

21

**COMMITTEE
ON EXTERNAL AFFAIRS
(2017-18)**

SIXTEENTH LOK SABHA

MINISTRY OF EXTERNAL AFFAIRS

**DEMANDS FOR GRANTS
(2018-19)**

TWENTY FIRST REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

MARCH, 2018/PHALGUNA, 1939 (Saka)

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(2017-18)**

(SIXTEENTH LOK SABHA)

**MINISTRY OF EXTERNAL AFFAIRS
DEMANDS FOR GRANTS
(2018-19)**

Presented to Lok Sabha on 9 March, 2018

Laid on the Table of Rajya Sabha on 9 March, 2018



**LOK SABHA SECRETARIAT
NEW DELHI**

MARCH, 2018/PHALGUNA, 1939 (Saka)

COEA NO. 135

Price : Rs.

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha
(_____Edition) and Printed by

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COMPOSITION OF THE COMMITTEE ON EXTERNAL AFFAIRS (2017-18)

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

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

Rajya Sabha

22. Smt. Jaya Bachchan
23. Shri P. Bhattacharya
24. Shri Satyavrat Chaturvedi
25. Shri Sambhaji Chhatrapati
26. Shri Chunibhai Kanjibhai Gohel
27. Smt. Kanimozhi
28. Shri C.M. Ramesh
29. Shri D. Kupendra Reddy
30. Shri D. P. Tripathi
31. Vacant*

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- | | | |
|---------------------------|---|---------------------|
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| 3. Smt. Jyochnamayi Sinha | - | Additional Director |
| 4. Ms. Smita Singh | - | Executive Assistant |

*Dr. Karan Singh, Member of Parliament retired *w.e.f.* 27 January, 2018

INTRODUCTION

I, the Chairperson of the Committee on External Affairs having been authorized by the Committee to present the Report on their behalf, present this Twenty-First Report of the Committee on External Affairs (2017-18) on Demands for Grants-2018-19 of the Ministry of External Affairs.

2. The Committee heard the views of the representatives of the Ministry of External Affairs at their Eleventh Sitting held on 16 February, 2018.

3. The Committee wish to express their gratitude to the officers of the Ministry of External Affairs for placing before them the material and information that the Committee desired and also appearing before the Committee for placing their considered views before them in connection with the examination of Demands for Grants - 2018-19.

4. The Report was considered and adopted by the Committee at their Thirteenth Sitting held on 7 March, 2018.

5. The Minutes of the Sittings of the Committee held on 16 February, 2018 and 7 March, 2018 are given in Appendix-I and II to the Report.

6. For facility of reference, the Observations/Recommendations of the Committee have been printed in bold.

NEW DELHI
7 March, 2018
18 Phalgun 1939 (Saka)

DR. SHASHI THAROOR
Chairperson,
Committee on External Affairs

CHAPTER – I
IMPLEMENTATION OF THE COMMITTEE’S RECOMMENDATIONS

The Fifteenth Report of the Committee on External Affairs (2017-18) on the Demands for Grants 2017-18 of the Ministry of External Affairs was presented to Lok Sabha and laid on the Table of Rajya Sabha on 20 March, 2017. The Report contained 43 Observations/Recommendations.

1.2 In compliance with Direction 73A of the Directions by the Speaker, the Minister of External Affairs had to make a Statement in the Lok Sabha on the status of the implementation of the Observations/Recommendations made by the Committee in their Fifteenth Report within six months from the date of presentation of the Report. However, no such Statement has been made by the Minister so far. Furthermore, statements on the status of implementation pertaining to the following ten Reports are also pending. The details of pending Statements are as follows:-

Sl. No.	Report	Date of Presentation in Lok Sabha / Rajya Sabha	Date of furnishing of Action Taken Notes by the MEA/MOIA
1.	Ninth Report (15 th Lok Sabha) on Demands for Grants 2011-12 of the Ministry of Overseas Indian Affairs.	29.08.2011	27.3.2012
2.	Thirteenth Report (15 th Lok Sabha) on Demands for Grants 2012-13 of the Ministry of Overseas Indian Affairs.	08.05.2012	6.1.2013
3.	Fifteenth Report (15 th Lok Sabha) on ‘Problems relating to Overseas Indian Marriages: Scheme for providing legal/financial assistance /rehabilitation to Indian women deserted by their Overseas Indian Spouses’.	27.06.2012	1.3.2013
4.	Nineteenth Report on Demands for Grants 2013-14 of the Ministry of Overseas Indian Affairs.	26.06.2013	31.1.2014
5.	Twenty fifth Report (15 th Lok Sabha) on ‘Passport Seva Project – Targets and Achievements.’	20.02.2014	26.9.2014

6.	Third Report on Demands for Grants 2014-15 of the Ministry of Overseas Indian Affairs.	22.12.2014	7.8.2015
7.	Fifth Report on Demands for Grants 2015-16 of the Ministry of Overseas Indian Affairs.	28.04.2015	8.9.2015
8.	Twelfth Report on 'Recruitment, structure and capacity building of IFS Cadre including need for a separate UPSC examination for mid-career entry and in service training and orientation'.	02.08.2016	7.4.2017
9.	Thirteenth Report on 'India's Soft Power Diplomacy including role of Indian Council for Cultural Relations (ICCR) and Indian Diaspora.'	23.11.2016	-
10	Fifteenth Report on Demands for Grants of the Ministry of External Affairs for the year 2017-18	20.3.2017	20.12.2017
11	Sixteenth Report on 'Indo-Pak Relations'	11.8.2017	14.11.2017

1.3 Expressing their strong disapproval over the inordinate delay on part of the Ministry in complying with the Directions of Speaker, Lok Sabha, the Committee in their recently presented Twentieth Report had desired that the Ministry should do the needful in the first week of the second half of the ongoing Budget Session.

1.4 On the basis of the Action Taken Replies received from the Ministry of External Affairs on the Fifteenth Report, the Committee presented their Twentieth Report (Action Taken Report) to both the Houses of Parliament on 8 February, 2018. The Committee in their Twentieth Report have commented on the Action Taken Replies furnished by the Ministry in respect of Recommendation Nos. 1, 2, 6, 7, 11, 14, 16, 19, 20, 21, 22, 23, 28, 29, 30, 31, 32, 33, 36, 38, 39 and 43 contained in the Fifteenth Report.

1.5 With regard to the status of implementation of the Recommendations made by the Committee in their aforesaid Report, the Foreign Secretary, during the course of oral evidence held on 16 February, 2018 stated:-

“My colleagues and I carefully note the Committee’s recommendations and greatly value receiving the benefit of your continued direction. I wish to reiterate our commitment towards implementing the Committee’s valuable recommendations.”

1.6 Despite persistent written and oral reminders and repeated Recommendations in previous Reports of the Committee, Statements under Direction 73A of Directions by Speaker, Lok Sabha in context of the Reports of the

Committee are piling up, which is not a happy augury. Direction 73-A has been issued with the specific intent of keeping the Parliament aware of the implementation status of Observations/Recommendations contained in the Reports of the Parliamentary Committees. For this purpose six months period has been prescribed for the Government to make the Statement, which is a reasonable time period. The Committee are distressed to note that in the instant pendency of Ministry of External Affairs, Statements are to be made for Reports presented as long as six years ago. In the considered opinion of the Committee, such inordinately long delays amount to hindering the oversight function of the Committee as well as the Parliament, which is a serious matter. The Committee hope that the Ministry would appreciate the gravity of the situation and get all the pending Statements under Direction 73A made in both the Houses as desired by the Committee in their Twentieth Report. Furthermore, in future, the Ministry will scrupulously adhere to the prescribed timelines in this regard.

(Recommendation No. 1)

CHAPTER II
REVIEW OF PAST PERFORMANCE

The Ministry of External Affairs (MEA) formulates and conducts India's foreign policy within the framework of our values and principles of fostering international peace and cooperation with the overall objective of meeting India's strategic aims and aspirations as well as to secure our national interests. In pursuance of its mandated objectives, the MEA headquarters in New Delhi is assisted by 184 Missions and Posts abroad; its Branch Secretariats and Passport Offices in India; and Autonomous Bodies funded by it. The Ministry is also supported by other Ministries and State Governments who also contribute to India's international engagement in consultation and coordination with MEA.

Utilization of Budget allocation (during 2017-18)

2.2 The total budgetary allocation for the Ministry of External Affairs (MEA) during the last five years is reproduced in the table below:

(Rs. in crore)

Year	BE	RE	Actual Expenditure	Increase/ Decrease at RE Stage
2013-14	11719.00	11793.65	11807.35	(+) 74.65
2014-15	14730.39	12620.00	12203.57	(-) 2110.39
2015-16	14966.83	14966.83	14472.96	NIL
2016-17	14662.66	13426.00	12753.37	(-) 1236.66
2017-18	14798.55	13690.00	9466.15*	(-) 1108.55
2018-19	15011.00	-	-	-

[* Upto 31 December, 2017]

2.3 MEA's Budget Estimates (BE) 2017-18 was Rs. 14798.55 crore which was reduced to Rs. 13690.00 crore during RE 2017-18. The Actual Expenditure during first nine months of the Fiscal was Rs. 9466.15 crore only, leaving a sum of Rs. 4124 crore to be spent during the last quarter. During the BE 2018-19, an allocation of Rs 15011.00 crore, which is 1.44% more than BE 2017-18 and 9.65% more than RE 2017-18 has been made. When asked about the reasons for reducing the allocation by Rs. 1108.55 crore at the RE stage during 2017-18 and the heads/ projects/ schemes that were affected due to this significant budget curtailment, the Ministry in a written reply submitted that the

MEA projected a budgetary demand of Rs. 17693.78 crore for RE 2017-18 to the Ministry of Finance, along with detailed justifications. The basis of these demands was explained in detail during discussions with Finance Secretary and Secretary (Expenditure) in October 2017. However, allocation for RE 2017-18 conveyed in December 2017 by Ministry of Finance was Rs. 13690 cr, *i.e.* 77.37 % of MEA's demand. Further, no reasons were provided by Ministry of Finance for lower allocation of funds.

2.4 The Ministry also undertook an assessment of the funds requirements for various heads in the MEA budget for suitable re-appropriation of allocation within the RE 2017-18 ceiling of Rs. 13690 crore, with identified savings being re-allocated to heads that needed enhancement, to ensure that the on-going projects, schemes and programmes are not adversely impacted.

2.5 While analyzing the Demands for Grants of previous years, the Committee had observed a gap between the budgetary projections made by the Ministry and allocations provided at the BE as well as the RE stages. The Ministry of External Affairs furnished the following details about the total budgetary allocations sought at BE as well as RE stage alongwith actual allocations and expenditure during the last three years as under:-

FY	BE		RE		EXPENDITURE		
	Demand	Allocation	Demand	Allocation	Actuals	% of BE	% of RE
2014-15	21927.83	14730.39	17729.59	12620.00	12148.82	82.47 %	96.27 %
2015-16	20034.62	14966.83	20018.03	14966.83	14472.96	96.7 %	96.7 %
2016-17	22966.89	14662.66	17317.29	13426.00	12772.62	87.10 %	95.13 %
2017-18	23830.95	14798.55	17693.78	13690.00	9466.15*	63.96 %*	69.15 %*

*[*Up to 31st of December 2017]*

2.6 While testifying before the Committee on 16.2.2018, the Foreign Secretary while explaining the trend of increased budgetary allocation at the BE stage and the reduced RE stage allocations stated:-

"In our budget making process, the budget estimates have to be submitted in September for a period which is six to eight months away, at the beginning of the next financial year and then that period goes all the way. So, we are making projections which are at least eight months away and up to 18 months. This is therefore an ideal situation in which budget estimates are projected because we presume that everything will go on course in order that we are able to have the

funds. The revised estimates are based on actual spending in quarter one and quarter two, that is, from 1st April to 30th September, where we have a much realistic realisation of what can be achieved between 1st October and 31st March of the following year. That is why these adjustments are made. "

2.7 With regard to the supplementary demands sought and actual allocations made during the previous financial year, the Ministry provided the following details:-

(Rs. in Crores)

Stage of FY 2017-18	Demand	Allocation
First Supplementary	601.00	0.00
Second Supplementary	0.03 *	0.03 *

[Only token supplementary sought and provided, for funds re-appropriation from internal savings]*

The Ministry also clarified that no reasons were provided by the Ministry of Finance for lower allocation of funds against the demands.

2.8 With a view to understand the matter in its entirety, the Ministry was asked to explain such budgetary cuts by the Ministry of Finance in fund allocation at each and every stage and the reasons for not being able to convince the latter for allocations asked for. In a written reply, the Ministry stated that in BE 2017-18; MEA was allocated Rs. 14798.55 crore against its demand of Rs. 23830.95 crore, which was 62% of the demand. For BE 2018-19, MEA has been allocated Rs. 15011 crore against its demand of Rs.20873 crore, which is 72% of the demand. Thus, the gap between the demand and allocation has narrowed. The Ministry will continue to make efforts to further reduce the gap between demand and allocation by, firstly, further rationalizing our demand to make it more realistic, need-based, and aligned to targets, as recommended by the Hon'ble Committee; and secondly, working more closely with the Ministry of Finance to facilitate a better appreciation by Ministry of Finance of MEA's important initiatives and associated funds requirements.

2.9 Elaborating upon the nature and manner by which the Ministry of External Affairs has liaised with the Ministry of Finance for enhanced allocation, the Ministry replied that it holds extensive discussions with Ministry of Finance at all stages of the budgetary cycle, especially when the demands for grants for RE of a given financial year and the BE of the next financial year are submitted and discussed with Ministry of Finance. The response of the Ministry of Finance has been constructive and positive.

2.10 The figures of expenditure utilization in the last three financial years as provided by the Ministry are as follows:-

FY 2014-15					
	Q1	Q2	Q3	Q4	Total (RE)
Allocation	3755.62	3196.60	2917.15	2750.63	12620.00
Utilization	3666.68	3259.12	3137.82	2085.20	12148.82
% Utilization	97.63 %	101.95 %	107.56 %	75.8 %	96.27 %
FY 2015-16					
	Q1	Q2	Q3	Q4	Total (RE)
Allocation	3342.59	3342.58	3342.60	4939.06	14966.83
Utilization	3066.08	4133.77	2016.92	5256.19	14472.96
% Utilization	91.72 %	123.67 %	60.33 %	106.42 %	96.7 %
FY 2016-17					
	Q1	Q2	Q3	Q4	Total (RE)
Allocation	3562.95	3562.95	3602.13	2697.97	13426.00
Utilization	2882.85	3345.67	2721.51	3822.59	12772.62
% Utilization	80.91 %	93.9 %	75.5 %	141.68 %	95.13 %
FY 2017-18					
FY 2017-18	Q1	Q2	Q3	Total till Q3 End	
Allocation	3305.01	3305.01	3305.01	9915.03	
Utilization	3897.14	2734.53	2834.48	9466.15	
% Utilization	117.92 %	82.74 %	85.76 %	95.47 %	

2.11 When asked about the guidelines issued by Ministry of Finance on fund utilization, the Ministry stated that the guidelines issued by Ministry of Finance include instructions that expenditure in the last quarter of the financial year remain within 33% of allocation and expenditure in the last month (March) of the financial year remain within 15% of allocation; all expenditure is closely monitored and fund releases are made in line with physical and financial progress of projects to ensure that there is no parking of funds; due measures of economy and rationalized spending are observed; expenditure is with the approval of competent authority, within budgetary availability, is properly recorded and classified, *etc.*

2.12 The actual expenditure for FY 2017-18 upto the month of December, 2017 was Rs. 9466.15. On being asked to justify such utilization trend and compliance with Ministry of Finance guidelines, the Ministry stated that the Ministry's expenditure of Rs. 9466.15 crore till 31 December 2017 against RE 2017-18 allocation of Rs.13690 crore is

69.15% of the RE allocation. Ministry of Finance guidelines stipulate expenditure of minimum 66% by the end of the third quarter, i.e. end of December. Thus, the Ministry has complied with the guidelines, with 3.15% more expenditure than the minimum 66% benchmark.

2.13 To the Committee's further query on the manner in which the Ministry of External Affairs intended to utilize the remaining allocation of Rs. 4223.85 crore in the last quarter of FY 2017-18, the Ministry submitted that the remaining allocation of Rs. 4223.85 crore would be utilized as per the estimated expenditure of various Divisions and Spending Units. As per the provisional expenditure figures of January 2018, Ministry has utilized Rs. 10732.95 crore or 78.4% of RE allocation till January 2018.

2.14 In the absence of any supplementary allocation provided in the second and third supplementary of 2017-18, the Committee were anxious to know as to how the Ministry managed to fund the projects/tasks for which additional demands were sought. The Ministry stated that The Ministry did not seek funds in the second supplementary for FY 2017-18, and only a Token Supplementary of Rs. 3 lakhs was sought to enable re-appropriation from internal savings, which was provided, and because of which Ministry was able to meet its requirements. Ministry of Finance did not seek proposals for the third supplementary for FY 2017-18.

2.15 In view of the not so optimistic picture of supplementary allocations during last few years, the Committee were keen to know whether the Ministry is hopeful of getting the desired funds at the RE and supplementary stage of 2018-19. In a written reply, the Ministry submitted that the Ministry will make firm and focused efforts to utilize these resources in an efficient and timely manner, while remaining prudent in its spending. The Ministry will aim to achieve anticipated implementation progress in all its key result areas and demonstrate robust expenditure in the first half of the financial year, which will assist the Ministry in making a positive case with Ministry of Finance to further narrow the gap between its demand and allocation at the Revised Estimates stage.

2.16 Regarding specific steps taken by the Ministry to improve the financial management and spending pattern. The Ministry replied that all expenditure is closely

monitored and fund releases are made in line with physical and financial progress of projects to ensure that there is no parking of funds with implementing agencies. To ensure optimal utilization of budgetary resources during each quarter of the financial year, expenditure is closely and regularly monitored by the Financial Advisor in consultation with Divisional Heads, including through quarterly expenditure review meetings. During the quarterly expenditure review meetings the expenditure plans of the Ministry's various Divisions and Spending Units are discussed and the importance of ensuring balanced expenditure during each quarter of the financial year is emphasized. Divisions/Spending Units accordingly make all efforts to ensure evenly paced expenditure, within the constraints of a majority of the spending being in foreign countries where diverse local conditions and varying project development and implementation schedules pose a challenge for alignment of expenditure to its own budget cycle. As a result of these efforts, the Ministry has achieved expenditure of Rs.9466.15 crore till the end of the third quarter, which is 69.15% of RE 2017-18 allocation of Rs.13690 crore. Thus, only 30.85% of the RE allocation is remaining for spending in the last quarter, which is as per Ministry of Finance's guidelines that expenditure in the last quarter of the financial year, remains within 33% of allocation. All efforts will be made to also ensure that expenditure remain within the 15% ceiling for the last month of the financial year.

2.17 While tendering Oral Evidence before the Committee, the Foreign Secretary further stated:-

“we would like to assure the Committee that we will make firm and focussed efforts to utilise the resources in an efficient and timely manner while remaining prudent in our spending. We hope to achieve our anticipated implementation progress in all our key results areas and demonstrate robust expenditure in the first half of the new financial year. This will also help up in making a positive case with the Ministry of Finance to narrow the gap between our demand and their allocations because, as you know, the revised estimates are based, essentially, on spending in Q-1 and Q-2 of the financial year. In distribution terms, about Rs. 6,000 crore or 40 per cent of the Budget is on the scheme side and Rs. 9,000 crore or 60 per cent on the non-scheme side.”

2.18 The Foreign Secretary while outlining certain practical challenges the Ministry faces in executing the projects abroad further stated:

“This is because there are some issues like the difficulty of applying Indian procurement rules in external markets. This is also requirement of our lines of credit for our grant. We are also facing problem because of variable geo-political realities and security concerns which, although it is our intention to spend the money, inhibits the spending of money for various reasons and I would just briefly like to flag in this case two countries where we have met a challenge, that is, Maldives and some of the projects in Myanmar on which I will dwell at some length subsequently. But these complexities do cause setbacks in our spending which are factors beyond our control. I seek the Committee’s understanding of this. Despite these, we are recognised by fellow developing countries for our willingness and our ability to provide technical and financial assistance through development cooperation initiatives.”

2.19 While examining the Demands for Grants of the Ministry of External Affairs over the past few years, the Committee have noted four discernible trends in budgetary allocation and utilization, namely mismatch between budgetary demand and actual allocation; uneven quarterly expenditure; reduction in allocation at the RE level and actual expenditure even less than RE and; failure to convince Ministry of Finance for higher allocation in consonance with the ever increasing foreign policy mandate. Overcoming these cyclical patterns have remained the most daunting challenge before the MEA. Emphasizing on the need for a well-defined and focused budgetary planning process, the Committee in their Fifteenth Report on Demands for Grants had specifically recommended that the Ministry create a formal mechanism to work out the budgetary exercise in a holistic manner. The Ministry was further asked to consider the concept of zero based budgeting. In the Committee's view, the current practice of making budgetary projections at the Unit level in an arbitrary fashion appears to be the major factor behind the mismatch in demand and allocation and further recurrent budgetary cuts imposed by the Ministry of Finance at all stages of budgetary allocation. Notwithstanding observance of measures of economy, rationalized spending and restrictive conditions of international aid and projects, the discrepancy between the projections and actual allocations has become a defining aspect of the annual Demands for Grants of

MEA. The Committee, therefore, are of the firm opinion that the Ministry should follow a two-pronged strategy in budget management to solicit adequate budgetary allocations at every stage. First, an exhaustive internal reform should be initiated by working out a formal budgetary mechanism with regular monitoring and evaluation of each Unit at the highest level. Second, the Ministry should endeavour to consistently engage with the Ministry of Finance at all possible levels to convince them about the significance of allocating substantial budgetary allocations to a Ministry that not only has burgeoning foreign policy goals but also is a carrier of India's image abroad. The Government of India pre-poned the presentation of the Budget by a month or so to 1 February, 2017 with a view to ensure amongst others that the budgetary process was completed on time and funds allocated to various Ministries/Departments were available to them from day one of the Fiscal. The Committee, however, observe from the data on spending furnished by the Ministry that major expenditure will still be booked in the second half of the Fiscal 2017-18. Being the first year of the initiative, the Committee would refrain from forming any opinion in the matter. However, they desire a detailed note in the matter from the Ministry so as to arrive at a considered view. Since this major initiative ought to affect all Ministries/Departments of the Government of India, the Committee desire that while preparing this note the Ministry of External Affairs should seek inputs from the Ministry of Finance as well.

