basis. The Fund has already been extended to all Indian Missions and Posts abroad. The Ministry is in process of revising the ICWF guidelines so as to make them more broad-based with necessary checks and balances.

#### **H. Mahatma Gandhi Pravasi Suraksha Yojana (MGPSY):**

Being a voluntary scheme and for a variety of other reasons, the subscription under the Mahatma Gandhi Pravasi Suraksha Yojana (MGPSY) has remained extremely low. The Ministry is in process of closing the MGPSY while strengthening other measures including the mandatory insurance scheme Pravasi Bharatiya Bima Yojana (PBBY) for welfare of overseas Indian workers.

Issues regarding merger are being addressed as per the decisions taken at the time of merger in coordination with DoPT.

[File No. AA/Parl/125/44/2016]

#### **(Recommendation No. 9)**

The Committee understand that many Missions-Posts are staffed by one Ambassador and two other local staff limited responsibilities. For such a small set up, the government is incurring significant establishment cost. The Committee agree to the consideration of the Ministry about the need to rationalize Missions and support the view that in the case of small countries a cluster of Missions under one roof can be a workable solution. Similarly, the Committee also desire that to ensure economy in their expenditure, the Ministry should hire more local employees on average in the Missions/Posts, because the cost of the local employee is just 20% of the cost of an India based employee. The Committee desire that the Ministry should take an early decision on the issue of clustering of Missions/Posts and the possibility of hiring a larger number of local employees with an objective to reduce the establishment expenditure on Missions/Posts, and apprise them about the action taken thereon.

### **Reply of the Government**

To address the increasing demand for additional human resources in Missions/Posts abroad, a comprehensive exercise in consultation with all the Missions/Posts abroad was undertaken by the Ministry to assess the requirement of additional local staff. This is under process.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 11)**

The Committee are perplexed to note that despite the merger of the erstwhile MOIA with MEA, the budgetary allocation under the sub-head 'International Conference/ Meetings' has been increased by Rs. 5 lakhs only keeping in view the requirements of the erstwhile MOIA. It has been informed that the MEA does not organize international conference of a public nature; rather it provides funding and advisory support to research organizations that organize such events.

The Committee, therefore, desire that the Ministry should clearly spell out the conferences/ meetings that would be covered under this sub-head. They however, suggest that the various conferences organized by the Ministry should be covered under this head rather than in a disjointed way and also all the conferences/ seminars to be organized during a particular year should be planned in advance with a specific pronounced objective and allocation.

### **Reply of the Government**

The recommendation of the Hon'ble Committee has been duly noted. The Ministry will look into ways to consolidate expenditure on various conferences/seminars under this sub-head. The Hon'ble Committee will be kept apprised of progress in this regard.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 29)**

The Committee observe that the major activities funded from the allocation under the Head SAARC Programme include student exchange programmes among members of SAARC countries, establishment of SAARC Museum of Textiles and Handicrafts and grants to NGOs for organizing SAARC related activities. For all these activities, Rs. 10 crores were allocated during 2015-16 and full allocation was spent without providing any grant in-aid to any NGOs for organizing cultural activities due to paucity of funds. For 2016-17 the same allocation of Rs. 10 crores have been retained despite several proposals from NGOs having been received in the SAARC Division. The Committee, therefore, desire that the Ministry should ensure that a sufficient number of cultural activities are undertaken in SAARC countries during the current

financial year by providing grant-in-aid to NGOs under this head in coordination with the Ministry of Culture and ICCR, as appropriate.

### **Reply of the Government**

The Ministry has approved contribution as Grant-in-aid of up to Rs. 70 lakhs for organization of SAARC Sufi Festival in October 2016 and SAARC Festival of Literature in February 2017.

The Ministry also grants financial assistance regularly for participation of delegations from SAARC countries in the Surajkund Crafts Mela. Grants-in-aid to NGOs for cultural activities in SAARC countries will be considered after assessing suitability of new proposals and as per availability of funds.