(Recommendation No. 2)

2.20 The Committee note that the Ministry is in agreement with their observations regarding the scope for improvement in the process by which budgetary demands are prepared at the Unit level but it has also submitted that the mismatch between funds demanded and actual utilization is largely on account of its technical assistance and development cooperation schemes, projects and programmes being implemented abroad where certain extraneous factors come into play which are beyond its control. The Ministry, inexplicably, has not intimated about steps taken towards formulating a zero based budgeting process, which incorporates continuous evaluation and assessment of budgetary allocation against fund utilization. The Zero Based Budgeting seems all the more imperative now

where the Committee observe significant and unrealistic gaps between the allocations sought, BE and RE and the expenditure actually incurred. While acknowledging the factors put forth by the Ministry, the Committee desire that the Ministry take fool proof steps to secure all clearances and pre-emptive steps before going ahead with the international aid projects.

(Recommendation No. 3)

2.21 On examining utilization of budgetary allocation during 2017-18, the Committee find that the Ministry has an amount of Rs. 4223.85 crore to spend in the last quarter. Thus, 30.85 percent of the RE allocation is remaining for spending in last quarter, which is slightly less than the Ministry of Finance guidelines of expenditure within 33% of allocation. The Committee have made a note of the specific steps taken by the Ministry to improve financial management and spending pattern. It is perplexing to note that while on one hand, there has been a discrepancy in budgetary demands made by MEA and actual allocations provided, on the other hand, even the lower Revised allocated outlays are not spent by the Ministry. The budgetary cuts inflicted upon the Ministry of External Affairs seem to be a fall out of its own expenditure pattern. The Committee are satisfied to note that the Ministry has now felt that the gap between budgetary demands and allocation can be narrowed down by demonstrating robust and prudent expenditure in first two quarters of the financial year and presenting a positive case before the Ministry of Finance. The Committee, therefore, strongly recommend that the Ministry should first demonstrate efficient utilization of funds in first two quarters of the year by observing the progress at Unit level and also maintain it at optimal level so that the Ministry of Finance at least not reduce the funds at the RE stage. Simultaneously, the Committee would recommend that the Ministry of External Affairs convince the Ministry of Finance to well-equip them financially so that the foreign policy objectives do not get restricted due to lack of financial resources.

(Recommendation No. 4)

CHAPTER-III
ANALYSIS OF DEMANDS FOR GRANTS 2018-19

Under the Constitution of India [Article 113 (2)], estimates of expenditure are submitted to Lok Sabha in the form of Demands for Grants. Generally, one Demand for Grant is presented in respect of each Ministry or Department. The Demands for Grants of the Ministry of External Affairs (Demand No. 28) was presented on 1 February, 2018.

I. Overall Budgetary Proposals and Allocation

3.2 As stated previously in this Report, MEA's Budget Estimates (BE) 2017-18 was Rs 14798.55 crore, which was reduced to Rs 13690.00 crore at the Revised Estimates (RE) stage. The allocation in BE 2018-19 is Rs 15011.00 crore, which is 1.44% more than BE 2017-18 allocation and 9.65% more than RE 2017-18 allocation. As per the Ministry, the percentage of MEA's budget allocation, as a percentage of the overall GoI budget, is as follows:

(Rs. in Crore)

	BE 2017-18	RE 2017-18	BE 2018-19
MEA Budget	14798.55	13690.00	15011.00
Overall GOI Budget	2146735.00	2217750.00	2442213.00
%	0.69 %	0.62 %	0.61 %

3.3 In comparison to BE 2017-18, there has been an increase in amount allocated to MEA during BE 2018-19, however, in terms of percentage of MEA's budgetary allocation to the GOI budget there has been a decline. Stating the reasons for reduction of the budgetary allocations as a proportion of the of the Governments overall budget, the Ministry stated that each GoI Ministry makes demands for grants based on its own requirements and allocations are provided to them by Ministry of Finance as per its assessment. The demands and allocations of various GoI Ministries may not be comparable as each Ministry's requirements would be based on their own on-going and planned programmes.

3.4 During the course of oral evidence, the Foreign Secretary while further elaborating upon this stated:

"...the correct comparison will not be in percentage terms because the Government has also substantially increased spending in domestic programmes. As you are aware, the MEA is one of the smallest Ministries of the Government of India in terms of spending. So, I would think that the better judge would be the fact that we have for the first time crossed the Rs. 15,000 crore mark as the Ministry's budget. Our endeavour would be to continue to scale up these figures rather than to just see whether we can improve it in percentage terms *vis-à-vis* the allocation to other Ministries of the Government of India."

3.5 In wake of the expanding mandate and footprint of MEA, the Committee expressed serious apprehension as to whether this meagre increase of 1.44% will be adequate to cover the necessary costs of the Ministry's increasingly important role within the global context. Explaining the way in which it will seek to fulfill its functions / mandate with the current budgetary allocation, the Ministry stated that Funds have been allocated to various Heads of the Ministry's budget after a detailed and careful assessment of requirements, in consultation with concerned Divisions and Spending Units. The Ministry will make firm and focused efforts to utilize these resources in an efficient and timely manner, while remaining prudent in our spending. The Ministry will aim to achieve anticipated implementation progress in all our key result areas and demonstrate robust expenditure in the first half of the financial year, which will assist the Ministry in making a positive case with Ministry of Finance at the Revised Estimates stage. The Ministry will ensure that all ongoing projects, schemes, programmes and commitments have requisite funds within MEA's overall BE and RE ceilings.

3.6 The Committee were keen to know about the efforts made by the Ministry to obtain more allocation to raise alternative finances for carrying out its expenses. In a written reply, the Ministry stated that The Ministry would continue to make all efforts to ensure that all ongoing projects, schemes, programmes and commitments have requisite funds within MEA's overall BE and RE ceilings.

3.7 The Committee were keen to know whether the Ministry has undertaken any comparative study of the budgetary allocations made to other Ministries as a proportion

of the overall budgetary allocation of Government of India *vis-a-vis* their budgetary demand. The Ministry answered that it has not carried out such a study. Each GoI Ministry makes demands for grants based on its own requirements and allocations are provided to them by Ministry of Finance as per its assessment. The demands and allocations of various GoI Ministries may not be comparable as each Ministry's requirements would be based on their own on-going and planned programmes. Further, the demands of each Ministry are not shared by Ministry of Finance with other Ministries

3.8 To the Committee's further query on details about cross country comparative study undertaken by the Ministry with regard to budgetary allocations to the various Ministries/Councils entrusted with the task of managing foreign affairs, the Ministry stated that it does not have these details. A comparison with other countries has not been made as each country has its own structures and policies with regard to expenditure in different areas.

3.9 Elaborating on the reason for enhanced allocations during BE 2018-19, the Foreign Secretary submitted:-

“Our overall budget allocation in 2018-19 is a little over Rs. 15,000 crore against our demand of almost Rs. 21,000 crore. Only 72 per cent of our demands have been met. This is an improvement from last year when only 62 per cent of our demand was met. This is primarily due two reasons. We have tried to rationalise our demands to make it more realistic, need-based and align to targets. This is something the Committee had also recommended earlier. Secondly, again as per the Committee's recommendations, we have begun a much closer consultative process with the Finance Ministry. This has facilitated a better appreciation of some of MEA's more important initiatives for which we have been able to secure funds in the coming financial year which will on the first of April.”

3.10 In their Fifteenth Report, the Committee had strongly recommended the Ministry to develop a well-defined and focused budgetary planning process so as to ensure that allocations sought are arrived at keeping in view achievable plans and projects and the absorption capacity of various units under the Ministry. The Ministry was further urged to consider the concept of Zero Based budgeting while drawing their future funds projects. In this regard, when asked to enumerate the specific steps taken to develop a focused and well-defined budgetary planning process for getting Budget for 2018-19 and

the outcome thereof, the Ministry replied that allocations for Aid heads are made after undertaking a realistic spending assessment based on project implementation cycles, local conditions and physical progress for on-going projects, schemes and programmes; and based on project implementation timelines and cost estimates for planned projects, schemes and programmes. The Ministry has developed a rigorous mechanism of Quarterly Budget Management Meeting, which is chaired by Foreign Secretary himself. These budget management meetings are detailed exercise for head-wise evaluation of projects and evolving needs under various heads of Technical & Economic Cooperation as well as on the Non-Scheme head. For ongoing projects under the aid programs, the budgetary requirements are gauged based on inputs from the primary Divisions/Spending units which are collated and compared with the past utilization, work progress and pace of expenditure of the project. Aided by these budget management meetings as well as deliberations with various spending units at the RE and BE, a realistic budgetary estimates is drawn by the Ministry. For new projects, budgetary provisions are made as per estimates determined by project implementation timelines and cost estimates in their Detailed Project Reports. Allocations are then made to the extent of funds available within the overall budgetary provision made by Ministry of Finance. The selection of the projects to be undertaken under the Aid heads is an administrative decision which is taken by the Territorial Divisions and DPA in view of the political relations with the respective countries.

3.11 On Committee's further query on whether the Ministry has taken into account the idea of Zero Based budgeting while drawing budgetary demands for FY 2018-19, the Ministry responded that the overarching principle of zero-based budgeting guides the continuous evaluation and assessment of budgetary allocation as against funds utilization in Ministry's budget management. The Ministry is making sincere efforts towards realistic budgetary demands by the Ministry spending units. The Ministry will make more efforts in this direction to realize credible budgetary demands justified by past efficient utilization of funds and objective assessment of anticipated expenditures based on implementation progress.

3.12 Regarding the issue of the budgetary allocation being commensurate with our Foreign Policy objectives, the Foreign Secretary during the oral evidence observed:

“About the size of the Budget, whether it was commensurate with the Government’s foreign policy objectives, I suppose money is never enough. But we have also to see our capacity and capability to utilise those funds. I think the real effort of the Ministry has been to now identify priority sectors and priority areas to ensure that those are funded properly. Our effort really is that the executing arms of the Ministry which are essentially the Central Passport Offices, the Protector General of Emigrants, the External Publicity Division, the Protocol Division because we are servicing a large number of in-bound and out-bound visits and DPA division, the three divisions dealing with developmental partnership assistance, are not lacking in funds. That is the priority and we ensure that these divisions do not lack in funds.”

3.13 The Committee observe that against a projected demand of Rs. 20,873 crore by MEA, only 72% of the demand *i.e.* Rs. 15,011 crore has been provided in BE 2018-19. In comparison to BE 2017-18, there has been a marginal increase of 1.44% in budgetary allocation to MEA during BE 2018-19. However, in terms of percentage of MEA’s budget to the overall budget of the Government, there has been a decline from 0.69% to 0.62% *vis-a-vis* BE 2017-18. The Ministry’s contention that for the first time the budgetary allocation of MEA has crossed Rs. 15,000 crore appears to be of no solace to the Committee.

Despite the Committee's strong emphasis on enhanced budgetary allocation to MEA in keeping with its expanded foreign policy goals and objectives, the budgetary allocation made in BE 2018-19 has been modest. The Ministry of External Affairs is strongly urged to undertake a cross-Ministry as well as cross-country (of Ministries/Departments with the mandate of managing foreign affairs) comparative analysis of budgetary allocations and apprise the Committee of such an endeavour within three months. The Committee are of the considered opinion that such a readily available data can serve as a potent tool for convincing the Ministry of Finance about the necessity of granting enhanced allocation to MEA. In view of the burgeoning global footprint and mandate of the Ministry, the Committee further suggest that the Ministry of External Affairs explore other funding

mechanisms in cooperation with Line Ministries to ensure foreign policy objectives are achieved successfully.

(Recommendation No 5)

II. Classification of Budget into Scheme and Non-Scheme

3.14 The Plan and Non-Plan classification has been discontinued since the financial year 2017-18. The budget classifications are now only in terms of Revenue and Capital heads and Scheme and Non-Scheme sections. MEA Scheme's section comprises the Ministry's Central Sector Schemes, which are essentially the technical and economic cooperation Grant and Loan assistance programmes for other countries.

3.15 The details of allocation for Scheme and Non-Schemes Sections in BE 2018-19, as provided by the Ministry are furnished below:

(Rs. in Crores)

Allocation for Scheme Section in BE 2018-19	
Aid to Bhutan Grants	1813.50
Aid to Bhutan Loans	836.50
Aid to Afghanistan	325.00
Aid to Bangladesh	175.00
Aid to Nepal	650.00
Aid to Sri Lanka	150.00
Aid to Maldives	125.00
Aid to Myanmar	280.00
Aid to Mongolia	5.00
Aid to African Countries	200.00
Aid to Eurasian Countries	30.00
Aid to Latin American Countries	20.00
Aid to Other Developing Countries	115.00
Aid for Disaster Relief	20.00
Chahbahar Port	150.00
Aid to Mauritius	350.00
Aid to Seychelles	300.00
ITEC-Programme	280.00
SAARC Programme	10.00
SCAAP Programme	0.00
Multilateral Economic Relation Programme	30.00
TCS of Colombo Plan	0.00

ASEAN Multilateral	45.00
Energy Security	0.05
Investment Promotion and Publicity Programme	75.00
Total Scheme	5985.05

(Rs. in Crores)

Allocation for Non-Scheme Section in BE 2018-19	
Secretariat-General Services	440.64
Embassies and Missions	2701.00
Passport and Emigration	1058.75
International Conferences/ Meetings	0.10
Entertainment Charges	70.50
Other Scheme	30.38
High Level Delegation	50.00
Special Programmes	40.89
Special Activities of Missions	46.51
MEA Hostels and Residential Complexes	9.58
Capital Outlay on Public Works	600.00
Capital Outlay on Housing	200.00
Pravasi Kaushal Vikas Yojana	5.00
Special Diplomatic Expenditure	2400.01
International Cooperation	337.10
Nalanda University	200.00
South Asian University	375.00
Maintenance cost of Aircraft of Air India for VVIP travel	141.00
Demarcation of Boundaries	3.50
Celebration of Pravasi Bharatiya Divas	10.00
Expenditure relating to Pilgrimages abroad	3.00
Loss by exchange	0.01
Grants to Institutions	4.67
Training (Foreign Service Institute)	14.61
Indian Council of Cultural Relations	255.00
Indian Council of World Affairs	16.70
Research & Information System for Non-Aligned & Other Developing Countries	12.00
Total Non-Scheme	9025.95

3.16 On being asked about the utility of these classifications in better appreciation of budget allocations and monitoring of expenditure trend, the Ministry replied that the

Scheme and Non-Scheme classification provides better appreciation for budget requirements and allocation for project-related international commitments as aid-related spending has come under a single classification, enabling the allocation to be seen as a consolidated and clear percentage of the overall budget.

3.17 Allocations as per Revenue/Capital heads and Scheme/Non-Scheme sections are as below:

(In Rs. Crore)

Section	BE 2017-18	RE 2017-18	BE 2018-19
Revenue	12648.29	12389.33	13374.50
Capital	2150.26	1300.67	1636.50
Total	14798.55	13690.00	15011.00

3.18 In comparison to BE 2017-18, a trend of decrease in allocation at RE 2017-18 and increase in allocation at BE 2018-19 can be discerned under both Revenue and Capital Section. In justifications, the Ministry stated that it undertakes a detailed and careful assessment of funds requirements for the various heads in the MEA budget, in consultation with concerned Divisions and Spending Units, as per funds utilization status and implementation progress of projects, schemes and programmes, to suitably allocate funds within the RE 2017-18 and BE 2018-19 ceilings conveyed by Ministry of Finance, to ensure that Ministry's ongoing projects, schemes, programmes and commitments have requisite funds. The trend of decrease in RE allocations and increase in BE allocations is essentially because of the overall budgetary allocation given to MEA by Ministry of Finance being less in RE and more in BE. Therefore, adjustments are made in the allocations to various heads of MEA's budget to adhere to the overall RE and BE ceilings given by Ministry of Finance.

3.19 The following table indicates budgetary allocation as per Scheme/Non-Scheme Sections during 2017-18 and 2018-19.

(In Rs. Crore)

Section	BE 2017-18	RE 2017-18	BE 2018-19
Scheme	6894.03	5074.49	5985.05
Non-Scheme	7904.52	8615.51	9025.95
Total	14798.55	13690.00	15011.00

3.20 When asked about the expenditure covered under this Head, the Ministry replied the heads covered under 'Scheme' for MEA is (i) Major Head 3605 'Technical and Economic Cooperation with Other Countries'; and (ii) Major Head 7605 'Advances to Foreign Governments'. The rest of the budget is 'Non-Scheme'.

3.21 In distribution term, 40 percent of the Budget is on the Scheme side and 60 percent on the non-scheme side, pertaining to the reasons for imbalance, the Foreign Secretary during the oral evidence stated:-

"I would like to assure the Committee that this imbalance is not caused by any slowdown in the execution of our international aid commitments, which make up the Scheme side; but due to enhanced spending in recent years in the Non-Scheme side Areas in the Non-Scheme side on which we have enhanced our budget includes the Passport Seva Project providing citizen-centric public services. It also includes the financial strengthening of our Missions and Posts abroad. The Nalanda and South Asian Universities are also part of the Non-Scheme expenditure. It also includes programmes for overseas Indians, capital expenditure on construction and acquisition of properties for Indian diplomatic offices and residences abroad and MEA's offices in India.

Overall, we are hopeful of having our aid and non-aid outlays becoming more evenly distributed in the next two financial years. We are accelerating the completion of on-going projects through high-level review mechanisms, with the participation of concerned Line Ministries. Indeed, the External Affairs Minister herself has taken a number of reviews on major projects that we are doing in the neighbouring countries and both the Ministers of State have reviewed projects in Africa. This consultative process with Line Ministries also enables recognition of bottlenecks and joint identification of ways to resolve them. We are optimistic that some of the large infrastructure projects that we have conceived and initiated in the last couple of years will transition to the implementation stage this year."

3.22 The Committee wanted to know whether there has been any change in the mechanism for monitoring of expenditure also in wake of the new categorization of expenditure under 'Scheme' and 'Non-Scheme' Heads. The Ministry in a written reply stated that all expenditure is closely monitored and fund releases are made in line with implementation progress of projects, programmes and schemes, including through quarterly expenditure review meetings. However, given the decreasing share of the Scheme Section in the overall MEA budget, there has been more intensive monitoring

and review of the technical aid and development assistance projects in the past one year, including at the level of the External Affairs Minister and Foreign Secretary. These reviews have identified the way forward for many stalled projects. Further, due to the regular review and monitoring of MEA's scheme section at high levels, several new initiatives and projects have been identified in consultation with the concerned beneficiary host governments in the past one year, which would be getting finalized and operationalized in FY 2018-19.

3.23 The Plan and Non-Plan distinction in expenditure budgeting has been discontinued and currently budget classifications are in terms of Revenue and Capital Heads and Scheme and Non-scheme sections. The Committee are happy to learn that the bifurcation of scheme and non-scheme section has resulted in better appreciation of budgetary requirements and allocation for projects related to international commitments as aid related spending has come under a single classification. In view of the declining share of the scheme section in the last fiscal, the Ministry has carried out an intensive monitoring and review of the technical and aid development assistance project, including at the levels of External Affairs Minister and Foreign Secretary. The Ministry is hopeful that the aid and non-aid outlays will be evenly distributed in the next two financial years. The Committee, therefore, desire that the Ministry of External Affairs should take appropriate measures in this direction and keep them informed. Notwithstanding the fact that the expenditure covered under the Scheme section exclusively pertains to two Major Heads namely 'Technical and Economic Cooperation with other countries' and 'Advances to Foreign Governments', which constitute the central plank of a country's international credentials, this section has not been kept immune from budgetary cuts. The Committee are dismayed to note that despite repeated recommendations that budgetary cuts should not be effected in such a critical aspect of our global engagement and diplomacy, it has neither found much reverberation in MEA's fiscal prudence nor in Ministry of Finance's budgetary allocation to the former. The Committee, therefore, strongly recommend that the Government refrain from making financial cuts under the scheme section of MEA's budget

pertaining to International aid and commitments as it directly impinges on our foreign relations and international image abroad.

(Recommendation No 6)

III. OTHER ALLOCATIONS

A. Embassies and Missions

3.24 This minor head provides for the expenditure on India's representation abroad and functioning of Missions and Posts abroad. An outlay of Rs. 2528.56 crore was allocated for BE 2017-18 and it was increased to Rs. 2632.47 crore at the RE stage. An amount of Rs. 2701 crore has been provisioned during BE 2018-19. The Ministry informed that increase in the budgets of India's diplomatic Missions and Posts abroad are mainly been due to increase in salaries; rents and taxes; medical expenses; opening of new Missions/Posts; increase in sanctioned posts for India-based officials and locally recruited staff etc.

3.25 On the Committee's query, the Ministry provided the details of projections, allocations and expenditure for 'Embassies and Missions' as follows:

(Rs. in Crores)

Financial Year	Projection		Allocation		Expenditure
	BE	RE	BE	RE	
2014-15	2417.00	2432.95	1832.31	2021.91	2104.22
2015-16	2593.51	2554.91	2265.01	2370.47	2285.98
2016-17	2817.48	2823.71	2460.58	2514.01	2486.94
2017-18	3046.78	2778.21	2528.56	2631.47	1881.68*

** Up to December 2017*

3.26 In view of the expanding ties between India and other countries, the Ministry was asked to enumerate plans for expansion in terms of establishing new Missions/Posts/Consulates/Indian Cultural Centres abroad. The Ministry stated that with a view to expand India's global footprint, it is in the process of consultation with concerned Departments of Government of India for opening of new Missions in different regions of the world beginning with Africa. This also envisages creation of new posts that would not only expand the overall diplomatic cadre strength but also reprioritize and reorient our diplomatic footprint abroad. In Africa, Missions are proposed to be opened in

the next four years in those countries where India does not have a resident diplomatic presence at present. In due course, Ministry plans to open new Missions in other countries as well. Further, Ministry plans to open Consulates to meet the objectives of promoting investment and trade, address the issues faced by Indian diaspora, and promote Indian culture.