[File No. AA/Parl/125/44/2016]

### **(Recommendation No. 31)**

The Committee note that India's relations with the Latin American and Caribbean region have significantly intensified both in terms of political as well as trade/commercial engagements. The Budgetary provision of Rs. 15 crores during BE 2016-17, in the opinion of the Committee, is highly incommensurate with the importance attached to this region. Further, nearly all the countries in this region have been supporting India at various international forums and are hopeful of India's increased developmental assistance. The Committee are pleased to note that the Line of Credit of US \$ 8 million to Guyana has been finally approved by the Inter Ministerial Finance Committee. The Committee are distressed to note that despite being a region of importance to India, the budgetary allocation under this head has remained meagre. The Committee, therefore, strongly recommend the Ministry that the Budget should be reflective of the importance India attaches to this region. Further, the Committee are hopeful that the grant part of US \$ 8 million will be utilized by the Ministry during the current financial year. Furthermore, the Committee desire that the politically momentous project of upgradation of ICT system of CARICOM Secretariat is completed by the scheduled time of December 2016.

### **Reply of the Government**

Over the last few years, our political as well as trade and commercial engagement with the Latin American and Caribbean region has intensified significantly. In the last two years, several high-level visits have been exchanged and political and official consultations have been conducted with almost all major countries in the region.

Approval of grant of US\$ 8 million and LOC of US\$ 10 million for purchase of Passenger Ocean Ferry from India has been conveyed to Government of Guyana. The process is under way for Ministry to approve the pre-tender documents for the Government of Guyana to issue the

tender thereafter to select contractors. Once this process is completed, at least 25% of the approved grant of US\$ 8 million will be utilized in the current FY with payment to be released to the Indian company depending on the progress of the construction of the ferry as envisage in the Agreement. It is expected that the approved grant will be completely utilised in the next two financial years.

For the upgradation of ICT at the CARICOM Secretariat, a team of IT professionals and material are to be despatched to Guyana and it is expected that the work will be completed by FY 2017-18.

[File No. AA/Parl/125/44/2016]

**(Recommendation No. 45)**

The Committee are aware the HRMP can lay down an effective framework for bilateral cooperation for maximizing the benefits from labour mobility and minimizing its risks such as irregular migration and integration problems. The Ministry has informed that an HRMP has been signed with Denmark, negotiations with the Netherlands have been concluded, and negotiations have been initiated with Australia, France, Switzerland, Sweden, European Union and Italy. The Committee are unconvinced by the Ministry's justification that it would not be possible to provide a time frame for completion of ongoing negotiations have been with different countries. The Committee, therefore, recommend that the Ministry should take adequate steps to expedite conclusion of various HRMP agreements in progress and also apprise the Committee about the same.

**Reply of the Government**

India signed a Joint Declaration on a Common Agenda on Migration and Mobility (CAMM) with EU on 29 March 2016. A High-Level Dialogue on CAMM is likely to be held in January-February 2017. The outcome of the High-Level Dialogue would be an action plan to implement the objectives of CAMM. India-EU CAMM would also serve as a base document for negotiating Human Resource Mobility Partnerships (HRMPs) with individual EU member countries. On-going negotiations on HRMP with EU countries inter-alia would be in accordance with the principles and objectives enshrined in the CAMM. While several countries have been linking the readmission issue with HRMPs, India has, in response, been insisting on concluding a social security agreement. This has made negotiations on concluding HRMPs with these countries difficult. However, efforts are underway to conclude negotiations at the earliest.

[File No. AA/Parl/125/44/2016]

**(Recommendation No. 50)**

The Committee note that ICCR's Cultural Centres abroad are the principal instrument of India's institutional Cultural outreach outside India. The Committee have also taken a note that ICCR has its presence in the form of established cultural centres in just 37 countries, which is



nowhere close to China, the USA and the UK, who have established centres in more than 100 countries. The Committee have also taken serious note of the problem of under-staffing as well as under-resourcing of ICCR cultural centres. With regard to the construction of cultural centres at Washington and Paris, the Committee have been informed that properties in Paris and Washington have been purchased and work related to their re-development is under way and hope that it will be completed expeditiously. The Committee are dismayed to note that despite the broad consensus on desirability of opening of new cultural centres abroad, paucity of funds have severely impeded the implementation of such a policy.