3.27 On being asked, the Ministry enlisted the criteria for determining the decision for establishment of Embassies and Missions abroad by stating that the decision for opening of new Missions is taken on the basis of an assessment of India's geo-political priorities; intensity of bilateral engagement; welfare of Indian diaspora; commercial, developmental, and cultural interests; and, reciprocal arrangement with the country concerned, on a case to case basis.

3.28 The Committee in their earlier Reports had desired the Ministry of External Affairs to come up with a concrete policy regarding establishment of new Embassies/Missions abroad. Elaborating upon the present status of framing a policy, the Ministry stated the decision for opening of new Missions is taken on the basis of an assessment of India's geo-political priorities; intensity of bilateral engagement; welfare of Indian diaspora; commercial, developmental, and cultural interests; and, reciprocal arrangement with the country concerned, on a case to case basis. On the basis of assessment on the above criteria, with a view to expand India's global footprint, Ministry is in the process of consultation with concerned Departments of Government of India for opening of new Missions in different regions of the world, beginning with Africa.

3.29 While tendering evidence before the Committee, the Foreign Secretary stated:-

“I am happy to share with the Committee that we are very far down the road to opening new Indian Embassies abroad. While we still await final approvals, I believe there will be light at the end of the tunnel in the coming financial year. Obviously, our request to open embassies abroad are determined not only by the financing aspects which is a matter of the Ministry of Finance to decide but also personnel availability which is something the MEA should take into account. But within those constraints, we are going to open substantial number of new embassies. The Committee will be happy to know that this will happen in the course of the next financial year.”

3.30 Given the budgetary constraints, the Ministry was asked to underline the steps taken to rationalize the working and expenditure of Indian Missions/Posts abroad. In a written reply, the Ministry submitted that budget allocation for Indian Missions and Posts abroad is a large-scale and comprehensive exercise with fund demands from over 180 Missions and Posts compiled, assessed and accommodated within the Ministry's overall budgetary constraints. Allocation to each Mission/Post is distributed in more than 10 sub-heads, each of which requires assessment and reconciliation individually, i.e. over 2000 sub-heads to be catered to. Given the scale of the exercise, the Ministry examines the progressive expenditure achieved till November each year by each Mission/Post, and special funds requirements such as for replacement of flag/staff car etc. are individually checked and corresponded to ensure that the requirement is realistic and the funds utilization would be as per the timeline projected by the Mission/Post. As a result, enhancement of allocation for Missions/Posts is kept at the minimum level as per actual requirements, while ensuring that all functional needs are provided funds without any negative impact on operational efficiency.

3.31 On the issue of availability of data on countries where there existed no resident Missions currently and the reasons for the same, the Ministry stated that the List of countries where India does not have Resident Missions at present is as following: Albania, Andorra, Antigua and Barbuda, Bahamas, Barbados, Belize, Benin, Bolivia, Bosnia and Herzegovina, Burkina Faso, Burundi, Cabo Verde, Cameroon, Central African Republic, Chad, Comoros, Congo (Republic of the), Costa Rica, Djibouti, Dominica, Dominican Republic, Ecuador, El Salvador, Equatorial Guinea, Eritrea, Estonia, Gabon, Islamic Republic of the Gambia, Georgia, Grenada, Guinea, Guinea Bissau, Haiti, Holy See (Vatican), Honduras, Kiribati, Latvia, Lesotho, Liberia, Liechtenstein, Lithuania, Luxembourg, Marshall Islands, Mauritania, Federated State of Micronesia, Monaco, Montenegro, Nauru, Nicaragua, Palau, Paraguay, Republic of Moldova, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, San Marino, Sao Tome and Principe, Sierra Leone, Solomon Islands, Somalia, Swaziland, The former Yugoslav republic of Macedonia, Timor-Leste, Togo, Tonga, Tuvalu, Uruguay, and Vanuatu.

Indian Missions and Posts abroad are established based on assessment of India's geo-political priorities, intensity of bilateral engagement, welfare of diaspora, commercial, developmental, cultural interests and reciprocal arrangement with the concerned country, on a case to case basis. India's global outreach and influence has increased in the last two decades, which requires expanding our global diplomatic footprint. To this end, the Ministry is working towards opening new Missions in countries where there is no resident Indian Mission, starting with Africa.

3.32 The Committee further enquired whether the Ministry has chalked out a planned time frame for establishment of new Embassies/Mission in these countries. The Ministry submitted that as a major step towards expanding India's diplomatic footprint to countries where Indian resident Missions are not present, Ministry has prepared a proposal for opening new Missions starting with Africa. Ministry also plans to open new Missions in other countries based on intensity of bilateral relations, political commitments at highest level, trade and economic relations, size of Indian diaspora and strategic factors.

3.33 Regarding the existence of a centralized monitoring mechanism at Headquarters to keep a check on the activities and to ensure efficient and fast delivery of services by various Indian Missions/Posts, the Foreign Secretary, during oral deposition stated:

“Largely now, we are doing it on the digital basis. There is a platform in the Ministry called ‘Performance, Evaluation and Monitoring System’. We do, from time to time, send teams but that is a very static thing. Invariably, when the teams go, the best foot is put forward as you know. In three or four days, you cannot really discover much. So, while those teams go to missions, which are problematic, where we have concerns. We, now, have an online monitoring system, which is weekly and monthly. That includes everything. Whatever deadlines are set by the Ministry, are followed. For instance, they say: ‘Have you done the confidential reports of officers?’ That has been a major problem in the past in promotions. So, we find that useful. But that, of course, needs improvement.”

3.34 During the course of oral evidence, the Foreign Secretary gave the following clarification on the proposal to open new Mission/Posts in Latin America:-

“It is difficult to persuade the Ministry of Finance to create posts. There are some countries in Latin America and also some countries in the Baltic States which have been pressing for opening embassies because they have embassies here. That will be the next step.”

3.35 The Committee note that the budgetary allocation under the Head 'Embassies and Missions' has witnessed an upward trend, moving from Rs. 2528.56 crore in BE 2016-17 to Rs. 2631.47 crore in RE 2017-18 and to Rs. 2701 crore in BE 2018-19. With an increase in allocation at the RE Stage *vis-à-vis* BE stage over the past four years, it is observed that this head is an exception to the general trend of budgetary allocation of MEA. The Ministry has enlisted five parameters for deciding the opening of new Missions, *viz*, assessment of India's geo-political priorities; intensity of bilateral engagement; welfare of Indian Diaspora; commercial, developmental and cultural interest; and reciprocal arrangement with the country concerned, on a case to case basis. With a view to expanding India's global footprint, the Ministry is in the process of consultation with concerned Departments of Government of India for opening of New Missions in different regions of the world, beginning with Africa. With regard to opening of Missions in Latin America or Baltic States, the Ministry informed that it will be the next step of MEA, but it is difficult to persuade the Ministry of Finance to create posts to run the Mission/Posts. The Committee, therefore, desire that the Ministry should chalk out a roadmap along with timelines for opening of new Missions/Posts, and inform the Committee about the same. While determining the location of new Missions, the Ministry should strike a balance between the demand and the extent of the country's presence in our country. So far as the issue of creation of human resource is concerned, the Committee desire that the Ministry ought to take up the matter at the highest level to persuade the Ministry of Finance in this matter.

The Committee have been continuously reminding the Missions for improvement in monitoring of performance and evaluation of existing Missions/Posts. In this regard, the Foreign Secretary in his candid submission apprised that the Ministry has introduced an online monitoring system on weekly and monthly basis, however it needs further improvement. The Committee, therefore, strongly desire that centralized monitoring mechanism is established to ensure an efficient and timely delivery of services in the Indian Missions/Posts abroad.

(Recommendation No.7)

B. Passport and Emigration

3.36 This Minor Head provides for expenditure on Passport Offices (POs), printing of travel documents, scanning of passport applications and files, lease of passport printers and printing of travel documents, purchase of passport printers, computerization of Passport Offices, payments of State Governments and Union Territories for their passport related services-verification etc. The allocation during BE 2017-18 was Rs. 823.59 crore, which was increased to Rs. 988.97 crore at RE stage. The Budgetary allocation for BE 2018-19 has been kept at Rs. 1058.75 crore. Allocation is enhanced in RE-2017-18 and BE-2018-19 within overall budgetary constraints for opening of new Post Office Passport Seva Kendras (POPSKs), and to clear pending payments to States/UTs and printing of travel documents.

3.37 While noting that the sub-Head is called 'Passport and Emigration', expenditure under this head was restricted only to issues related to Passport, the Ministry were asked about the head which catered to the expenditure on issues related to emigration, the Ministry responded that while the Sub-Head is called 'Passport and Emigration', the operative Minor Head under it is called 'Central Passport Organisation'. The nomenclature of the Minor Head was changed in FY 2012-13 from 'Central Passport and Emigration Organisation' to 'Central Passport Organisation'. However, the name of the Sub-Head under which it falls was not changed and continued to be called 'Passport and Emigration'. There is a separate budget provision for the Protector General of Emigrants (PGoE).

3.38 As per the Ministry, ninety-two Passport Seva Kendras (PSKs) are operating across the country, as on 10 February 2018, as arms of the 37 Passport Offices, thus providing extended reach to passport applicants. The Ministry in association with the Department of Posts has decided to open 251 Passport Seva Kendras at the Head Post Offices (HPOs)/ Post Offices (POs) in the country, to be called 'Post Office Passport Seva Kendra' (POPSKs). Of these, 60 POPSKs are functional as on 9 February 2018.

3.39 The Ministry has also submitted that the lack of adequate budgetary allocation under the Information Technology, Office Expenses, and Printing and Procurement of

Travel Documents heads under the Passport and Emigration Minor Head is one of the challenges being faced in the expansion of the Passport Seva Project. Funds under these Heads are necessary for the procurement of IT and non-IT related equipment, for payments to the private service partner, and for hiring of Data Entry Operators to bridge the gap between the sanctioned strength of the Central Passport Organization cadre and those in position, and to make payments to SPMCIL Nashik for supply of travel documents.

3.40 Regarding the progress made so far in the direction of integration of Missions and Posts abroad with the Passport Seva Portal, the Ministry stated that views of the National Institute for Smart Government have been received on the proposal for integration of Indian Missions and Posts abroad, which was submitted by the Service Provider of the Passport Seva Project. These are under examination in the Ministry. An allocation of Rs. 10 crore has been earmarked for this project in BE 2018-19.

3.41 The Consular, Passport and Visa (CPV) Division of the Ministry provides passport services through the Central Passport Organization (CPO) and its network of Passport Offices, Passport Seva Kendras (PSK), and Post Office Passport Seva Kendras (POPSK) and consular, visa and passport services to overseas Indian/foreign nationals through the Indian Embassies and Consulates abroad.

3.42 As per the information furnished by the Ministry, the sanctioned strength of the Central Passport Organization is 2697 and the actual working strength is 2051 as on 31 January 2018. In this context, the Committee enquired about the progress made with regard to the recommendation of the Committee in their Fifteenth Report, to fill up the vacant gazetted / non-gazetted posts in CPO and steps to embark upon recruitment drive to tide over manpower inadequacies to meet additional deployment in the POPSKs. The Ministry stated that it has taken several steps to improve the service conditions of the CPO personnel by re-structuring and expanding of the CPO cadre to ensure that vacant posts available are filled by faster promotion with necessary amendments/ downgrading of posts/ and through relaxation in eligibility service in the Recruitment Rules. The Ministry is also constantly striving to maintain a balance between the staff strength at the PSK, POPSK and the Passport Offices by dynamically moving the available officials for

optimizing output. The Ministry placed an indent of 224 posts of different non-gazetted level with the Staff Selection Commission (SSC) during 2017, out of which 32 dossiers have been received from SSC for Assistant Superintendents till 10 February, 2018. Appointment letters are being issued to them.

In 2017, 34 officials (6 Assistant Superintendents, 3 Stenographers, 1 Senior Passport Assistant, 3 Junior Passport Assistants, 18 Office Assistants and 3 Drivers) have been granted Modified Assured Career Progressive Scheme. In 2017, 41 officials (7 Assistant Superintendents and 34 Junior Passport Assistants) in various grades were confirmed in service. Compassionate appointment of 4 Junior Passport Assistants and 5 Office Assistants has been made in the CPO in 2017. Promotion of Senior Superintendents to Assistant Passport Officer and from Superintendents to Senior Superintendents is *sub-judice*. To tide over the manpower shortage, Ministry has engaged 349 outsourced Data Entry Operators and 96 Office Assistants against vacant posts.

3.43 Regarding training of staff of Postal Department under POPSKs, the Foreign Secretary while deposing before the Committee added:

“If we were not to use post office staff, we would not have the number of personnel in the Ministry simply as we do not have those posts to carry forward an initiative which is citizen centric. But I want to assure the Committee that hiring post office staff is only for non-sovereign functions at the post office in the same manner that they accept parcels or that they accept any other post office service. The sovereign functions like processing the passports and issuing them is very much remaining with the External Affairs Ministry and the Ministry has no intention of giving up these sovereign functions. As and when the staff is increased, we would be entirely happy not to involve post office staff.”

3.44 On the issue of criteria for deciding the location of PoPSKs, the Ministry enumerated that the Ministry of External Affairs in association with the Department of Posts has taken the initiative to open POPSKs in all the Head Post Offices (HPOs) in the country, called ‘Post Office Passport Seva Kendra’ (POPSKs) to bring passport services closer to the citizens. So far, the opening of 251 POPSKs has been announced in two phases. These were decided on the basis of the size of the State, its population, and the non-availability of adequate number of PSKs commensurate with the demand for passports. The Government now intends to open more POPSKs in the HPO in the country

in such a manner that a PSK facility is available to citizens within a radius of 50 kms of each HPO.

3.45 As per the Ministry, there has been an increase in the scope and volume of passport services. During 2017, the Ministry processed approximately 1.17 crore passport and passport related service applications compared to 98.4 lakhs in 2016 marking a growth of nearly 19%. In this regard, the Ministry were asked about the manner in which cutting edge technology was being used to enhance the efficiency and reduce the time for processing of passports along with ascertaining the credentials of the passport applicant. In a written reply, the Ministry elaborated that the strategy adopted to achieve the desired outcome and bring in efficiency, transparency and quality in passport service delivery was guided by the principle of ‘maximum governance and minimum government’ and leveraging of Information and Communication Technology to do away with silos, creation of a accountable, transparent, automated platform, moving towards a paperless and cashless environment and to establish a long term commercially viable and sustainable passport service delivery model for the citizens at their vicinity. The aim was to create a robust foundation, digitally enabled eco-system and brings in citizens’ centrality.

Through the Passport Seva Project, in partnership with the Service Provider M/s TCS, the Ministry has been providing quality service to people from the Passport Seva Kendras (PSKs) established with best in-class amenities across the country in a Public Private Partnership mode. Under this system, the applicants are required to apply for their passports online, upload relevant documents, make the payment online through debit/credit card or SBI net-banking/SBI Challan, schedule an appointment and then visit the designated PSK. A user friendly portal has been made available. When an applicant visits the PSK, an Electronic Queue Management System working on the principle of First-in First-out is available at all PSKs to monitor the flow of applicants. The applicants can track the status of their applications themselves through the portal and also by SMS services. In the current system of passport issuance, there is no manual intervention at any stage, and the complete process is digitally flown with a re-engineered process through a single visit clearance.

3.46 Regarding the challenges faced in expansion of Passport Seva Project, the Ministry stated that the Passport Seva Platform has been created with state-of-art technology having 2 Tier-III data centers working on active-active load balanced mode, Network Operation Center, Security Operation Center. A national call center working on 17 languages and the online portal <http://passportindia.gov.in> provides up-to-date information/ real time status and receives over 20 million hits/day. A mobile app 'mPassportSeva' is also available for the convenience of citizens and receives over 20,000 hits per day. The citizens are informed the status of their Passport at various stages through SMS, from the day they submit the application to delivery of the Passport. Close to 3 Lakh SMSs are sent daily. The process of issuance of passports has been made fool-proof under the new system which is capable of leaving no scope for misuse. Before granting any passport, in-person appearance is mandatory avoiding chances of impersonation. Background check is carried out from the entire Passport database for duplication and criminality status. Capture of Biometric data and photograph on the spot and matching of biometric data with Aadhar database also ensure issuance of the passport to the right person. Police Verification of personal particulars and antecedents of applicants including address, where required, is very critical to issue of passports. All these measures and precautions available in the system have made the passport issuance process fool-proof.

3.47 The Passport Seva Project (PSP), an ambitious Mission Mode Project, is being successfully run in the Public-Private Partnership (PPP) mode and as part of the National Governance Plan with M/s Tata Consultancy Services (TCS) as the Service Provider. The Passport Seva Project (PSP) went live in June 2012 with the opening of 77 Passport Seva Kendras (PSKs) as prescribed in the Request for Proposal (RFP)/ Master Service Agreement (MSA) between Ministry of External Affairs and the Service Provider M/s Tata Consultancy Services (TCS). Thereafter, the Ministry has opened another 15 PSKs till date. There are 92 PSKs and 60 POPSKs functioning as the extended arms of the 37 Passport Offices in the country in rendering passport related services. As on 31 December, 2017, 5.44 crore passport service related applications have been processed at 5.34 crore services rendered through the PSP system. More than 60,000 appointments at

the PSKs and 4,000 applications at the POPSKs are being released daily against which the footfall is over 50,000.

3.48 The lack of adequate budgetary allocation under the Information Technology, Office Expenses, and Printing and Procurement of Travel Documents heads under the Passport and Emigration Minor Head is one of the challenges being faced in the expansion of the Passport Seva Project. Funds under these Heads are necessary for the procurement of IT and non-IT related equipment, for payments to the private service partner, and for hiring of Data Entry Operators to bridge the gap between the sanctioned strength of the Central Passport Organization cadre and those in position, and to make payments to SPMCIL Nashik for supply of travel documents.

The second challenge being faced by the Ministry in the expansion of the PSP is the shortage of personnel in the Central Passport Organization, particularly those at the Superintendent and Senior Superintendent levels to function as the Passport Granting Officers. There is also a shortage of Assistant Superintendents, Senior Passport Assistants, and Junior Passport Assistant, who function as Verification Officers.

3.49 As per the Ministry several steps have been taken to make quantitative and qualitative improvements in the delivery of passport services in the country. These involve simplification of the passport rules and procedures for getting passports and through greater outreach to the people in the delivery of passport related services. The objective of the Government has been to cater to the demand for passports and to reach out to the people located far away from the Passport Offices. The measures taken in this direction are as follows:

A. Outreach

- The Ministry has opened 15 Passport Seva Kendras (PSKs) since May 2014 which includes all the States in the North East of India. The 93rd PSK is scheduled to be inaugurated at Siliguri on 17 February 2018.
- The Ministry of External Affairs in association with the Department of Posts has taken an innovative initiative and has decided to open Passport Offices at the Head Post Offices (HPOs) in the country called 'Post Office Passport Seva Kendra' (POPSKs). The Government has announced the opening of 251 POPSKs, of which

60 have become functional till 9 February 2018. The Ministry intends to complete the requisite formalities for the remaining locations like preparation of the site and procurement of IT and non-IT equipment for setting up of the remaining POPSKs at the earliest. With the addition of the 251 POPSKs, the total number of Passport Seva Kendras to have been set-up since May 2014 for the benefit of the citizens would be 267.

- The Government intends to open POPSK in HPOs in such a manner that Passport Seva Kendra facility is available to citizens within a radius of 50 kms of each HPO.

B. Simplification of Passport Rules

- Out-of-Turn Issue of Passport under Tatkaal Scheme: The Ministry announced a new Tatkaal scheme in January 2018 under which the requirement of a Verification Certificate from a Government Official has been done away with. If an applicant of the age of 18 years and above desires to obtain a passport under the Tatkaal Scheme, besides the Aadhaar Card, any 2 out of the 12 prescribed documents needs to be provided along with a self-declaration prescribed in Annexure–E of the Passport Rules 1980, along with payment of the prescribed Tatkaal fee. No proof of urgency is required for out-of-turn issue of passport under the revised Tatkaal scheme. Post Police Verification shall be done in all the cases of issue of passport under the scheme. The passport, subject to the satisfaction of the Passport Authority, will preferably be issued within a period of three working days from the date of submission of application.
- Out-of-Turn Issue of Fresh Passport under Normal Scheme without Additional Tatkaal Fee: If an applicant applies for a new passport under the Normal scheme and desires to obtain the passport on out of turn basis without paying the additional Tatkaal fees, besides the Aadhaar Card, any 2 out of the 12 prescribed documents needs to be provided along with a self-declaration prescribed in Annexure–E of the Passport Rules, 1980. Post Police Verification shall be done in all cases of issue of passport under this Scheme. There shall be no additional fee payable by the passport applicant to avail this Scheme.
- Other Changes made in the Passport Rules during 2017:
 - a. A discount of ten percent in passport fee for fresh applications (and not for re-

- issue) has been provided to minors up to the age of 8 years and senior citizens (persons above the age of 60 years) with effect from 24 June 2017.
- b. Ministry has approved the inclusion of the name of step parents in the passport.
 - c. To obviate the hardships being faced by the applicants due to non-possession of registered rent agreement, unregistered rent agreement has been prescribed as valid address proof for issuance of passport.
 - d. Exemption has been accorded to children below the age of 5 years and physically disabled persons without forelimbs from giving biometric details (10 fingerprints) to the passport authority, which is otherwise mandatory for every applicant.
 - e. Regarding the request for change of Date of Birth (DoB) in a reissued passport, the Passport Issuing Authorities (PIA) have been authorized to consider the explanation of each applicant seeking change in the DoB (irrespective of the period that would have lapsed after the issue of the passport) to ascertain the genuineness of the claim. If the PIA is satisfied with the claim and with the document(s) submitted by the applicant in support of the claim, the PIA shall accept all such requests made by the applicant to issue the passport with revised DoB.
 - f. The following additional list of documents have been prescribed as proof of address for issue of passports:
 - Allotment letter of Government accommodation issued by Estate Office/ Public Works Department of Central/ State Government in respect of their employees.
 - Duly certified/attested extract of service record/book of Government employees (serving/retired) or the *bonafide* certificate issued by the employer for serving Government employees.
 - Proof of address issued by India Post, Department of Posts.

C. Others

- Enchantment and process re-engineering in Police Verification Process
- LUNCH of m-Passport Police App. to expedite the police verification process in a paperless environment.

3.50 With an aim to cater to the ever increasing demand of passports and in order to reach out to people located far away from PSK, Passport Seva camps were organized at multiple locations. A total of 220 Passport Seva Camps were organised during the last three years. The year-wise break up of all these Passport Seva Camps with number of applicants served in these Camps is as under:

Years	Number of Camps Held	Number of Applicants Served
2015	123	51424
2016	80	34018
2017	17	7675
Total	220	93117

3.51 In these Passport Seva Camps, the relevant documents of applicants are scrutinized by the officials of the concerned Passport Office organizing the Camp. Once it is accepted, biometrics of these applicants is captured and copies of their application are retained for scanning and uploading in the Passport Seva System at the Passport Seva Kendra. The physical presence of the applicant is thereafter not required at the Passport Office when the passport is granted by the Passport Officer to them.

3.52 Explicating the declining trend in organizing Passport Sewa Campaigns despite an expanding volume and demand of passport services, the Ministry contented that Passport Seva Camps are an outreach effort of the Ministry, organised with the aim to cater to the increasing demand for passports and to provide access to passport services to people in faraway locations from a Passport Seva Kendra (PSK).The Ministry and the Department of Posts have started setting up Post Office Passport Seva Kendras (POPSKs) in January 2017. It has been decided to set up 251 POPSKs, of which 66 are already functional as on 19 February 2018. These POPSKs are set up in the Head Post Offices/Post Offices at some distance from an existing PSK, to widen the reach of passport services. Establishment of POPSKs has helped in the Ministry's efforts to take passport delivery services to the doorsteps of citizens. With the opening of more POPSKs across the country, the requirement of organising Passport Seva Camps has therefore been progressively declining.

3.53 Police Verification (PV) plays an important role in the timely issuance of passports. The Ministry has launched the 'mPassport Police' app for speedy submission of Police Verification Report (PVR). In this regard, the Ministry was asked to highlight the manner which this app expedited the process of Police Verification Report. The Ministry stated that before launch of the 'mPassport Police' App, the Personal Particular (PP) form of the applicants along with a set of questionnaire was sent to the concerned police authorities online to the District Police Headquarters (DPHQ). From the DPHQ to the Police Station, the PP form and the questionnaire were sent manually in paper form and *vice-versa*. This not only delayed the transfer and receipt of the Police Verification Report (PVR) from the Police Station to the DPHQ but also resulted in difficulties in tracing and accounting between the DPHQ and the Police Station. The average time to receive PVR in DPHQ mode is 22 days as on date.

3.54 Furthermore, the mobile application would facilitate the field verification police officers to capture the PVR into the system digitally. With the launch of this application, the need to download and print the physical PP Form and the questionnaire would no longer be required by the police officers, resulting in paperless end-to-end digital flow of the PVR process. This would further bring down the time required for completion of PVR within the desired time limit of 21 days, resulting in easing getting passport and other related services by the citizens accordingly. The launch of 'mPassport Police' App has expedited the submission of PVR by police authorities for the passport applications for which police report is required. The States/UTs wherever the 'mPassport Police App' has been launched, the average time to receive the PVR is 5 days.

3.55 The Ministry were further asked about the numbers of states that have adopted the mPassport Police App. On the issues of support/incentive provided by the Government to the state governments for launching this app for the purpose of smooth verification of passport services, the Ministry replied that the Ministry has kept Ministry of Finance informed about this challenge, and of the Ministry's efforts to partially meet it through internal re-appropriation of funds from identified internal savings, which have been duly approved by Ministry of Finance. The Information Technology, Office Expenses and Printing and Procurement of Travel Documents budget heads have all been provided

enhanced allocations for BE 2018-19, and further enhancements would be considered in the RE 2018-19 stage, as per evolving requirements and status of funds utilization.

3.56 The Committee observe that there has been enhanced allocation under the head 'Passport and Emigration' at both RE 2017-18 and BE 2018-19 stages. The reason for increase in allocation is on account of opening up of new Post Office Passport Seva Kendra (POPSK), to clear pending payments to States/UTs and printing of travel documents. The Committee observe that while the head is called 'Passport and Emigration', expenditure under this Head caters to expenditure on Passport related items only. The budget provision for emigration is provisioned under the sub-head Protector General of Emigrants (PGoE). The Committee, therefore, suggest that the nomenclature of this Minor Head, should be revisited so as to make it in line with the activities for which the expenditure is incurred.

(Recommendation No. 8)

3.57 The Committee note that against sanctioned strength of 2697, the actual strength in CPO is 2051. The Ministry has stated that steps have been taken to improve service conditions of the CPO personnel, including indenting of 224 posts of different non-gazetted level from SSC. However, the Committee do not find these steps as sufficient, particularly when most of the 92 PSKs operating as arms of 37 Passport Offices are working with inadequate staff. Furthermore, to bring passport services closer to the citizens, the Ministry in association with the Department of Posts had initiated opening up of 251 POPSKs in two phases. Of these, 60 POPSKs are functional. These POPSKs also require granting officers. The Committee insist that the sovereign functions of passport services like processing and issuance of passports should always be carried out by the staff of MEA while the non- sovereign functions are vested with the staff of Department of Posts.

Expressing disapproval of the persistent manpower crunch in CPO, the Committee strongly recommend that the Ministry augment manpower in the CPO and its network of Passport Offices, PSKs and POPSKs either through direct recruitment or on deputation. Furthermore, training programmes should be conducted for the staff of Department of Posts to familiarize them about Passport

services so as to avoid technical glitches and human errors in delivery of passport services.

(Recommendation No. 9)

3.58 The scale of passport related services can be estimated from the fact that approximately 5.44 crore passport related applications have been processed and Rs. 5.34 crore services rendered through the Passport Seva Portal (PSP) system in 2017. The Committee are satisfied to learn that several steps have been taken to bring about qualitative and quantitative improvements in the delivery of passport services in the country. The Committee, however, find that during 2015,2016 and 2017 only 123,80 and 17 Passport Sewa Camps were organized respectively. The Committee do not agree with the justification given by the Ministry for organizing lesser number of Passport Sewa Camps during the last three years. Since the POPSKs have just started functioning and mostly cover big cities with Head Post Offices, the purpose of organizing Passport Sewa camps still exists. The Committee, therefore, desire that the Passport Sewa Camps should be organized in all far away areas in order to bring the Passport delivery services to the door of the citizens.

(Recommendation No. 10)

3.59 The Police Verification process comprises a vital aspect of timely issuance of passports and towards smooth and expeditious delivery of passport. The launching of the m-Passport App is a commendable step in that direction. Wherever it is applied, it brings the average time to receive PVR to 5 days. The Committee, however, find that it has been launched in very few states. The Committee, therefore, recommend that steps should be taken to support and incentivize various State Governments to adopt a uniform police verification process expeditiously by launching the m-Passport App for smooth verification of passport services in a time-bound manner.

(Recommendation No. 11)

C. Entertainment Charges

3.60 The budgetary head 'Entertainment Charges' caters to the expenditure incurred on extending hospitality to foreign dignitaries including VVIP visitors, cost of chartering aircraft for visiting VVIP delegations, maintenance of Hyderabad House etc. The budgetary allocation for BE 2017-18 was Rs. 70.50 crore which reduced to Rs. 60.50 crore during the RE 2017-18 stage. The budgetary allocation for BE 2018-9 has been increased to Rs. 70.50 crore.

3.61 The Ministry furnished actual expenditure under this head during the last three years as under:-

FY 2014-2015: Rs. 38.49 cr

FY 2015-2016: Rs. 38.64 cr

FY 2016-2017: Rs. 50.34 cr

3.62 Given the series of high-level visits in the last year, the Ministry were asked to substantiate on how they managed such expenditure with limited funds at its disposal. The Ministry submitted that the number of incoming high-level visits has increased in the last three years. The expenditure to meet these visits has also increased, but this is not reflected in the budget cycle, because despite efforts, all bills pertaining to a visit are not settled in the financial year in which the visit has taken place. The reason for this is that bills are either not received in time from the agencies, service providers, vendors and hotels, or when received they may be incomplete or merit clarifications which carries forward payments to the next financial year. Moreover, for a major multi-lateral international event like the recent India-ASEAN Commemorative Summit held on 25-26 January 2018, in which ten Heads of State/Government participated, a special budgetary allocation was made, which is not from the Entertainment of Dignitaries head.

3.63 Elaborating upon the initiatives taken to ensure time bound process of submission/ settlement of bills relating to visits, to maintain financial discipline and prudence, the Ministry stated that a new system was put in place under which agencies, service providers, vendors and hotels are required to submit their bills within two weeks so that payments can be processed expeditiously by the Protocol Division. This system has positively impacted the settlement of bills from Air India and Air Force, in particular.

However, delayed or incomplete submission of bills by some agencies, service providers, vendors and hotels continues. The delay is even more where a component of the visit has taken place in different cities/towns outside the capital.

3.64 The Committee note that the budgetary allocation under the Minor Head ‘Entertainment Charges’ have been reduced in RE 2017-18 vis-à-vis BE 2017-18 and the same amount of Rs. 70.50 crore has been retained at the BE 2018-19. Although there has been an increase in the number of high level visits in last three years, the same is not reflected in the budget cycle as the bills pertaining to visits are not settled in the same fiscal year. For expeditious settlement and processing of bills by the Protocol Division, a new system was put in place under which agencies, service providers, vendors and hotels were required to submit their bills within two weeks, delayed/incomplete submission of bills continued. The Committee would, therefore, recommend that the Ministry should ensure a time bound process of submission of bills relating to a visit and processing to manage fiscal discipline and prudence. The Ministry should take adequate steps to strictly clear the bills of a visit in the same financial year in order to avoid rolling over the settlement of bills to next year. Towards this direction, all the pending bills should be cleared in this financial year by seeking additional funds at the RE Stage.

(Recommendation No.12)

D. International Conferences/Meetings

3.65 The budgetary allocation for International Conferences/Meetings has been kept constant at Rs. 0.10 crore at the BE 2017-18 stage as well as in the RE 2017-18 and BE 2018-19. The Ministry was asked to justify this small allocation for organizing all seminars/meetings to be organized during 2018-19 on the subject of MEA/NRIs. In a written reply, the Ministry outlined that it has created a Conference Division in July 2016 to organize and manage multilateral conferences and summits. Hitherto such events were being executed by temporary event secretariats. The budget head ‘International Conferences/Meetings’ was being used by Conference Cell, formerly under Protocol Division and now with Conference Division, for small-scale events which had not been envisaged or provisioned for by the concerned Territorial or nodal division. The

expenditure on larger scale or flagship events, such as ASEAN Summit, PIO Parliamentarian Conference etc. has continued to be met from the relevant budget head of the concerned Territorial or nodal Division.

3.66 As per the information provided by the Ministry it has drawn up a schedule of seminars/conferences to be organized during the financial year 2018-19. In FY 2018-19, the Ministry intends to associate itself actively with several major conferences as a co-organiser, in collaboration with reputed external think-tanks, some of which are listed below.

Event		Date
1.	Raisina Dialogue – 2019	January 2019
2.	Gateway of India Dialogue – 2019	March 2019
3.	India-China Think Tanks Forum	April 2018
4.	India-Russia Think Tanks Meeting	Date to be decided
5.	Participation in Trilateral Commission	Date to be decided
6.	India-Japan Track 1.5 Dialogue	Date to be decided
7.	India-Korea Track 1.5 Dialogue	Date to be decided
8.	Indian Ocean Conference	Date to be decided
9	Support to International Relations Faculty Departments in various Universities/colleges across India	-

In addition to these planned conferences, Ministry will also consider requests for holding seminars and conferences organised by reputed think-tanks on matters pertaining to India's foreign policy.

3.67 In their Fifteenth Report, the Committee had recommended that there should be a formal mechanism to evaluate the outcome of the Conference funded by the Ministry. In compliance with the recommendation, the Ministry pointed out that a review mechanism has been put in place, chaired by Foreign Secretary, and with Joint Secretary, PP&R Division, Joint Secretary of concerned MEA Division, and representatives of the organizing institution/think-tank, as members. At the conclusion of each event/conference, this review group evaluates the event, covering *inter-alia*, substantive issues such as agenda, participation, quality of discussions, insights gained from the event/conference etc, and organisational issues such as conference arrangements,

logistics, expenditure incurred etc. Methods to improve upon the event and lessons learnt are part of the review process.

3.68 When asked about the manner in which the analysis emerging out of such Conferences have proved effective in our broader foreign policy formulation, the Ministry stated that the conferences and seminars provide valuable inputs on international developments and issues and enable the Ministry to devise responses to these developments. Such conferences/events provide an alternate perspective from the view point of non-governmental stakeholders, analysts, writers of strategic issues, etc. Their views and insights are helpful in contributing to and providing a critical and rigorous evaluation contributing to a more robust formulation of policy matters, a critical review of developments as well as in ascertaining the views of other countries on how they view international developments. These conferences/events are therefore seen as providing useful inputs into the foreign policy formulation process. We may or may not accept nor also agree with all of the proposals or critical analysis but we view such discussions as valuable inputs informing policy formulation.

3.69 The Ministry has stated that a Conference Division in July 2016 to organize and manage multilateral conferences and summits. The budget head 'International Conferences/Meetings' is used for small-scale events which had not been envisaged or provisioned for by the concerned Territorial or nodal division. In this context, the Committee solicited the opinion of the Ministry about the purpose of this sub-head after the creation of the Conference Division in 2016.

3.70 The Committee observe that a constant outlay of Rs. 0.10 crore has been provisioned under the Head 'International Conferences/Meetings' for the past two years. The Ministry has informed that following the creation of a Conference Division in 2016 for organizing and managing multilateral conferences and summits, this budget head merely caters to small scale events that had not been envisaged by the concerned Territorial or Nodal Division. The Committee also note that a review mechanism headed by the Foreign Secretary has been created for evaluating outcomes of the Conferences organized. In the opinion of the Committee, existence of two heads for similar activities creates accounting complexities and

therefore, it would urge the Ministry to have a single budget Head for organizing Conferences of all scale and magnitude. Furthermore, the Committee recommend that the Ministry channelize effectively the various intellectual inputs emanating from Conferences into the foreign policy formulation process.

(Recommendation No.13)

E. International Cooperation

3.71 The expenditure under this 'Minor Head' is for obligatory contribution to UN and other International Organizations of which India is a member. This head also caters to the contribution for establishment of South Asian University on the Non-Plan side. An allocation of Rs. 717.93 crore was made in BE 2017-18, which was increased to Rs. 844.60 crore at the RE stage and to Rs. 912.10 crore at BE 2018-19 stage.

3.72 Specifying the reasons for increase in budgetary allocation during RE 2017-18 and BE 2018-19 in comparison to BE 2017-18 under this minor head, the Ministry stated that an enhancement of Rs 126.67 crores has been done under the head 'International Cooperation' at RE 2017-18 to account for payments due towards progress in work in the South Asian University. Contributions towards UN commitment which are obligatory in nature, have also been provisioned higher at RE 2017-18 stage, as significant part of initial BE allocation was utilized in Q1 of CFY to clear the backlog of due commitments flowing from last quarter of previous FY. Likewise, BE 2018-19 has been provisioned higher by Rs 194.97 crores, an increase of 27.15% over BE 2017-18 to cater to anticipated physical progress in construction of Phase I and II of the SAU as well as anticipated new commitments towards UN.

3.73 The Ministry furnished the details of the major sub-heads under 'International Cooperation' where allocation in RE 2017-18 and BE 2018-19 has been increased as follows: - *(In Rs. crores)*

Sub Head	BE 2017-18	RE 2017-18	BE 2018-19
United Nation Organisation	190.00	240.00	258.00
Other International Organisations	34.08	40.00	41.00
South Asian University	260.00	378.30	375.00
BIMSTEC Secretariat	6.00	8.50	11.30

3.74 The table below illustrates the allocation for contribution to UN and some international organizations.

(In Rs. Crores)

S. No.	Contributions	BE 2017-18	RE 2017-18	BE 2018-19
1.	Commonwealth Secretariat	11.30	11.30	11.30
2.	United Nations Organization	190.00	240.00	258.00
3.	SAARC Secretariat	10	10	10.00
4.	South Asian University	260	378.3	375.00
5.	Nalanda University	200	150	200.00
6.	Council for Security Cooperation in Asia Pacific	0.50	0.50	0.50
7.	BIMSTEC Secretariat	6.0	8.50	11.30
8.	Indian Development Foundation	1.00	1.00	0
9.	Overseas Indian Facilitation Centre	0.50	0.00	0.00

3.75 Justifying the NIL allocation to India Development Foundation during BE 2018-19. The Ministry explained that India Development Foundation of Overseas Indians (IDF-OI) was set up with the approval of the Cabinet by the erstwhile Ministry of Overseas Indian Affairs (MOIA) in December 2008 as an autonomous not-for-profit Trust supported by the Government of India. The aim of IDF-OI was to lead overseas Indian philanthropic capital into India and facilitate partnerships through single window facilitation and by building public private partnerships; establish and maintain a ‘Social Capital and Philanthropic Network’ in India that can provide a list of credible institutions, projects and programmes; function as a clearinghouse for all philanthropy-related information; partner with States in India and encourage credible Indian philanthropic organisations to project social sector development opportunities to overseas Indians in the sectors that best match national priorities including empowerment of rural women; and, promote accountability and good practices in Diaspora philanthropy. From 2011, IDF-OI had been receiving an annual grant-in-aid from the Government for its own operational and administrative costs. With a view to enhance synergies in channelizing the diaspora’s contributions to Government of India’s flagship programmes such as *Namami Gange*, *Swachh Bharat etc.* the Board of Trustees of IDF-OI in its held in January 2018 decided unanimously to close down IDF-OI by 31 March 2018. Therefore, no funds allocation was kept for FY 2018-19.

3.76 BIMSTEC Secretariat was established in Dhaka, Bangladesh in September 2014. The budgetary allocation to BIMSTEC Secretariat has been enhanced to Rs. 6.00 crore in BE 2017-18 from Rs. 4.5 crore in BE 2016-17. Regarding the steps taken to develop an annual calendar of capacity building programmes based on the requirements and offers of the Member States; the Ministry replied that Bangladesh, which hosts the BIMSTEC Secretariat, has concurred to strengthen the capacity of the Secretariat by increasing its human resource and increasing the number of Directors so that each Member State has an assigned Director. This is proposed to be considered in the 19th BIMSTEC Senior Officials' Meeting scheduled to be held in Nepal in 2018. An annual calendar of BIMSTEC official meetings and other activities including capacity building programmes based on the requirements and offers of the Member States has been developed by the Secretariat. The 4th BIMSTEC Summit, preceded by the 16th BIMSTEC Foreign Minister's Meeting and the 19th Senior Official's Meeting is scheduled to be held in Nepal in 2018. The 2nd Meeting of BIMSTEC National Security Chiefs is scheduled to be held on 28 March 2018 in Dhaka.

3.77 Elaborating upon the contribution of other countries towards BIMSTEC Secretariat's budget, the Ministry in a written reply submitted that India has committed to provide 32 % of the budget of the BIMSTEC Secretariat annually. The share of each country towards the BIMSTEC Budget is as follows:

Country	% Share
India	32.0 %
Thailand	17.25 %
Bangladesh	14.50 %
Sri Lanka	13.75 %
Myanmar	9.0 %
Nepal	7.50 %
Bhutan	6%

Contributions from other member states in proportion to their contributing share have been considered for activities related to BIMSTEC Secretariat. India being the biggest contributor has taken the lead in steering many capacity building programmes

within the BIMSTEC region. India's annual contribution to BIMSTEC Secretariat is Rs. 2 crore for 2017-18.

3.78 The Ministry further added that the budgetary allocation of Rs. 6 cr for the BIMSTEC Secretariat includes India's annual contribution to the BIMSTEC Secretariat of Rs. 2 crore as well as other activities and programmes offered by India under the BIMSTEC framework. Contribution to the BIMSTEC Secretariat has increased from Rs. 88, 47,588/- in FY 2016-17 to Rs. 2 crore in FY 2017-18. The amount for programmes and activities offered by India has increased from Rs. 3.5 crore in FY 2016-17 to Rs. 4.0 crore in FY 2017-18. This includes 30 slots under the AYUSH Scholarships Scheme for students from BIMSTEC countries; Disaster Management Exercise for concerned agencies of BIMSTEC countries hosted by India; and various other BIMSTEC programmes and activities such as holding of working or expert group meetings etc.

3.79 The Committee observe that the minor head 'International Cooperation' caters to expenditure for obligatory contributions to UN and other international organizations of which India is a member. While analyzing the allocations under this head, the Committee discerned that enhanced allocation has been provided in the RE 2017-18 and BE 2018-19 for contributions to UN, South Asian University Construction Project, BIMSTEC Secretariat. Quite surprisingly, no allocation has been made for India Development Foundation and Overseas Indian Facilitation Centre. The Committee are unconvinced by the justification extended by the Ministry about the closure of India Development Foundation- Overseas India (ODF-OI) and nil allocation for the Overseas Indian Facilitation Centre. While the allocation to sub-heads pertaining to cooperation with international and regional groupings have remained either constant or has been enhanced but those pertaining to our Overseas Indians namely, IDF-OI and OICF has been provided with nil allocation. The closure of organizations without establishment of any substitute mechanism for carrying out their functions appears to be an arbitrary move. In the opinion of the Committee, such arbitrariness in budgetary demands and fluctuation in functional organization reflects poorly on the Ministry's vision of the global order and role of our Overseas Indian in it. Consequently, the Committee urge that the

Ministry eschew the practice of tinkering with allocations to organizations by abruptly closing them. The Committee would also desire to be apprised about the substitute mechanism being adopted to carry out the functions which were hitherto being performed by IDF-OI and OICF.