The Committee, therefore, recommend the Ministry to improve the capacity building of Indian Cultural Centres abroad in order to ensure greater outreach and effective promotion of Indian culture abroad. The Committee further desire that the Ministry should provide necessary approvals along with financial resources for the planned opening of eight cultural centres in Hanoi, Sydney, Paris, Washington, Lagos, Buenos Aires, Toronto and Singapore. The Committee also desire to be apprised of the recommendations of the performance Audit Team which has been constituted by ICCR to study the function of the cultural centres.

### **Reply of the Government**

ICCR endeavours to expand its outreach through its Cultural Centres abroad. Of the proposed eight Centres namely Centres in Hanoi, Sydney, Paris, Washington, Lagos, Toronto, Singapore and Buenos Aires, Centres in Hanoi and Sydney have been made functional. While ICC Sydney is functioning from Chancery premises, building for establishing ICC in Hanoi has been identified. Posts for these two centres have also been sanctioned. Properties identified in Paris and Washington are being redeveloped. Establishment of Centres in Buenos Aires, Lagos and Toronto would be freshly taken up with the respective Missions, as these were put on hold due to financial constraints in the past few years. As regards Centre in Singapore, it was proposed to establish the Centre in the premises of Chancery. However, our Mission informed that local laws do not permit to have Cultural Centre as part of the foreign Missions. The Mission has been advised to review the matter. In order to study the working of ICCRs and improve their quality, output and outreach efforts, ICCR had commissioned a Performance Audit of its select Centres. Report of the Performance Audit Team is currently under preparation.

[File No. AA/Parl/125/44/2016]

**NEW DELHI**  
*February, 2017*  
*Magha 1938 (Saka)*

**DR. SHASHI THAROOR,**  
*Chairperson,*  
*Standing Committee on*  
*External Affairs*

**MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON  
EXTERNAL AFFAIRS (2016-17) HELD ON 6 FEBRUARY, 2017**

The Committee sat on Monday, the 6 February, 2017 from 1515 hrs. to 1615hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

**PRESENT**

Dr. Shashi Tharoor – Chairperson

**MEMBERS**

**Lok Sabha**

2. Prof (Dr) Sugata Bose
3. Prof. Richard Hay
4. Shri Jose K. Mani
5. Shri Vishnu Dayal Ram
6. Prof. (Dr.) Mamta Sanghamita
7. Shrimati Supriya Sule
8. Shri Sharad Tripathi

**Rajya Sabha**

9. Shri Swapan Dasgupta
10. Dr. Karan Singh

**Secretariat**

- |    |                        |   |                     |
|----|------------------------|---|---------------------|
| 1. | Shri P.C. Koul         | - | Joint Secretary     |
| 2. | Dr. Ram Raj Rai        | - | Director            |
| 3. | Smt. Jyochnamayi Sinha | - | Additional Director |

2. At the outset, the Chairperson welcomed the members to the Sitting of the Committee.
3. The Committee took up for consideration the draft Report on Action Taken by the Government on the Observations/Recommendations contained in the Eleventh Report on Demands for Grants of the Ministry of External Affairs for the year 2016-17. The members suggested some minor modifications in the draft Report. The Committee adopted the draft Report with these minor modifications.
4. The Committee then authorized the Chairperson to finalize the Action Taken Report incorporating the suggestions made by the members and present the same to Parliament.

*The Committee then adjourned.*

## APPENDIX II

*(Vide Para 4 of Introduction of Report)*

### ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE ELEVENTH REPORT OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS (16<sup>TH</sup> LOK SABHA)

- (ii) **Observations/Recommendations which have been accepted by the Government:-**

Recommendation Nos. 4, 6, 10, 12, 14, 15, 16, 18, 19, 20, 23, 24, 25, 27, 28, 30, 32, 33, 35, 36, 37, 38, 39, 41, 42, 46, 47, 49, 51, 52

**Total- 30**  
**Percentage: 57.69%**

- (ii) **Observations/Recommendations which the Committee does not desire to pursue in view of the Government's replies:-**

Recommendations No. 26, 40, 43

**Total-3**  
**Percentage: 5.76%**

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

Recommendation No. 2, 3, 5, 7, 8, 13, 17, 21, 22, 34, 44, 48

**Total-12**  
**Percentage: 23.07%**

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

Recommendation Nos. 1, 9, 11, 29, 31, 45, 50

**Total-7**  
**Percentage: 13.46%**