(Recommendation No.14)

a. South Asian University

3.80 The budgetary allocation to the South Asian University (SAU) has been increased from Rs. 260 crore in BE 2017-18 to Rs. 378.30 crore at RE stage and Rs. 375 crore in BE 2018-19. Expounding the reasons for the enhanced allocation at the RE 2017-18 and BE 2018-18 stage *vis-a-vis* BE 2017-18, the Ministry stated that the budgetary allocation for the South Asian University (SAU) are made under the three heads of contribution towards SAU's operational budget, contribution for creation of SAU's capital assets, and Rents, Rates and Taxes (RRT) from which rent payment is made to NDMC for SAU's temporary premises in New Delhi. The enhanced allocation has largely been on account of the budgetary provision made for the contribution towards creation of capital assets, in view of the construction of the permanent SAU campus being in full swing. The works have picked up momentum in the last year and, therefore, provision of adequate funds would be necessary to ensure smooth progress of work.

3.81 With regard to progress made in establishment of SAU in previous year, the Ministry in a written reply provided that the University started the construction work of its new campus in May 2015. Package I for boundary wall and site office has been completed. Construction work of five buildings under Package II is in full swing and physical progress of work as on 31 December 2017 is 41%. Under Package III, 15% of work in respect of seven buildings has been completed so far. Packages II and III are scheduled to be completed by December 2018 and January 2020 respectively. Construction under Package IV will be undertaken subject to removal of encumbrances, settlement of residual litigation matters and receipt of environmental clearances etc.

3.82 As furnished by the Ministry, the status of operational funds contribution due and received from Member States by the University till December 2017 given below:

(In US \$ Millions)

Country	Contribution Due	Contribution Received	Receivable
Afghanistan	2.30	2.30	--
Bangladesh	4.92	4.92	---
Bhutan	2.30	2.30	---
India	34.42	34.42	---
Maldives	2.30	1.84	0.46
Nepal	2.95	2.94	0.01
Pakistan	7.85	2.259	5.591
Sri Lanka	2.95	2.95	---

3.83 Over the years, the Committee in their Reports have expressed serious concerns over the undue delay in the completion of the South Asia University campus project. Giving details of projected time line for completion of work, to eschew time and cost over runs, the Ministry in a written reply submitted that the SAU construction project was initially delayed due to court cases, forest land and geo-morphological land clearance issues. Through sustained effort, a number of statutory clearances from civic authorities have since been obtained. The University started construction work in May 2015. The construction plan has been devised under four packages. Package I for boundary wall and site office has been completed. Work under Package II for five buildings is in full progress and is scheduled to be completed by December 2018. Work is also in full swing in respect of seven buildings under Package III, and is scheduled to be completed by January 2020. Construction under Package IV will be undertaken subject to removal of encumbrances, settlement of residual litigation matters and receipt of environmental clearances etc. The Ministry as well as SAU are actively pursuing the matter.

3.84 Apprising the Committee about the progress made with regard to Pakistan's contributions, the Ministry posited that during the 10th meeting of the SAU Governing Board held in New Delhi on 18 December 2017, the Member from Pakistan handed over a cheque for US\$ 2.259 million as part payment of its overdue operational contribution and informed the Board that the remaining contribution will be remitted soon. This amount has since been credited to the University account.

3.85 The Committee note that there has been an increase in allocation for South Asian University from Rs. 260 crore in BE 2017-18 to Rs. 378.30 crore in RE 2017-18 and to Rs. 375 crore in BE 2018-19. The Ministry has informed that work related to the construction of the SAU campus have gained momentum in the last year and therefore, adequate funds have been provisioned for contribution towards creation of capital assets. In view of the slow and tardy progress of the construction of permanent campus in the previous years, this is a welcome development. The Committee are aware that construction work for the SAU campus has been devised under four packages. The Ministry has informed that work under Package I for boundary wall and site office has been completed, work under Package II for five building is in full progress and scheduled to be completed; by December 2018 and work under Package III is stated to be complete by January 2020. However, the Ministry has not provided a specific schedule for completion of work under Package IV. The Committee are happy to know that after much prodding, Pakistan has made a part of the payment of US\$ 2.259 million against an overdue payment. The efforts for getting the remaining contribution should be continued till it is deposited. Given the record of sluggish progress in the construction of SAU, the Committee recommend that the Ministry ensure that work related to Package II and III are completed as per schedule and issues related to works of Package IV are sorted out expeditiously. The Committee also desire to be apprised of the progress made in this regard at regular intervals.

(Recommendation No.15)

b. Nalanda University

3.86 Nalanda University was created by an Act of Parliament in 2010, with the active support of participating countries of East Asia to improve regional understanding and appreciation of one another's heritage and history. An allocation of Rs. 200 crore was provided in BE 2017-18, which was reduced to Rs. 150 crore in RE 2017-18. An outlay of Rs. 200 crore has been provisioned in BE 2018-19.

3.87 Providing the status of Construction of Permanent Campus in Nalanda University, the Ministry stated that composite tender for the construction of Nalanda University's

permanent campus in Rajgir, Bihar was floated on 6 July 2015, which was later cancelled due to procedural shortcomings in the tender process. The University subsequently decided to split the composite tender into several packages to facilitate faster development of the campus. Under Phase-I of the construction, to be completed by 2019-20, the University has planned to complete construction of about 1,17,400 square meters built up area as follows:

Facilities	Area in Square Metres
Non-Residential Buildings Academic and Administrative Buildings, Dining Hall, Communication Center, Students Amenities and Allied Structures	47,800
Residential Buildings Residences for Faculty and Administrative Staff, International Center, Campus Inn and Allied Structures	48,000
Hostels and Miscellaneous	21,600
Total	1,17,400

Phase-I include three major packages namely: (1A) construction of internal roads and earthwork for providing water bodies; (1B) construction of non-residential buildings; and (1C) construction of residential buildings. The tender process for Package IA has been completed and the work awarded in September 2016 at a cost of Rs.37.22 crore. Work in this package is currently in progress and is expected to be completed within 6 months. The tender process for Package 1B has been completed and the work awarded in January 2017 at a cost of Rs 435.07 crore. Work on this package is in progress and is expected to be completed within 36 months. The tender for Package 1C is currently being finalized by the University, which has an estimated cost of Rs.305 crore. The tender is expected to be published in March 2018. The estimated time of completion for this package is 24 months. It is envisaged that Phase-I construction will be completed by 2020, while some buildings may be ready for occupation by 2019.

3.88 On being asked about the details of financial contributions, the Ministry stated the Nalanda University was established by an Act of the Indian Parliament, the Nalanda

University Act 2010, which came into effect from 25 November 2010. Since then, the following financial contributions have been made to the University:-

S. No.	From	Amount of Contribution (2010 till date)
1	India	Rs 126.67 crore
2	China	US\$ 1 Million (= Rs 5.12 crore)
3	Australia	Aus \$ 1 Million (= Rs 5.54 crore)
4	Thailand	US\$ 1,27,600 (= Rs 71,60,254)
5	Lao PDR	US\$ 50,000 (= Rs 27,03,178)
6	Dr. Rajendra Joshi and Ursula Joshi Foundation	US\$ 1 Million (=Rs 6.37 crore)

3.89 Regarding the constitution of Nalanda University Governing Board, the Ministry in a written reply stated that to move forward the proposal for revival/establishment of Nalanda University, the Nalanda Mentor Group (NMG) was formed by the Government in 2007. The NMG was discharging the functions of the Governing Board since the establishment of Nalanda University in 2010. The President of India, in his capacity as the Visitor of Nalanda University, approved the constitution of the Governing Board as per Section 7 of the Nalanda University Act 2010. Accordingly, the Governing Board of the University has been constituted with effect from 21 November 2016. Presently, the following are the members of the Governing Board:

S. No.	Members
1	Chancellor – Dr. Vijay Bhatkar
2	Vice Chancellor – Prof. Sunaina Singh
3	Representatives from five member countries with highest contribution: <ul style="list-style-type: none"> a. India – Shri N K Singh b. China – Professor Wang Bangwei c. Australia – Mr. Peter Varghese, former Ambassador to India d. Thailand – Professor Prapod Assavavirulhakorn e. Lao PDR – Mr. Southam Kasonhnhom, Ambassador of Lao PDR
4	Secretary (East), MEA – Smt. Preeti Saran
5	Secretary, Ministry of HRD – Shri Kewal Kumar Sharma
6	Two representatives from Government of Bihar <ul style="list-style-type: none"> a. Chief Secretary Shri Anjani Kumar Singh and b. Secretary to CM Shri Chanchal Kumar
7	Three reputed Academicians/ Educationists: <ul style="list-style-type: none"> a. Professor Arvind Sharma, McGill University, Toronto b. Professor Lokesh Chandra, President, ICCR and c. Dr. Arvind Panagariya, former Vice Chairman, NITI Ayog.

3.90 As per the Ministry, the proposed time line for starting courses is as follows:

S. No.	Name of School	Time Line
1	School of Historical Studies	Started in Sept 2014
2	School of Ecology and Environment Studies	Started in Sept 2014
3	School of Buddhist Studies, Philosophy and Comparative Religion	Started in August 2016
4	School of Linguistic Studies	Academic Council is being reconstituted (which will decide schools/ classes opening)
5	School of Public Health	
6	School of International Relations	

At present, the University has strength of 130 students including 22 students from foreign countries such as Japan, China, South Korea, Lao, Vietnam, Myanmar, Bhutan, Sri Lanka, Peru, Brazil, Zimbabwe and Nigeria.

3.91 For expediting the Nalanda University Campus Project, the Committee in their Fifteenth Report had recommended the Ministry to set up a strict monitoring mechanism along with persuading other countries to channelize more financial contributions. Apprising the Committee about the efforts being made to solicit monetary contributions from other countries, the Ministry observed that in terms of Article 3 of the MoU on the establishment of Nalanda University, the funding for the establishment and operations of the University is on a voluntary basis. Therefore, contributions received from other countries such as Australia, China, Thailand, and Lao PDR were purely voluntary. However, in view of the Hon'ble Committee's recommendations, efforts will be made to solicit further contributions from other countries which have signed the MoU and which are economically strong and therefore in a position to make financial contribution to the University.

3.92 Due to non-availability of accommodation facilities at Rajgir intake of students has not been enhanced, the Committee desired to know steps taken to overcome this challenge. The Ministry stated that Nalanda University is a residential University and the student intake depends on the availability of sufficient accommodation facilities. Presently, the students are accommodated in temporarily hired buildings which do not have adequate facilities. Since Rajgir is a small town and availability of good residential

accommodation is very limited, the University has to operate with these capacity constraints. Efforts are being made for timely completion of the construction of the University's permanent campus, which includes the residential component.

3.93 Regarding existence of a monitoring mechanism to avoid further delays in the Project, the Ministry submitted that the Nalanda University Campus Construction Project is being supervised by the Architect Consultant for the project M/s Vastu Shilpa and the Project Management Consultant (PMC) M/s Mecon Ltd. which is a Government of India enterprise under the Ministry of Steel. However, as advised by the Hon'ble Committee in its Fifteenth Report for setting up a strict monitoring mechanism in order to ensure the quality and timely completion of the construction project, the University has constituted a Project Monitoring Committee comprising four experts/members from civil, electrical and building construction fields. The Committee will monitor the progress for timely completion and ensure quality of the construction. The Committee will work in coordination with the Project Management Consultants M/s Mecon Ltd in ensuring that there are no further delays in the execution of the project.

3.94 The Committee note that an allocation of Rs. 200 crore was provided for Nalanda University in BE 2017-18, but it was reduced at RE Stage and an outlay of Rs. 200 crore has been kept in BE 2018-19. It was expected that the splitting up of tender into several packages and establishment of Nalanda Mentor Group (NMG), the construction of Nalanda University would be facilitated and expedited. However, the downward allocation in RE 2017-18 and an allocation of Rs. 200 crore at BE 2018-19 tell a different story. The Committee observe that the University has started three courses since 2014 but they are unable to start new courses or enhance the intake of students due to non-availability of accommodation. The delay in completion of Nalanda University – an international institution of excellence for pursuit of intellectual philosophical and historical studies – is highly unfortunate. The Committee, therefore, strongly recommend that the Government streamline the process in all the packages and draw a clear roadmap for the completion of this project with fixed timelines. Necessary funds should also be provided for timely completion of the progress. The Ministry should explore opportunities to channelize

contribution for this project from other participating countries to buttress domestic funds.

(Recommendation No.16)

F. Other Expenditure

3.95 As per the information furnished by the Ministry, allocation under this Head is for expenditure on Vice President's visits, maintenance of VVIP aircraft, demarcation of boundaries, Object-d'Arts, Kailash Mansarovar Pilgrimage, MEA Hostels and Residential Complexes, grants to Indian diplomatic Missions/Posts abroad (for propagation of Hindi, celebration of Independence Day and Republic Day *etc.*), Pravasi Kaushal Vikas Yojana, Know India Programme, Scholarship Scheme for Diaspora Children, etc. The budgetary allocation during BE 2017-18 was assessed at Rs. 776.99 crore which was reduced to Rs. 751.83 crore in the RE stage. The allocation has been further reduced to Rs. 628.23 crore at BE 2017-18.

3.96 Justifying the reason for reduction in budgetary allocation during BE 2018-19 and RE 2017-18, the Ministry replied that the two sub-heads which mainly accounted for reduction in RE 2017-18 and BE 2018-19:

(In Rs crores)

Sub-head	BE 2017-18	RE 2017-18	BE 2018-19
Maintenance of VVIP aircraft	215.00	215.00	141.00
VP President's Abroad	180.00	150.00	48.00

3.97 As per the DDG, no allocation was made under 'Special Grants to Missions' during the last two FYs. Citing the rationale behind Nil allocation, the Ministry stated that the nomenclature of the budget sub-head 'Special Grants to Missions' has been changed to 'Special Activities of Missions' with the approval of competent authority. This was done on the advice of the Ministry of Finance as being more reflective of the purpose for which funds allocated in this sub-head were being used. The sub-head with the old nomenclature would continue to be reflected in the DDG till the time that the actuals incurred under it in previous years are being shown against it.

3.98 The Ministry also enumerated that the ‘Special Activities of Missions’ budget head provides funds to Indian Missions and Posts abroad for Propagation of Hindi, celebration of Republic Day and Independence Day, Market Expansion Activities, and States Facilitation Abroad.

3.99 Under the sub-Head ‘Evacuation of Indian due to war/ civil disturbances’, the actual expenditure incurred during the year 2016-17 was Rs. 11.31 crore. However, this has been drastically reduced to Rs. 1.00 lakh each at BE-RE of 2017-18 and BE of 2018-19. Explaining the reason for this reduction, the Ministry stated that the Expenditure on evacuation of Indians in distress is incurred from Ministry’s Indian Community Welfare Fund (ICWF). Therefore, allocation in the Ministry’s budget has been kept at a token amount to keep the budget head active, in case the need arises to allocate funds in it if ICWF funds do not suffice to meet expenditure in a given situation.

3.100 Regarding the oddity in budget heading, the representative of the Ministry of External Affairs during the course of oral evidence admitted:

“The Ministry is well aware that this is a very, very big unwieldy head. It already has all sorts of expenditure items like payments to Air India, all are autonomous bodies, ICCR, ICWA and grants to various other institutions and we are already cognizant of the fact that we need to break up this very large budget head into smaller budget heads which are more expressive and descriptive of the actual purpose and we will be taking action on that in this financial year.”

3.101 While analyzing the budgetary allocation under the sub-head ‘Other Expenditure’, the Committee were struck by the fact that it catered to expenditure on disparate and unrelated activities . Within the ambit of this sub-head is included expenditure on activities like grant to Indian diplomatic Missions/Posts abroad, schemes and programmes related to Overseas Indians, from maintenance of VVIP aircrafts, Vice President's visit, demarcation of boundaries, Kailash Mansarovar Pilgrimage. The Committee note that Ministry has taken due cognizance of this large budget head covering diverse activities. The Committee recommend that the Ministry split this budget head into smaller sub heads minor heads with related activities under one sub head so as to make the budgetary practice look rational and coherent. The greater the clarity in budgetary practice and nomenclature of sub-

heads, the greater is the possibility of making a strong case for larger allocation from the Ministry of Finance. It is specifically recommended that the schemes and programmes pertaining to the Overseas Indians be put under a separate budget head.

(Recommendation No. 17)

CHAPTER IV

INDIA'S DEVELOPMENTAL ENGAGEMENT

4.1 The Major Head – 3605 'Technical & Economic Cooperation with other countries caters to India's multilateral and bilateral aid and assistance programmes not only in India's immediate and extended neighbourhood, but also countries in South East Asia, Central Asia, Africa, Latin America and the Caribbean, and the Pacific. It also caters to Aid for Disaster Relief and contributions to various regional funds.

4.2 An outlay of Rs. 5148.55 crore has been earmarked under this Head for BE 2018-19. In comparison, there was a provisioning of Rs.5093.77 crore at BE 2017-18 and Rs 4273.82 crore at the RE 2017-18. The details of budget outlay under Technical and Economic Cooperation in past three years is given below:

(Rs. in Crores)

FY	Total BE Allocation	TEC Allocation in BE	% of BE	Total RE Allocation	TEC Allocation in RE	% of RE
2014-15	14730.39	9434.82	64.05 %	12620.00	7234.26	57.32 %
2015-16	14966.83	9107.02	60.85 %	14966.83	8443.49	56.41 %
2016-17	14662.66	7907.82	53.93 %	13426.00	6300.80	46.93 %
2017-18	14798.55	6894.03	46.59 %	13690.00	5074.49	37.07 %

4.3 Explaining the reduction under this Head during RE 2017-18, the Ministry stated that the budget for Technical and Economic Cooperation has been reduced from Rs 6894.03 crore BE 2017-18 to Rs 5074.49 crores, a decrease of 9%, based on actual physical and financial progress of the projects under various Aid Heads, within the major head Technical and Economic Cooperation. A realistic reallocation of funds has been done at RE 2017-18, to cater to payments against progress made under other heads as against heads where physical progress does not justify retaining the BE allocations. While giving utmost priority to commitments under Technical & Economic Cooperation, Ministry continues to make efforts towards efficient utilization of funds at RE 2017-18 stage, within the overall budgetary constraints of the Government.

4.4 Regarding the parameters for proposing budget under this Head, the Ministry in a written reply stated that allocations for Aid heads are made after undertaking a realistic spending assessment based on project implementation cycles, local conditions and physical progress for on-going projects, schemes and programmes; and based on project implementation timelines and cost estimates for planned projects, schemes and programmes. For ongoing projects under the aid programs, the budgetary requirements are gauged based on inputs from the primary Divisions/Spending units who are closely involved with the Implementing Agencies in monitoring the progress of work. The inputs thus received are collated and compared with the past utilization, work progress and pace of expenditure of the project. With this information, deliberations are conducted by IFD with the Divisions to get realistic estimates of their demands. Similarly, for new projects, budgetary provisions are made as per estimates determined by project implementation timelines and cost estimates in their Detailed Project Reports. Allocations are then made to the extent of funds available within the overall budgetary provision made by Ministry of Finance. The selection of the projects to be undertaken under the Aid heads is an administrative decision which is taken by the Territorial Divisions and DPA in view of the political relations with the respective countries.

4.5 Given the subjectivity of these diplomatic engagements and political relations, the Ministry was asked to clarify the manner in which they were measured. In a written reply, the Ministry clarified that the dynamics of diplomatic engagements can be gauged from an analysis of the quality and outcome of each individual engagement, eschewing a pure subjective approach and infusing such analysis with a rigorous analytical approach. Such analyses will necessarily have to be based on qualitative assessments, while some of these can be measured in quantitative terms as well. For instance, quantitative analysis of political relations with a country can be based on charting our historical engagement, the frequency of high level exchange of visits, the nature and substance of the agreements/MoUs entered into with that country and the number of joint initiatives announced. The number of announced initiatives which have actually been undertaken for implementation can be an indicator for assessing depth of bilateral relations. With regard to quantitative analysis of our defense and military engagements, major indicators could be the quantum of bilateral defense trade, joint defense production ventures, joint

military exercises, etc. Similarly, economic relations can also be quantitatively analysed by assessing the volume of bilateral trade, the quantum of investments, and the nature of development partnership projects. Following from this, there will quite often arise a need to assess economic diplomacy from a perspective which goes beyond the primary purview of economic relations only and extends to other domains *viz.* people to people contacts, *etc.* These can be assessed by analyzing both the interactions at the strategic level as well as the nature of economic relations which have been designed to align with political/defense relations with any specific country/group of countries.

4.6 On being asked about whether the allocation is totally based on the project estimator or it has to do with the relationship of that particular country where the project is going on, the Foreign Secretary during oral evidence on 16 February, 2018 stated -:

“Sometimes, projects have been proposed by foreign governments but the Government of India has not completed its internal procedures. Some of the reasons are because of disturbances of political issues in those countries. Unfortunately, one or two projects like the projects in Bhutan is because there was a major land slippage which has obstructed the work of the projects. I wish to assure the Committee that while allocations are based on relationships, the project is generated by the recipient country and we have to accordingly allocate funds for that project.”

4.7 Enumerating the practical challenges faced in execution of projects under various Aid Head, the Foreign Secretary while giving testimony before the Committee on 16 February, 2018 clarified:-

“While we are making every effort to fulfill these targets, I also place before the Committee that there are certain practical challenges we face in executing projects abroad. This is because there are some issues like the difficulty of applying Indian procurement rules in external markets. This is also requirement of our lines of credit for our grant. We are also facing problem because of variable geo-political realities and security concerns which, although it is our intention to spend the money, inhibits the spending of money for various reasons and I would just briefly like to flag in this case two countries where we have met a challenge, that is, Maldives and some of the projects in Myanmar on which I will dwell at some length subsequently. But these complexities do cause setbacks in our spending which are factors beyond our control. I seek the Committee’s understanding of this. Despite these, we are recognised by fellow developing countries for our willingness and our ability to provide technical and financial assistance through development cooperation initiatives. I would like to briefly touch upon some of them.”

4.8 The table below illustrates the details of aid and loans to countries under this Head:-

(Rs. in Crores)

S. No.	Country	BE 2017-18	RE 2017-18	BE 2018-19
1.	Bangladesh	125.00	65.00	175.00
2.	Bhutan	2083.87	1779.07	1813.50
3.	Nepal	375.0	375.00	650.00
4.	Sri Lanka	125.00	75.00	150.00
5.	Maldives	75.00	125.00	125.00
6.	Myanmar	225.00	225.00	280.00
7.	African countries	330.00	165.00	200.00
8.	SAARC Prog	10.00	7.50	10.00
9.	Disaster Relief	25.00	15.00	20.00
10.	ITEC	220.00	200.00	280.00
11.	MER	25.00	45.00	30.00
12.	Eurasian	25.00	30.00	30.00
13.	Afghanistan	350.00	350.00	325.00
14.	Latin American	20.00	20.00	20.00
15.	ASEAN	30.00	35.00	45.00
16.	Mongolic	5.00	2.50	5.00
17.	Chabahar Port	150.00	0.10	150.00
18.	Mauritius	5.00	2.50	5.00
19.	Seychelles	300.00	200.00	300.00
20.	Investment & Promotion	75.00	75.00	75.00
21.	Other Developing Countries	115.00	100.00	115.00

From the above table, we can clearly discern that there has been decrease in aid to countries like Afghanistan and Sri Lanka in our neighbourhood. In this regard, the Committee enquired whether such a move would be contrary to our policy of 'Neighbourhood First'. The Ministry justified that Budget allocation and prioritization is done in the Ministry based on overall objectives of the Ministry as also realistic assessment of physical and financial progress of the projects under various Aid heads. The Ministry gives utmost priority to Government's Neighbourhood First policy. The above table shows, particularly in respect of India's immediate neighbourhood, those enhancements have been made in BE 2018-19 over BE 2017-18 for Bangladesh, Nepal, Sri Lanka, Myanmar and Maldives. Reduction under Aid to Bhutan are reflection of

continuing geographical challenges being faced in implementation of HEPs, while a slight reduction in BE 2018-19 under Aid to Afghanistan is due to completion of major projects such as Parliament building, Salma dam etc.

4.9 Highlighting the significance of Neighbourhood First Policy, the Foreign Secretary during oral evidence on 16 February, 2018 informed:-

“The policy of the Government of India is the Neighbourhood First Policy and the deepening of India’s development partnership with our immediate neighbours is an important element of this Neighbourhood First Policy. We are implementing not merely large infrastructure projects in a number of our neighbours, hydroelectric plants, power transmission lines, railway lines, housing, waterways, ports and bridges, but more importantly also many small scale but high-visibility grassroots level projects, what we call the small developmental projects which have been very effective in a number of our neighbouring countries.”

4.10 During the examination of Demands for Grants during the past two years and through the Action Taken Replies of the Ministry, the Committee had noted that the Ministry should refrain from reducing funds to aid countries. Elaborating upon the actions initiated by it to secure additional funds and the response of the Ministry of Finance, the Ministry replied that it accords utmost priority towards effective and secure budgetary allocation under Technical & Economic Cooperation. The budgetary resource prioritization and allocation by the Ministry is aligned, both towards Aid commitments by the Government as well as efficient utilization of the allocated budgetary resources to the Ministry within the overall constraints of Government finances. To that effect, the issue of additional budgetary allocation, based on realistic assessment, is taken up with Ministry of Finance by the Foreign Secretary as well as at the Ministerial level.

4.11 The Committee wanted to know whether in the opinion of the Ministry, the classification of aid and assistance budgets under the Scheme section has led to better appreciation of the Ministry of External Affairs budget under this Head *vis-a-vis* previous year. In a written reply, the Ministry submitted that the ‘Indian Technical and Economic Cooperation’ or ‘ITEC’ Programme is one of the programmes under the Ministry’s overall technical assistance and development cooperation budget, which spans two Major Heads (MH) – MH 3605 ‘Technical and Economic Cooperation with

Other Countries’; and MH 7605 ‘Advances to Foreign Governments’. MH 3605 comprises Grant assistance and MH 7605 comprises Loans assistance. Together, MH 3605 and MH 7605 comprise the Scheme section of the Ministry’s budget. The Scheme classification of the Ministry’s overall technical assistance and development cooperation budget provides better appreciation for funds requirements and allocation as all aid-related spending has come under a single classification, enabling the allocation and expenditure to be viewed and monitored as a consolidated and clear percentage of the overall budget.

4.12 China is making serious headway in infrastructure projects in our neighbourhood. Specifying the strategy devised to counter increasing Chinese presence in our backyard. In a written reply, the Ministry made the following submission:

- Bangladesh and Myanmar: India’s development cooperation initiatives with Bangladesh and Myanmar are robust and are based on their own merits. The projects being developed in these countries under Government of India’s assistance have been identified based on mutually agreed priorities with the host Governments and should not be seen through the prism of competition from any third country, including China. We continue to monitor internal developments in both Bangladesh and Myanmar with a view to promote and foster our own interests as well as mutually beneficial cooperation with these countries.
- Bhutan and Nepal: Government of India has wide-ranging development partnership with Bhutan and Nepal across diverse sectors. India’s special and unique ties with Nepal and with Bhutan stand firmly on their own. Government of India is committed to advancing its development partnership with Bhutan and Nepal, as per their priorities. The overall allocation of funds under ‘Aid to Bhutan’ and ‘Aid to Nepal’ budgets for 2018-19 is a reflection of our expanded development partnership with the two countries and continued emphasis on expeditious implementation of our ongoing projects, in consultation and coordination with the respective governments, for mutual benefit.
- Sri Lanka and Maldives: The Ministry keeps a constant watch on developments having a bearing on India’s security and economic interest in Sri Lanka and Maldives, and takes all necessary measures to safeguard it. India is confident about the strength and

enduring nature of its bilateral ties with these countries, which are deep-rooted and multi-dimensional. The Government is undertaking several bilateral projects in Sri Lanka and Maldives in consultation with the host Governments and based on mutually identified priorities. Meanwhile, the Government has taken up issues related to our security, including in the regional context, with the Governments of these countries.

- Iran: The Government is providing financial assistance in the development of the Shahid Beheshti Port in Chabahar, Iran. Once fully operational, Chabahar Port is expected to provide India economic and trade access to Afghanistan, Central Asia and Europe through potential linkages with the existing regional transport and transit networks including the International North-South Transport Corridor. During the recent visit of the President of Iran to India from 15-17 February 2018, both countries signed the Chabahar Port-Interim Operations Lease Contract, thereby enabling India to take over the Chabahar Port operations in the interim period till full operations under the original Chabahar contract of 2016 starts. The related recent announcements regarding India's proposed financial investments in the Chabahar-Zahedan Railway project and Chabahar Free Trade Zone are expected to further augment India's developmental assistance footprint in Iran.

- Afghanistan: India's is committed to provide developmental grant assistance to Afghanistan, with a focus on health, agriculture, drinking water supply, education, renewable energy, infrastructure development, skill development and capacity building, among others, with the objective to contribute to Afghanistan's reconstruction, economic development and effective governance. India has completed major infrastructure developmental projects in Afghanistan such as the India-Afghanistan Friendship Dam in Selma, the Afghanistan Parliament Building, the Zaranj-Delaram Road (218 kms) etc. In September 2017, India and Afghanistan have agreed to initiate an ambitious and forward looking next generation 'New Development Partnership' which would entail implementation of 116 high-impact community development projects in 31 provinces of Afghanistan. In addition, Indian grant-in aid assistance projects in Afghanistan will include the Shahtoot Dam and drinking water project for Kabul that would also facilitate irrigation, low cost housing for returning Afghan refugees in Nangarhar Province to promote resettlement, road connectivity to Band-e-Amir in Bamyán Province that would

promote tourism to the National Park and economic development, water supply network for Charikar city in Parwan Province, establishment of a Gypsum board manufacturing plant in Kabul to promote value-added industry, and, construction of a polyclinic in Mazar-e-Sharif.

- Pakistan: As reported, during the visit of Chinese President Xi Jinping to Pakistan in April 2015, several bilateral cooperation agreements were signed in areas including hydroelectric and nuclear projects, highways, motorways, ports, export processing zones, agriculture, financing arrangements for projects etc. Several of these agreements are for projects proposed under the so-called ‘China-Pakistan Economic Corridor (CPEC)’. Some of the proposed projects under CPEC are in Pakistan occupied Kashmir (PoK). Government’s consistent position is that Pakistan has been in illegal occupation of parts of the Indian state of Jammu & Kashmir since 1947. Government has conveyed to the Chinese side, including at the highest level, its concerns about their activities in PoK and asked them to cease these activities. Government keeps a constant watch on all developments having a bearing on India’s security and takes all necessary measures to safeguard it.

4.13 Comparing the Chinese modality of aids to that of India, the Foreign Secretary during the course of oral evidence on 16 February, 2018 stated: -

“China has been a very substantial net exporter of capital infrastructure technology in the last five to six years. This reflects the fact that they are now the world’s second largest economy of 12 trillion dollars. The new President of China has clearly stated that China will spread its presence abroad in an effort to protect its interest. In that framework, a number of steps, that the Chinese hitherto had said they would not do, are being done. This includes the establishment of foreign bases abroad as well as sending of military personnel abroad. China for many years had said that they did not intend to do this because it was very typically a cold war construct which the Americans had done. Sir, as we know now, the logistics base in Djibouti is the first one where in October, the President, Xi Jinping, wearing combat fatigues addressed the soldiers, thereby removing even the veil of some ambiguity whether or not this is a military base.

As the Committee is aware, a number of projects have been begun in every South Asian country and substantial commitments have been made. The experience has been that while initially the appearance of free money or cheap money as well as the quick execution of projects, which we have to admit is very much a part

of the Chinese modalities, was attractive to a number of these countries and they signed up very quickly to doing these projects. However, there have been some experiences in some of our neighbouring countries which are now giving at least some pause for thought. It is generally accepted that Hambantota Port for instance has proved to be an economic burden for the Sri Lankan Government. Of course, the consequence of that has been that the Sri Lankan Government had to lease out the land as equity in order to meet its debt obligations. In the case of Bangladesh, the general sense we got is that the President Xi Jinping had committed \$ 23 billion when he went on an official visit two years ago, but it now transpires that a large amount of this money is actually commercial credit and at interest rates which are comparable to international commercial interest rates, but they are also insisting on buying Chinese equipment rather than tendering on international basis. This has had some rethinking there. In Myanmar also, we believe that there has been some rethinking on Kyauk Pyu because the sheer size of the port does not appear to be something that the Myanmar Government is going to utilise in the next few weeks. That is cold comfort to us in the sense that they are making headway in infrastructure projects in our neighbourhood. I think, the effort of our Government in the last few year years has been, therefore, to try to build some of the infrastructure projects which are of interest to those countries in our neighbourhood.

Our infrastructure projects are different from Chinese infrastructure projects in that they are largely demand-driven. In other words, we wait for the Governments of our neighbours to tell us what projects are required and then we proceed to do it rather than our offering projects to them. In this regard, our projects in Nepal, Bhutan and Bangladesh are prominent. Bangladesh, in fact, has the largest line of Credit that is eight billion in three phases. Phase one which is about 780 million dollars is more or less completed; in phase two which is about two and a half billion dollars, DPRs are being prepared on a number of projects; phase three of the LoC which was decided last year is worth five billion dollars. For that, we are going to begin work on a number of projects. In Nepal, we are building projects of 1.65 billion, In Sri Lanka 1.5 billion and in Myanmar close to 700 million. So, our efforts are to assist them in building infrastructure projects which will hopefully also be able to reduce the dependency on China in terms of infrastructure requirement, but that having been said, we have to acknowledge that at this point, the capacity of the Chinese to build those projects is far greater than our capacity, both financially and technically and this has been a constant concern of the Government. We are continuously looking at how we address that concern. I will stop here now.”

4.14 The Committee observe that as a key instrument of our foreign policy, the scope and magnitude of developmental partnership has widened tremendously over the past few years. An allocation of Rs. 5093.77 crore was made in BE 2017-18,

which was reduced to Rs. 4273.82 crore in RE 2018-19. An outlay of Rs. 5148.55 crore, which is 34% of total MEA's budget has been earmarked in BE 2018-19. The reduction to the tune of 9% at RE 2017-18 stage was based on physical and financial progress of projects under various Heads. While recognizing the practical challenges faced by the Ministry in execution of various projects under this Head and its subsequent impact on making budgetary demands, the Committee feel that the allocation under this Major Head is indicative of our international commitments and of our bilateral relations with various countries. With the inclusion of the major Head under the scheme section, the Committee in their previous Report on Demands for Grants were hopeful that it will remain immune from budgetary cuts of the Ministry of Finance. However, that has not been the case and significant reduction has been made at the RE stage.

The Committee recommend that the Ministry of External Affairs undertake a thorough review of all Aid projects and prepare a roadmap for their completion. Based on this review exercise, the Ministry can prevent any reduction at RE stage and if required liaise with the Ministry of Finance for additional financial resources at that stage. The Committee would also like to reiterate their earlier recommendation that the Ministry should explore the feasibility of setting up an autonomous aid disbursal body along the lines of USAID to avoid the arbitrary cut's imposed by the Ministry of Finance and prioritization being done within the available allocations. This would make the DPA more predictable and play a vital role for ushering developmental diplomacy.

(Recommendation No.18)

4.15 While analyzing the major Head 'Indian Technical and Economic Cooperation', the Committee observe a wide array of unpredictable budgetary allocation to various sub-heads. The Committee make a note of the practical challenges posed by geo-political realities and security concerns in execution of international projects. The Committee have been informed that in keeping with India's Neighbourhood First Policy', there has been deepening of India's developmental engagement with our immediate neighbourhood by implementing large as well as small scale infrastructure projects.

The Committee strongly urge that the Ministry observe pragmatism and prudence while planning and proper execution of developmental aid and assistance to other countries. In view of the unfortunate mismatch between the BE and RE stage budgetary demands and allocation of Ministry of External Affairs, the Committee are not very confident about the Foreign Secretary's assurance that additional fund will be flagged to Ministry of Finance at a later stage. The Ministry should make earnest efforts to impress upon the Ministry of Finance to have a considered view of the bilateral, regional and multilateral implications of not having adequate funds for developmental partnership. The Committee further desire that a strategy should be formulated to effectively counter the presence of other regional powers by increasing our presence through widening as well as deepening of our developmental partnership with our neighbourhood in consonance with the 'Neighbourhood First Policy'.

(Recommendation No.19)

I. Aid to Bangladesh

4.16 Under 'Aid to Bangladesh' the budgetary allocation of Rs. 125 crore was made during BE 2017-18 which was reduced to Rs. 65.00 crore in RE 2016-17. Further, the allocation at BE 2018-19 has been earmarked as Rs. 175.00 crore. Furnishing the reason for significant reduction in the allocation at the RE stage of 2017-18, the Ministry stated that the expenditure under the 'Aid to Bangladesh' budget is Rs. 50.25 crore till 31 January 2018. The BE 2017-18 allocation was made taking into consideration the anticipated expenditure on on-going and future projects in the pipeline. However, due to slow pace of spending, the allocation was revised in RE 2017-18. The Ministry is actively pursuing small-value projects for which payments are made based on achievements of physical milestones by the Bangladesh side. For projects to be considered under the MoU on Small Development Projects, Government of Bangladesh has taken time to come forward with proposals of projects to be executed. Work on the Akhaura-Agartala rail link is being expedited and sufficient funds for the final quarter of the current financial year have been allocated for its progress as per agreed timelines.

4.17 The Akhaura-Agartala Rail Link Project was initiated to provide better connectivity between India and Bangladesh. In their Fifteenth Report, the Committee had categorically recommended that this project should be expedited without any delay and adequate funds should be allocated for the same. Against this background, the Committee enquired about the present status of this project along with a timeline for its completion and the efforts being made by the Ministry to expedite the process with coordination from the Bangladeshi side. The Ministry in a written reply responded that the implementation of Akhaura-Agaratala Rail Link construction has made progress on both Indian and Bangladesh sides. Over 93% of land on Indian side and 50% on Bangladesh side has already been acquired. While work is progressing on the Indian side following award of contract, the process of selection of contractor and award of work on Bangladesh portion is in the final stage. All efforts are being made to fast track the completion of project through close coordination with Government of Bangladesh, project monitoring and review. Requisite funds have been made available.

4.18 The Committee observe that there has been an increase in budgetary allocation under 'Aid to Bangladesh' from Rs. 125 crore in BE 2017-18 to Rs. 175 crore in BE 2018-19. The BE allocation of 2017-18 i.e. Rs. 125 crore has been reduced to Rs. 65crore. The Committee have made a note of Ministry's reply on drastic reduction in allocation under this head at RE Stage due to slow pace of spending. Furthermore, the expenditure under this budget head till January, 2018 has been Rs. 50.25 crore. The Ministry has informed that enhanced allocation in BE 2018-19 has been primarily provisioned for expediting work on Akhaura-Agratala rail link. The Committee also note that Government of Bangladesh have taken time to come forward with proposals of Small Development Projects.

While satisfied with the increased allocation under 'Aid to Bangladesh' in BE 2018-19, the Committee express their disapproval of the slow pace of utilization by MEA during FY 2017-18. With the provisioning of requisite finances, the Committee would recommend that the Ministry fully utilize allocations for Akhaura-Agartala rail link and complete the same within the agreed timeline. The Government of India is also urged to use its good offices to engage with its

Bangladeshi counterpart for promptly furnishing proposals on Small Development Projects.

(Recommendation No.20)

II. Aid/Loan and Advances to Bhutan

4.19 As per the information furnished by the Ministry, following the discontinuation of Plan and Non-Plan distinction, the Government of India's aid and assistance programmes in Bhutan are currently covered under Revenue and Capital Heads only with Grants coming under Revenue and Loans coming under Capital sections of the budget. The following table provides details of budgetary allocation to Bhutan during the previous and current financial year:-

(Rs.in crores)

	BE 2017-18	RE 2017-18	BE 2018-19
Aid to Bhutan	2083.87	1779.07	1813.50
Loans and Advances to Bhutan	1630.26	800.67	836.50

4.20 The Committee wanted to know the reason for reduction in allocation at RE 2017-18 and the status of ongoing projects, the Ministry in a written reply stated that the budgetary allocation under 'Aid to Bhutan' head comprises developmental assistance to the Royal Government of Bhutan's XIth Five Year Plan (2013-18) in the form of grants for implementation of Small Development Projects (SDPs) and Project-Tied Assistance (PTA) projects; and, grant component of GoI-assisted Hydro-Electric Projects (HEPs). The Ministry makes timely fund releases to the Royal Government of Bhutan for SDPs and PTA. As of January 2018, GoI has disbursed over Rs. 4080 crore out of GoI's total commitment of Rs. 5000 crore for Bhutan's 11th Five-Year Plan, i.e. about 82% of the total commitment. Three GoI-assisted HEPs in Bhutan, namely Punatsangchhu-I, Punatsangchhu-II, and Mangdechhu, are funded in a Loan and Grant combination, in accordance with their respective inter-governmental agreements. The three HEPs have been appraised and their revised cost estimates approved by the Union Cabinet in July 2015, July 2016 and March 2016 respectively. The Second Revised Cost Estimate of Mangdechhu HEP was approved by the Ministry in September 2017. The three HEPs have already crossed their peak construction period, with physical progress between 70%

to 90% and most of the key work packages either complete or nearing completion. Thus, budgetary allocations in RE 2017-18 and BE 2018-19 reflect the reduced financial requirements of these Projects, as per requirements projected by respective Project Authorities, based on project progress.

Punatsangchhu-I and II HEPs are facing severe geological challenges, which are being addressed by the Project Management and technical team of experts. Due to slower than anticipated pace of progress in these two Projects, their financial requirements have correspondingly been lower than anticipated. However, the Mangdechhu HEP is progressing well and is expected to be commissioned in 2018. Out of Rs. 4672.38 crore approved project cost, GoI has disbursed Rs. 4470.63 crore as of January 2018.

4.21 On being asked about the latest loan to grant ratio *vis-à-vis* Bhutan based on BE 2018-19, the Ministry responded that the three GoI-assisted HEPs – Punatsangchhu-I, Punatsangchhu-II, and Mangdechhu – are funded in a Loan and Grant combination, in accordance with their respective inter-governmental agreements. The Loan to Grant ratios for the three HEPs, as of January 2018, is given below:

Project	Loan : Grant	Loan % <i>(of total funds released so far)</i>	Grant % <i>(of total funds released so far)</i>
Punatsangchhu-I	60 : 40	61.10	38.89
Punatsangchhu-II	70 : 30	72.10	27.89
Mangdechhu	70 : 30	71.34	28.66

4.22 As per the Ministry, the details of the on-going GoI-assisted HEPs in Bhutan are as follows:

Project	Approved Cost	Allocation in RE 2017-18	Current Status <i>(as of 31 Jan 2018)</i>	Scheduled Completion
Punatsangchhu-I 1200 MW	Initial: 3514.81 cr Revised: 9375.58 cr	Loan: 150 cr Grant: 110 cr Total: 260 cr	Physical progress: 83.74% Funds released: 7519.3 cr	June 2019

Punatsangchhu-II 1020 MW	Initial: 3777.8 cr Revised: 7290.62 cr	Loan: 320 cr Grant: 145 cr Total: 465 cr	Physical progress: 74.06% Funds released: 5378.723 cr	2018-19
Mangdechhu 720 MW	Initial: 2896.3 cr Revised: 4020.63 cr 2 nd Revision: 4672.38 cr	Loan: 330.67 cr Grant: 237.57 cr Total: 568.24 cr	Physical progress: 92.52% Fund released: 4470.637 cr	Dec 2018
Kholongchhu 600 MW	3868.70 cr	Loan: 0 Grant: 46.50 cr Total: 46.50 cr	Funds released: 103.74 cr. Progress: On-going pre-construction activities. Signing of Concession Agreement under discussion.	

4.23 The Committee further enquired whether in the opinion of the Ministry the allocated funds are adequate for the completion/ progress of the projects? The Ministry justified that the overall allocation under the ‘Aid to Bhutan’ budget for RE 2017-18 and BE 2018-19 is as per the Ministry’s requirement and in line with our commitments to Bhutan. As regards FY 2018-19, any additional requirement would be projected at the RE 2018-19 stage, as per implementation progress. The Ministry will ensure that a smooth flow of funds is maintained.

4.24 The Ministry has informed that there are geographical challenges confronting the Punatsangchu-I and Punatsangchu-II projects. When asked about the way in which the Ministry envisages to overcome these challenges in order to avoid time and cost over runs in the projects, it replied that the Punatsangchhu-I and Punatsangchhu-II Hydro-Electric Projects in Bhutan have been confronted with geological surprises, which are being addressed by the Project Management with the assistance of the Project Consultant and experts from premier Indian institutions. To obtain sound technical advice, both Projects have a mechanism called the Technical Coordination Committee (TCC) comprising subject-matter experts from Government agencies such as the Central Water Commission, the Central Electricity Authority, representatives from the Royal

Government of Bhutan and the Project Management team, which deliberates, discusses and recommends measures to address the geological challenges facing the Project. The TCC also obtains additional assistance of experts from NIRM, IIT Delhi, IIT Chennai and the Geological Survey of India in addressing technical issues facing the Projects. The TCC's recommendations are considered during the meetings of the Project Authority, which are held regularly.

4.25 The Ministry further added that remedial measures for slope stabilization at Punatsangchhu-I and strengthening of the Downstream Surge Gallery at Punatsangchhu-II are being undertaken. Apart from the remedial measures already undertaken, additional measures for stabilization of the slope at Punatsangchhu-I and for strengthening the Downstream Surge Gallery at Punatsangchhu-II are being considered to create an asset that would stand the test of time. Geological challenges facing the two projects are complex and involve collecting, reviewing and assessing relevant data for finding a technically sound solution, which is being done through a consultative approach involving various expert agencies. Apart from regular Project Authority meetings, both Projects are regularly and continuously monitored by the Ministry.

4.26 During the course of oral evidence, the Foreign Secretary while summing up the progress of our projects in Bhutan stated:

“Bhutan has traditionally been the largest recipient of our financial assistance for obvious strategic reasons that the Committee is familiar with. By June 2018, we will finish disbursing our commitment of Rs.5,000 crore for Bhutan's Eleventh Five Year Plan from 2013 to 2018. Indeed, we have already disbursed 80 per cent of the funds exactly according to our implementation plan. About Rs.4,080 crore has been disbursed. We expect to disburse the rest within the next financial year. Spending on the hydropower projects has temporarily slowed because in two of the three projects, Punatsangchu-I and Punatsangchu-II, we have faced some geological surprises recently. There has been a slippage of river bank on one project which we did not anticipate when studies were made. We are trying to resolve this with the help of technical experts, including technical experts from abroad. In Punasangchu-II, the surge gallery has had some problems from which we evacuate water.”

4.27 Due to historical, strategic and civilizational linkages, Bhutan has traditionally been the largest recipient of India's aid and assistance programmes and budgetary allocation to them are provided from both Revenue and Capital heads. The Committee are disappointed to observe a massive reduction in budgetary allocation in both aid as well as loan and advances to Bhutan. The two main reasons for this drop in allocation, as cited by the Ministry, are completion or near completion of few projects and geographical challenges confronting Punatsangchu I and II projects. The Committee are happy to learn that the ongoing GOI-assisted Hydro-electricity Projects in Bhutan are making desired progress without any shortage of funds. The Kholongchhu Project under the pre-construction activities and signing of concession agreement is under discussion. The Committee recommend that the Ministry ensure that the various GOI-assisted HEPs in Bhutan are completed within the agreed timelines.

(Recommendation No.21)

III. Aid to Nepal

4.28 Under the head 'Aid to Nepal', the budgetary allocation for BE 2017-18 was Rs. 375.00 crore and the same was retained at the RE stage. The allocation under BE 2018-19 has been pegged at Rs. 650.00 crore, which is 73.33% more than BE 2017-18. Justifying the quantum jump in allocation under this head, the Ministry in a written reply stated that India has robust developmental cooperation with Nepal, under which a number of connectivity, physical and social infrastructure projects are under implementation. The Government has laid particular emphasis on expeditious implementation of ongoing projects. A bilateral 'Oversight Mechanism' was established in 2016 to address bottlenecks, if any, in project implementation. The mechanism, co-chaired by Ambassador of India to Nepal and Foreign Secretary of Nepal, has met five times since November 2016 to review progress in project implementation.

4.29 Adding further, the Ministry stated that an enhanced allocation has been provided under the 'Aid to Nepal' budget for FY 2018-19 as several ongoing projects are targeted to achieve significant progress, and timely release of funds to the respective consultant

and contractors would ensure their smooth implementation. Some of the major ongoing GoI-assisted projects in Nepal are: Integrated Check Posts at Birgunj and Biratnagar, railway links from Jogbani to Biratnagar Customs Yard and Jayanagar to Janakpur, Terai Roads project, Small Development Projects, Dharmashala at Pashupatinath Temple complex, and Hetauda Polytechnic. The Government of Nepal will also be seeking reimbursements, as per the agreed bilateral modalities signed in August 2017, for implementation of the post-earthquake reconstruction works supported by the Government of India through the US\$ 250 million grant assistance in the four sectors of housing, education, cultural heritage, and health. Separately, the Government of India has agreed to extend a Line of Credit of US\$ 750 million for post-earthquake reconstruction projects.

4.30 The Committee desired to know whether the sharp rise in allocation to Nepal is a strategic step to counter growing Chinese influence. The Ministry responded that India and Nepal have close cultural and civilizational ties and a wide-ranging and expanding partnership across diverse sectors, which stand firmly on their own. The enhanced allocation of funds under the ‘Aid to Nepal’ budget for FY 2018-19 is a reflection of our expanded development partnership with Nepal and our continued emphasis on the expeditious implementation of our ongoing projects, in consultation and coordination with the Government of Nepal as per its development priorities.

4.31 Furnishing details of the various projects that have been initiated and completed under this sub-head during the last Financial Year, the Ministry stated that in FY 2017-18, it released a mobilization advance of Rs. 68.91 crore to the Government of Nepal (GoN) for the Postal Highway Project (Terai Roads projects), which is being undertaken under the new ‘GoI funded – GoN implemented’ modality. Contracts for all ten roads under the project have been awarded, and work has commenced. In August 2017, the two sides finalized the modalities for the implementation of post-earthquake reconstruction projects in the housing, cultural heritage, health, and education sectors. Indicative lists of projects were also finalized in these sectors. The contract for the Nepal Bharat Maitri Polytechnic in Hetauda was awarded and its construction began in 2017-18.

4.32 Furthermore, two GoI assisted 132 kV cross border transmission lines from Raxaul (India) to Parwanipur (Nepal), and Kataiya (India) to Kusaha (Nepal) were completed and inaugurated in August 2017. New bays at four sub-stations were completed in April 2017 at the cost of Rs. 29.37 crore. The Ministry undertook these medium-term measures to enhance the capacity of power transmission lines, and thereby increase electricity supply from India to Nepal by 100 MW. The Ministry completed the Nepal-Bharat Maitri Irrigation Project for the installation of 2700 shallow tube wells in 12 districts of Nepal at a total cost of Rs. 12 crore in 2017-18. Detailed Project Reports have been prepared for the Integrated Check Posts at Nepalgunj and Bhairahawa in Nepal. The final location survey is underway for three new cross border rail lines between Nepalgunj Road-Nepalgunj, New Jalpaiguri-Kakarbita and Nautanwa-Bhairawaha.

4.33 Additionally, the Ministry extends assistance to Nepal's Small Development Projects (SDPs) programme, under which assistance is provided for the implementation of projects costing less than Nepali Rupees five crore (approx. Indian Rupees 3.125 crore) in critical sectors such as health, education, and community infrastructure development. In FY 2017-18, Ministry released Rs. 35.20 crore for the implementation of 43 SDPs in Nepal. Under the mechanism of the Joint Commission on Inundation and Flood Control, the Ministry extends economic assistance every year for the construction of river embankments in Nepal.

4.34 Furthermore, the Foreign Secretary during testimony before the Committee added:

“In Nepal, as the Committee is familiar, political volatility in the last couple of years has delayed our projects for some time. However, in the last and current financial years, with the improved political situation and sustained efforts by the Ministry in close coordination with the Government of Nepal, our development partnerships have picked up some speed. Some achievements this year include the completion of new bays at four sub-stations, the completion of two cross-border power transmission lines, Raxaul to Parwanipur and Kataiya to Kusaha. The Nepal-Bharat Maitri Irrigation Project was completed with 2700 shallow tube wells built in 12 districts of Nepal and also 43 small development projects in sectors like health, education and community infrastructure.

All contracts for the Terai Road Project have now been awarded. The contract has been awarded and construction has begun in the Nepal-Bharat Maitri Polytechnic. The Integrated Check Post at Birgunj is going to be completed in the next two weeks and work has also started in the Integrated Check Post at Biratnagar.

In the next financial year, we expect post-earthquake reconstruction projects to gain momentum, especially in the housing and cultural heritage sectors. Implementation is going to start on three new cross-border rail lines. We have two existing lines which are progressing well. These are three new cross-border lines, Nepalgunj Road-Nepalgunj, New Jalpaiguri-Kakarbita and Nautanwa-Bhairawaha. Detailed project reports have been completed and to ensure adequate funds availability for all these on-going and planned projects, budgetary allocation, therefore, have been increased from Rs.375 crore this year to Rs.650 crore for the next year.”

4.35 The Committee notice that there has been a substantial increase in allocation under the budget head ‘Aid to Nepal,’ from 375 crore in BE 2017-18 to Rs. 650 crore in BE 2018-19. The jump is 73.33% over the last fiscal. The Committee are aware that the situation in Nepal had led to a considerable delay in the implementation of our projects. It is heartening to know that with an improved political situation, several ongoing projects are stated to achieve significant progress, and post-earthquake reconstruction works are scheduled to start. The renewed vigour in the implementation of our ongoing projects in Nepal is a welcome step. The Committee urge that the Ministry prepare a blueprint for the completion of various projects in Nepal in a smooth and timely fashion. The Committee hope that the wide ranging and expanding partnership will give a fresh impetus to our bilateral ties.

(Recommendation No. 22)

IV Aid to Sri Lanka

4.36 The budgetary allocation under ‘Aid to Sri Lanka’ for BE 2017-18 was Rs. 125.00 crore which was reduced to Rs. 75.00 crore at the RE stage. However, an enhanced allocation of Rs. 150 crore has been provisioned in BE 2018-19. Citing the reason for reduced allocation at RE 2017-18 Stage, the Foreign Secretary during oral evidence stated:-

“In Sri Lanka, we acknowledge that we had to reduce the allocation from Rs.125 crore to Rs.75 crore, mainly on account of delay in land allotment for the third phase of the housing project. Phase-I and II are going well, that is, about 45,000 houses in the North and East of Sri Lanka. In Phase-III, in the Indian origin Tamil region, upcountry we have land acquisition problem which the Sri Lankan side has to address. Therefore, despite seeking funds, we have not been able to spend it so far. We have completed the emergency ambulance service in the south and west provinces. This has been greatly appreciated by the Sri Lankan side. We have completed construction of buildings for Jaffna University and we have restored the Thiruketheeswaram Temple in Mannar.”

4.37 The Ministry furnished details of the following projects, which have been completed in 2017-18:-

- a. Emergency Ambulance Project in Southern and Western Provinces of Sri Lanka
- b. Construction of 150 bed Hospital in Dickoya, Hatton
- c. Construction of new buildings for Faculty of Agriculture for Jaffna University Killinochhi campus
- d. Construction of new buildings for Faculty of Engineering for Jaffna University Killinochhi campus
- e. Restoration of Thiruketheeswaram Temple has been completed.

4.38 The Ministry also enumerated the list of projects that have been initiated in 2017-18 as follows: -

- a. Construction of Kandyan Dancing School for Sri Dalada Maligawa, Kandy
- b. Construction of Tri-lingual School in Polonnaruwa
- c. Construction of 3000 Rainwater Harvesting Units in Jaffna District
- d. Model Village Housing Program-600 houses
- e. Gram Shakti Housing Program - 600 houses
- f. Expansion of Emergency Ambulance Services

4.39 During the course of oral evidence, the Foreign Secretary enlisted the projects for which an enhancement of 20% has been provided at BE 2018-19 as under:-

"In the next financial year, new projects that will be undertaken include expansion of the emergency ambulance services project, construction of 3000 rainwater harvesting units in Jaffna, model village housing programme and at least two mid-sized community infrastructure projects in Kandy and Polonnaruwa. We also expect to forge ahead on the third phase of the housing project for the Indian origin Tamils with the resolution of the land allocation issue. The budget allocation for the next year has thus been increased to Rs.150 crore."

4.40 The Committee observe an increase of 20% in budgetary allocation under the head ‘Aid to Sri Lanka’ in BE 2018-19 in view of the anticipated commencement of some development projects during the course of the year. The Committee note that the reduction in RE 2017-18 was mainly due to the delay in land allotment for the third phase of the housing project. The Committee are of the view that the Ministry’s requirement of an enhanced allocation in BE 2018-19 stands in stark contrast to its utilization pattern of Rs. 28.84 crore till 31 January 2018 against an allocated amount of Rs. 75 crore in RE 2017-18. The Committee would recommend that the Ministry make realistic budgetary demands backed by robust expenditure so that underutilization of funds is not cited as a justification for budgetary cuts in MEA’s budget at the RE 2018-19 stage.

(Recommendation No. 23)

V. Aid to Maldives

4.41 Under the sub head ‘Aid to Maldives,’ the allocation has been increased from Rs. 75.00 crore in BE 2017-18 to Rs. 125.00 crore during 2017 RE as well as BE 2018-19. In this regard, the Ministry furnished the rationale behind an increase in budgetary allocation under this Head during the RE 2017-18 Stage in a written reply by stating that as of January 2018, Rs. 99 crore has been utilized under the ‘Aid to Maldives’ budget. Further payments required to be made are Rs.42.65 crore for the implementation of the Coastal Surveillance System project, in addition to regular payments towards defence training courses and scholarships for civilians *etc.* Further, construction work for the Institute of Security and Law Enforcement Studies is progressing well, and an expenditure of about Rs. 45 crore was anticipated in FY 2017-18 based on the physical progress, of which about Rs. 10 crore has been incurred.

4.42 Explaining the rationality for such enhanced allocation under this head given our difficult political relations with Maldives, the Ministry stated that the enhanced allocation was sought at the RE 2017-18 stage to meet expenditure towards our existing bilateral commitments as given above, as well new initiatives, besides factoring in our overall strategic objectives. The Ministry continues to keep a close watch on activities and

developments in the Maldives, and our security concerns have been flagged to the Government of Maldives at the highest level.

4.43 The construction of a Police Academy has been a long standing Project. Furnishing a status note on this project, the Ministry stated that the Government of India has agreed to provide grant assistance to the Government of Maldives (GOM) for setting up an Institute for Security and Law Enforcement Studies (ISLES) in Maldives (formerly called National Police Academy). A Memorandum of Understanding (MoU) between GOI and GOM in this regard was signed in September 2012 during the visit of the Indian Home Minister to Maldives. However, the project could not commence as GOM later proposed to change the location of the project twice. On the finalization of the project site in February 2015, a project cost of Rs.188.18 crore including consultancy charges was approved in February 2016. The cost has been revised to Rs. 213.09 crore due to a higher tendered cost and additional reclamation of land. The National Building Construction Corporation (NBCC) is the Project Management Consultant for the project. With the clearance of encumbrances from the project site, NBCC started construction activities in December 2016. However, as the drawings were approved by GoM on 23 April 2017, the date of commencement of the project has been recorded as 7 May 2018. With 19% physical progress as on 31 January 2018, construction activities are currently underway and the project is scheduled to be completed by May 2019.

4.44 The Committee notice that the budgetary allocation under the sub-head ‘Aid to Maldives’ has been increased from Rs. 75 crore in BE 2017-18 to Rs. 125 crore in RE 2017-18 as well as in BE 2018-19. The Ministry stated that the 66.67 per cent increase in allocation during RE 2017-18 was on account of implementation of Coastal Surveillance System project, regular payment towards training course and scholarships for civilians and physical progress of the Institute of Security and Law Enforcement Studies (ISLES). The assertion that in view of the prevailing political situation in Maldives, project related expenditure is likely to be lower than what was envisaged has been duly noted by the Committee. The Committee observe that only 19 per cent physical progress has been accomplished in construction work of ISLES. The Committee, therefore, recommend that allocation should be made on a realistic

basis. The Committee would further recommend that the Government reach out to the Government of Maldives to ensure the smooth implementation of our projects. The Committee also desire that the construction of the long-delayed ISLES should be expedited and completed by May, 2019.

(Recommendation No.24)

VI Aid to Myanmar

4.45 Aid to Myanmar under BE 2017-18 was Rs. 225.00 crore and the same was retained at the RE Stage. For BE 2018-19 the allocation has been pegged at Rs. 280.00 crore. Elucidating on the reason for enhanced allocation for BE 2018-19, the Ministry stated that the Government of India is implementing several key infrastructure projects in Myanmar, and enhanced allocations for BE 2018-19 were sought considering the fund requirements for major GoI-assisted ongoing infrastructure projects such as Kaladan Multi Modal Transit Transport project, construction of 69 bridges and approach roads and Kalewa-Yargi road projects under Trilateral Highway, Rih-Tedim road project, Myanmar Institute of Information Technology (MIIT) etc. In addition, less-capital intensive projects, including extending training courses and other small development projects, are being undertaken. An enhanced budget allocation is reflective of a growing engagement between the two countries. The timely release of funds would expedite the execution of these projects.

4.46 In response to the Committee's query about increasing Chinese inroads into Myanmar, the Ministry stated that it has always been our endeavor to ensure that the budget requested under the 'Aid to Myanmar' head is commensurate to the projects that are currently under implementation or that have been mutually agreed upon by Myanmar and India. Several strategic infrastructure projects are under implementation and the budget requested is closely linked to the milestones likely to be accomplished in the next financial year. Our effort has been to identify projects which are in line with the priorities of the Government of Myanmar and are primarily focused on strengthening of democratic institutions and socio-economic development of the people of Myanmar. Our development cooperation partnership with Myanmar is part of our bilateral cooperation

and has an intrinsic value of its own, and therefore should not be seen through the prism of competition with any third country.

4.47 On being asked about the progress of the Kaladan Multimodal Transit Transport Project, the Ministry replied that the objective of the Kaladan Multi Modal Transit Transport Project is to create a multi-modal transport corridor for the shipment of cargo from the eastern ports of India to Myanmar as well as the North-Eastern part of India via Myanmar. The project includes a waterway component of 158 km on the Kaladan River from Sittwe to Paletwa in Myanmar and a road component of 109 km from Paletwa to Zorinpui on the India-Myanmar border in Mizoram State. The current status of both the components is as under:

- a. Waterways Component: The Port at Sittwe, Inland Water Transport (IWT) terminals at Sittwe and Paletwa, back-up facilities, navigational channel and self-propelled IWT vessels have been completed in May 2017. All six 300 ton vessels have been handed over to the Myanmar Government on 26 June 2017. The completed port and transshipment terminals under waterways component are being maintained. Consultations are underway with the Myanmar Government for the appointment of a Port Operator. The Detailed Project Report (DPR) for developing the Container Handling Facility at Sittwe and Paletwa has been prepared and shared with the Government of Myanmar. The contract for wreck removal has also been awarded. The implementation of some additional works is in progress.
- b. Road Component: Road construction work was awarded in March 2017 and Right of Way (ROW) was allocated in May 2017. Implementing agencies have mobilized at the project site and commenced field works. The progress of various activities is being reviewed regularly. The project completion period is 36 months from the date of allocation of ROW.

4.48 On being asked about the status of various ongoing, completed and under progress projects in Myanmar since the last FY, the Ministry provided the following details:

- a. Kaladan Multi-Modal Transit Transport Project: Works under the original waterways component, including the Port at Sittwe, IWT Terminals at Sittwe and Paletwa, navigational channel and six 300T barges, have been completed in May 2017. Additional works subsequently approved are under various stages of implementation. Work for construction of a road has been awarded in March 2017. The construction of the road is expected to take 36 months.
- b. Construction of 69 Bridges in Tamu-Kyigone-Kalewa Section of Trilateral Highway: The project is being implemented with GoI's grant assistance of Rs.371.58 crore. Work has been awarded in October 2017. The period of construction is 3 years.
- c. Construction/ upgradation of the Kalewa-Yargi road of Trilateral Highway: The project is being implemented with GoI's grant assistance of Rs. 1459.29 crore. Work has been awarded in December 2017. The period of construction is 3 years.
- d. Rih-Tedim Road Project: GoI has agreed for construction/ upgradation of Rih-Tedim road in Myanmar. DPR has been prepared.
- e. Establishment of Myanmar Institute of Information Technology (MIIT): The project is being implemented with GoI assistance of Rs 134.8 crore. Training programmes, including B.Tech and PG Diploma have commenced.
- f. Establishment of Advanced Centre for Agricultural Research and education (ACARE): The project is being implemented with GoI Grant assistance of Rs 50.84 crore. IARI is project implementing agency. M.Sc. programme has commenced and procurement of equipment is underway.
- g. Establishment of Rice Bio-Park in Myanmar: The project is being implemented with GoI Grant assistance of Rs 8.8 crore. M S Swaminathan Research Foundation is Project Management Consultant of the project. Implementation of the project is complete and the facility will be soon handed over to the Myanmar Government.
- h. Supply of Medical equipment to Yangon and Sittwe Hospitals in Myanmar: The project is being implemented with GoI Grant assistance of Rs 40.88 crore. Trainings of Doctors, Nurses and para-medical staff is completed. Major equipment have been procured and supplied.
- i. Restoration of Ananda temple, Bagan: The Government of India is committed to undertaking restoration works at the famous Ananda temple in Bagan which is being

implemented through the Archaeological Survey of India (ASI) in coordination and consultation with the Ministry of Culture, Myanmar. Work is under progress and is scheduled to be completed in 2019.

4.49 The Committee note that under the head ‘Aid to Myanmar’ allocation has been enhanced from Rs. 225 crore in BE 2017-18 to Rs. 280 crore in BE 2018-19 in view of the fund requirements for various ongoing infrastructure projects. The Committee have been informed that both the components-waterways and roads - of the Kaladan Multi Modal Transit Transport Project have shown steady progress. Given the timely availability of funds, the Committee are hopeful that the execution of various ongoing projects in Myanmar would be expedited. The Committee desire that the Ministry in consultation with the concerned stakeholder in Myanmar draw a roadmap for completion of the Kaladan Multi Modal Transit Transport Project to ensure smooth and timely completion of the transport corridor.

(Recommendation No. 25)

VII Aid to African Countries

4.50 As per the Brief furnished by the Ministry, under the Head 'Aid to African Countries', the BE 2017-18 was Rs. 330.00 crore which was reduced to Rs. 165 crore during RE 2017-18 stage. During BE 2018-19, the budgetary allocation has been pegged at Rs. 200.00 crore. Stating the reason for downward trend in budgetary allocation to African countries, the Ministry stated that the RE 2017-18 allocation under ‘Aid to African’ countries was reduced to Rs 165 crores from BE 2017-18 of Rs 330 crores based on financial and physical progress of the projects and keeping in view the overall cut in the Ministry’s budget by Rs 1108 crores RE 2017-18. The expenditure under the head till end-January 2018 is Rs 132.65 crores, which corroborates the step of downward revision of the budget for judicious utilization by spending heads with healthy pace of expenditure. The BE 2018-19 has been pegged at Rs 200.00 crores based on anticipated utilization of funds in CFY. The Ministry will consider the possibility of an upward revision of the allocation at RE 2018-19 stage based on the actual progress of projects and the pace of utilization.

4.51 Regarding the issue of a comprehensive review of all the projects announced so far under the India-Africa Summit I and II. The Ministry in a written reply stated that all projects were reviewed in October 2015 during the IAFS-III summit held in New Delhi. Progress in the projects is reviewed regularly in consultation with all concerned Ministries. A regular and high level review of projects undertaken under various IAFS is carried out in consultation with all the concerned stakeholders and policy decisions are taken accordingly. For example, to respond to capacity constraints faced by several African countries in developing a proper project proposal, a Project Preparation Facility has recently been set up to assist the requesting countries with the preparation of project proposals.

4.52 When asked to furnish reasons for the delay in setting up of projects committed under IAFS-I, II & III and remedial steps Considerable challenges were faced in the implementation of the proposals to set up institutions in Africa. These include: long delays in decision making on choice of locations to host institutions (by the African Union, the Regional Economic Communities or countries selected); sub-optimal choice of locations in some cases; lack of interest by some designated host countries; lack of funds with host countries to provide land/building/running costs as per terms and conditions of the partnership model; lack of adequate manpower on the Indian side in some cases to implement the projects offered. Despite these challenges, this year, the Ministry has established three more Vocational Training Centers (VTCs) in Zimbabwe, Burkina Faso and Gambia, taking the total number of VTCs in Africa to seven. We have also established four IT Centers in Tanzania, Morocco, South Africa and Lesotho this year. In terms of projects under Lines of Credit, factors such as local situation on the ground, difficulties with companies executing the project, high indebtedness of several partner countries etc. are some reasons that affect project execution. However, the entire process has been streamlined and made fair and transparent through enforcing the new Indian Development and Economic Assistance Scheme (IDEAS) Guidelines that have been in effect since December 2015.

4.53 As regards 'Aid to African countries', the Foreign Secretary during oral evidence informed the Committee:-

"...in Africa, both sides have gained some experience in institutionalizing and implementing development partnership programmes. There are areas of success in training schemes and scholarships which are actively sought. We have gained a lot of experience as a result of which fundamental reforms have been made at the disbursement of finance under the Exim banks lines of credit, the ideas guidelines which have been worked out by the Department of Economic Affairs in consultation with MEA, which ensures that the vendors who bid for the programme are reliable and that they can actually complete the execution of projects after they are awarded. This is a major reform."

4.54 On the Committee's query, the Ministry provided a status note on the Pan Africa e-network Project by stating that there are 48 AU countries that have signed the Agreement for the Pan Africa e-Network (PAeNP) project, and 169 sites/centres have been commissioned/integrated with the e-Network. National Coordinators and Consignees have been identified by 48 countries, and 47 countries have identified all the sites, *i.e.* for Learning Center, Patient-end Hospital, VVIP Node, Regional University Centre (where applicable), and Regional Super Specialty Hospital (where applicable). The various capacity building activities under PAeNP are as follows:

- a. Educational programmes: Based on five AU interest areas, *viz.*, Physical Sciences, Engineering and Technology, Computer Science and IT, Management (Business and Finance), and some international languages such as English, French, German, Arabic, 6 PG, 5 UG, 6 Diploma and 10 certificate programs are being conducted. Leading Indian universities have signed MoUs with 39 African universities in 38 countries. There are a total of 21242 students registered, and 5500 sessions by various Indian universities have been held.
- b. Tele-Medicine services: 18 medical disciplines are offered by 12 Indian Super Specialty Hospitals for online medical consultations, and 6300 continued medical education sessions are attended daily by 50 specialists.

4.55 The expenditure incurred under PAeNP Phase-I in the last ten years is as follows:

(Rs. in crores)

S. No.	FY	Expenditure in FY	Cumulative Expenditure
1.	2008-09	126.84	126.84
2.	2009-10	52.97	179.81
3.	2010-11	59.46	239.31
4.	2011-12	15.55	254.86
5.	2012-13	35.52	288.38
6.	2013-14	86.54	374.92
7.	2014-15	19.28	394.20
8.	2015-16	93.07	487.27
9.	2016-17	28.46	515.73
10.	2017-18	34.16	549.89
Total		549.89	

4.56 When asked about the number of countries that are beneficiaries of the Project and the time and cost overrun in the Project during 2017-18, the Ministry contented that there are 48 countries (15 from West Africa division) that benefit from the project. There has been no time and cost overrun in the project and Phase-I was completed on 31 July 2017.

4.57 The Ministry further informed that it has decided to upgrade the existing Pan African e-Network project under the new names of 'e-Vidyabharati and e-Aarogybharati' for provision of tele-education and tele-medicine services for a period of the next five years. The services will be delivered primarily *via* internet communications through web-portals. Over two-thirds of the hosts Governments have evinced interest in having the second phase of the project.

4.58 It is noticed that the budgetary allocation under the head 'Aid to African countries' has witnessed a downward spiral from Rs. 330 crore in BE 2017-18 to Rs. 200 crore in BE 2018-19 based on the expenditure pace. The Ministry has informed that there exists a possibility of upward revision of allocation at RE 2018-19 based on actual progress of project and pace of utilization. The Committee note that the regular and high level review of projects undertaken under India-Africa Forum

Summit (IAFS) is carried out and accordingly policy decisions are taken. It is learnt that both sides have gained experience in institutionalizing and implementing development partnership programmes. The Committee are happy to observe that 48 countries have benefitted from Pan Africa e-Network (PAeNP) project and 169 sites/centres have been integrated with it. The Committee discern that the developmental partnership between India and Africa is premised on three editions of IAFS and the PAeNP. The progress of various projects under IAFS and PAeNP has been well received. The Committee, therefore, desire that while the good work may be continued, the lessons learnt from such experiences be utilized in our other development partnership programmes.

(Recommendation No. 26)

VIII Aid to Latin American Countries

4.59 The budgetary allocation during BE 2017-18 under the head ‘Aid to Latin American Countries’ was kept at Rs. 20.00 crore and the same was retained during the RE 2017-18 stage as well as BE 2018-19.

4.60 The allocation under this Head has remained constant at Rs. 20 crore during the previous and current financial years. On the Committee’s observation that such allocation constrained our outreach to the Latin American countries, the Ministry in a written reply stated that India’s assistance in the Latin America and Caribbean regions includes initiatives like setting up of IT Centres of Excellence, assistance for renovation and upkeep of local monuments, donation of computers and farm equipment, emergency aid from time to time, etc. The allocation was kept at Rs. 20 crore in line with past funds utilization trends, and was found to be sufficient to meet these requirements. One large commitment is supply of an Ocean Ferry to Guyana at a cost of US\$ 18 million, of which US\$ 10 million is to be met under the Line of Credit to Guyana, and balance US\$ 8 million to be funded by MEA. Two companies have now been short-listed and tenders will be floated soon. Therefore, the initial payment of 25% has been estimated to be made in FY 2018-19. Enhancement of budget allocation would be considered at the RE 2018-19 stage, based on the expenditure status till then.

4.61 Details of projects/schemes, and actual expenditure, in FY 2017-18 is as follows:

S. No.	Details of Expenditure	Amount
1.	Donation of computers for Gurudwara in Argentina	1,69,455
2.	Emergency aid to Suriname	99,22,500
3.	Solar Traffic Lights at Sucre, Bolivia	40,93,488
4.	Reading for Success Project to Commonwealth of Dominica	61,21,750
5.	Disaster Relief Fund to Peru	97,30,500
6.	School Bags for Children in Suriname	19,52,219
7.	Grant to St. Bernard Foundation for Losa Gandhi, Lima	12,96,400
8.	Emergency aid to Commonwealth of Dominica	64,80,000
9.	Emergency aid to Antigua and Barbuda	64,80,000
10.	Emergency aid to Cuba	98,25,000
11.	Donation of Computers to Rabindranath School, Lima	12,30,000
12.	Donation of computers to Town Council of Orange Walk, Belize	7,16,675
13.	Annual Christmas Celebrations, Suriname	24,49,188
14.	Setting up of Solar Traffic signaling system, Guatemala	7,85,254
15.	Setting up of Centre of Excellence in IT, Guyana	1,52,950
16.	Supply of tractors to Cuba	29,175
17.	Setting up of IT Centre in Ecuador	51,59,900
18.	Upgradation of ICT System at CARICOM Secretariat, Guyana	7,83,49,145
19.	Construction of Belle Vue Road Project, Grenada	27,70,840
20.	Donations of medicines to Commonwealth of Dominica	54,34,542
Total		13,42,00,000

In addition to the actual expenditure till the end of December 2017, as given in the table above, expenditure of about Rs. 6.56 crore is also expected in FY 2017-18 for the supply of tractors to Cuba and the upgradation of the ICT system of the CARICOM Secretariat in Georgetown.

4.62 About the details of Projects and proposed expenditure during BE 2018-19, the Ministry provided:-

S. No.	Details of Estimated Expenditure	Amount
1.	Setting up of Vocational Training Centres in Jamaica and Belize	8,40,00,000
2.	Supply of Ocean Ferry to Guyana (25% of US\$ 8 million)	13,00,00,000
3.	Setting up of IT Centre of Excellence in St. Vincent & Grenadines	2,00,00,000
4.	River Salle Community Complex in Grenada	72,00,000
5.	Setting up of IT Centre of Excellence in Guyana	2,15,00,000
6.	Donation of Tractors to Cuba	1,23,00,000
7.	Setting up of IT Centres in Argentina and Uruguay	1,00,00,000
Total		28,50,00,000

4.63 The Committee note that the budgetary allocation under the head ‘Aid to Latin America’ has been kept constant at Rs. 20 crore during the BE 2017-18 as well as BE 2018-19. The Committee find the reason offered by the Ministry for keeping the allocation constant as unconvincing. The Committee are of the firm opinion that the budgetary allocation provided under this Head is not at all commensurate with the importance this region has to our overall foreign policy. The Committee would strongly recommend that the Government enhance our engagement with Latin American countries in form of our visible developmental aid programmes and assistance.

(Recommendation No. 27)

IX. Chabahar Port

4.64 The sub-head ‘Chabahar Port’ was created in FY 2016-17 and caters to the expenditure for the Chabahar Port in Iran. During BE 2017-18, an allocation of Rs. 150 crore was made under this head and the same amount has been retained during BE 2018-19. However, there was a sharp dip in allocation during RE 2017-18 *i.e.* Rs. 0.10 crore only. While testifying before the Committee, the Foreign Secretary further clarified:-

"It was inaugurated by President Rouhani who is already on a State visit to India. He arrived in Hyderabad yesterday. This was inaugurated in December 2017. We have released Rs.100 crore to the implementing agency through the Ministry of Shipping in March 2017. The procurement of equipment has been initiated and the first orders have been placed on 31st of October. But we have shifted the allocation of Rs.150 from this year to next year because we feel that most of the actual purchasing of equipment will do in the next financial year. Civil work, of course, has been completed, as I said, the Shaheed Behesti Terminal of Chabahar Port was inaugurated. I would once again like to flag that this was essentially being used to send wheat into Afghanistan thereby establishing the land-sea link beside the air corridor which we opened to Afghanistan and which is, of course, a very expensive proposition."

4.65 Justifying the reason for massive slashing of allocation during RE 2017-18, the fund projections are based on the requirements projected by the implementing agency. This is based on the progress in the tendering process for equipment procurement. The Foreign Secretary further added:

"On Chabahar, Rs. 150 crore which we have moved from this financial year to the next financial year is because the Iranian side has not completed its procurement tendering process. We anticipate that for all heavy cranes at the Shahid Beheshti terminal and other equipment, we will be able to indent only in the next financial year which is why we have moved the funds."

4.66 The Committee desired to know whether such fluctuations in budgetary allocation reflect negatively on India's credential regarding its connectivity projects. The Ministry in a written reply submitted that the procurement of equipment has been initiated, and first orders have been placed on 31 October 2017. Tenders for the procurement of the remaining tenders which have been floated by India Ports Global Limited, the SPV constituted by the Ministry of Shipping are at various stages of evaluation. These are expected to be finalized in FY 2018-19 and accordingly higher expenditure can be expected then. Meanwhile, the civil works at the port have been largely completed. The first phase of Shaheed Behesti Terminal of Chabahar Port was formally inaugurated by the President to Iran on 3 December 2017. India had also sent the first shipments through the Shaheed Behesti Terminal of the Port, comprising 1.1 million tonnes of wheat assistance to Afghanistan. Nearly 2200 containers have been successfully transhipped through the Chabahar Port so far. Two more shipments would be sent in the coming months.

4.67 The Committee are happy to learn that the Shaheed Behesti Terminal in the Port has been inaugurated in December 2017. The Committee further note that the budget head 'Chabahar Port', created in Fiscal 2016-17, has been allocated Rs. 150 crore in BE 2018-19. However, the Committee observe a drastic reduction in this head during the 2017-18 from Rs. 150 crore (BE 2017-18) to Rs. 0.10 crore (RE 2017-18). The justification provided by the Ministry for this massive budgetary cut is the non-completion of procurement tendering process from the Iranian side and the subsequent delay in purchasing of equipment.

Although the situation was beyond the Ministry's hands, in the considered view of the Committee, fluctuations in allocation under this head, catering to strategic oceanic port is not in the interest of our international credibility on delivering connectivity projects. The Committee, therefore, recommend that the

Ministry pursue a pro-active policy to engage the Iranian side to accelerate the tendering process so as to fast track the purchase of requisite equipments to complete the project in a time bound manner.

(Recommendation No. 28)

X Aid to Mauritius and Aid to Seychelles

4.68 Highlighting the importance of the Indian Ocean Region to our Foreign Policy, separate budget heads were created under ‘Aid to Mauritius’ and ‘Aid to Seychelles’ since FY 2016-17. The table below illustrates the allocation made under this Head:-

	BE 2017-18	RE 2017-18	BE 2018-19
Aid to Seychelles	300.00	200.00	300.00
Aid to Mauritius	350.00	335.00	350.00

4.69 Illustrating the projects/initiatives undertaken under the Head 'Aid to Seychelles' during FY 2017-18, the Ministry in a written reply furnished the following details:

- a. Upgradation and Restoration of Coastal Surveillance Radar System (CSRS) Stations: A proposal for the upgradation of six CSRS stations at a cost of Rs. 40.2 crore was undertaken. This strategically important project will enhance the capabilities of Seychelles for surveillance of their EEZ spread over 1.3 million sq kms.
- b. Gifting of second Dornier aircraft: The aircraft is currently under manufacture by M/s HAL and is expected to be delivered by April 2018.
- c. Forensic Lab for Seychelles Police: GoI grant of USD\$ 1.197 million was sanctioned and the process initiated to set up the laboratory.
- d. Construction of Magistrate’s Courthouse: US\$ 3.43 million has been approved. The tendering process has been completed by the Government of Seychelles.
- e. Procurement of Solar home panels: Rs. 23 crore has been allocated for the procurement of photovoltaic cells, and the project is expected to be partly implemented in FY 2017-18.
- f. Miscellaneous Development Assistance Project: As part of our policy to engage with key stakeholders in Seychelles, several small grant projects such as providing a fleet of vehicles to the Seychelles People’s Defence Forces and National Drug

Enforcement Agency, supplying essential medicines and medical equipment, etc. were executed, with expenditure of about US\$ 3.2 million.

4.70 While the projects/initiatives undertaken the head 'Aid to Mauritius' in FY 2017-18 was as follows:

- a. Special Economic Package Projects: The five priority projects of the Government of Mauritius, Metro Express, Education Tablets, ENT Hospital, Supreme Court, and Social Housing, partly funded under a special GoI grant of US\$ 353 million, are under execution with a total expenditure of Rs. 272.14 crore in FY 2017-18.
- b. New Building of World Hindi Secretariat: Construction commenced in October 2016 and is expected to be completed in March 2018. Rs. 9 crore was spent in 2017-18.
- c. Civil Service College: Rs. 7.8 crore has been utilized from the total GoI grant of US\$ 4.74 million as per MoU signed in May 2017. The college is in the conceptual design phase. The Consultant has been appointed and the DPR is likely to be submitted by March 2019.
- d. Project Trident: GOI grant of Rs. 2.067 crore was spent in 2017-18 to aid preparation of the Detailed Project Report for construction of a headquarters for Mauritian Coast Guard.
- e. Miscellaneous Development Assistance: To engage with friendly people of Mauritius in times of distress, small grant projects such as providing cyclone relief, etc. were executed.

4.71 On the Committee's specific query about the details of budgetary demands, actual allocations and expenditure under these heads in the previous year, the Ministry provided the given details:-

(Rs. in Crores)

2016-17	BE		RE		Actual
	Demand	Allocation	Demand	Allocation	
Aid to Mauritius	0.00	500.00	458.03	410.00	409.97
Aid to Seychelles	0.00	100.00	97.73	50.00	49.98

4.72 The Committee were keen to know whether there has been a transformation in India's approach to the Indian Ocean Region in consonance with the vision of Security and Growth for all in the Region (SAGAR). The Ministry through a written reply stated that in pursuance of Prime Minister's SAGAR vision articulated in March 2015, India has reinvigorated its engagement with the Indian Ocean Rim Association (IORA) and the IORA member states. The focus is on the six priority areas and two cross-cutting issues identified when India assumed the Chair in 2011. During FY 2017-18, the focus was on implementing several initiatives that India had announced in the previous years at the IORA Council of Ministers Meetings. Major initiatives implemented in CFY were spread over a wide spectrum, including maritime security, women's entrepreneurship & empowerment, innovation, water, media and other sectors. Establishment of an IORA Centre of Excellence (ICE) at one of the coastal cities of India, announced by the Vice-President of India during the 1st IORA Leader's Summit in Jakarta in Indonesia in March 2017, is currently in progress and is expected to be completed during FY 2018-19. During FY 2018-19, we plan to launch fresh initiatives in the IORA context and further reinforce our engagement with Countries in the Indian Ocean region, both bilaterally and regionally, in pursuance of our common strategic vision to secure our oceanic space in order to meet our developmental aspirations.

4.73 The Committee note that the budget heads - 'Aid to Mauritius' and 'Aid to Seychelles' were created in FY 2016-17 and an amount of Rs. 300 crore and Rs. 350 crore respectively have been provisioned for them. It is observed that in pursuance of India's Security and Growth for all in the Region (SAGAR) vision, a renewed thrust has been given to the Indian Ocean Rim Association (IORA) and its member States. Given the salience of Indian Ocean Region to our strategic developmental aspirations, the Committee urge that the Ministry ensure that the allocated funds are optimally and fully utilized with tangible gains in ground implementation. The Committee also desire that the Government of India deepen our engagement with all the Indian Ocean countries.

(Recommendation No. 29)

CHAPTER V

ORGANIZATIONAL SET UP

The Ministry of External Affairs is headed by the External Affairs Minister. She is assisted in the discharge of her functions by the Minister of State for External Affairs. The Foreign Secretary oversees the functioning of the Ministry at the official level. The MEA HQs in New Delhi is organized into Territorial and Functional Divisions, with Territorial Divisions overseeing and managing bilateral relations with specific foreign countries, structured regionally. Moreover, following the merger of the erstwhile MOIA with MEA, the administrative and Secretarial functions have been integrated in MEA's organizational set up. In this chapter, the Committee specifically analyzes the budgetary allocation, functioning and other related aspects of the two sub heads: 'Secretariat General Services', especially the Protector General of India and the External Publicity and Diplomacy Division (XPD) and 'External Affairs'.

I. Secretariat General Services

5.2 The major Head 'Secretariat General Services' caters to Ministry's Secretariat foreign and domestic travel expenses, Public diplomacy & Press Relations and the Protectorate General of Emigrants (PGoE). Under this Head, BE 2017-18 was Rs. 423.59 crore which was slightly reduced to Rs. 425.78 crore in RE 2017-18. An amount of Rs. 440.64 has been provisioned for BE 2018-19.

5.3 The sanctioned strength of the Ministry is 8208. However, the actual strength as of date is 7012. Enumerating the reasons for the gap between the sanctioned strength and actual strength, the Ministry stated that it is cognizant of the gap between the sanctioned strength and actual working strength which mainly occurs due to a delay in recruitment due to factors beyond the Ministry's control. The Ministry is also fully aware of the importance of appropriately augmenting its human resources. In this regard, the Ministry has taken the following steps:-

- i. Increase in indent for direct recruitment to the UPSC. In the last five years over 160 officers have joined the Indian Foreign Service by direct recruitment through the Civil Services Examination

- ii. Taking officers on deputation from different Line Ministries/Departments of Government of India and State Governments;
- iii.Engagement of Consultants, with expertise in varied fields, including retired Government officials as well as from the open market; and,
- iv.For filling up vacancies at staff level, placing of indents with the Staff Selection Commission.

5.4 While deposing before the Committee, the Foreign Secretary delving upon the issue of manpower crunch informed:-

"The gap between our sanctioned strength and actual working strength mainly has occurred due to delay in recruitment because of factors beyond the Ministry's control. Although a number of new recruitment posts have been created by the Cabinet for the Ministry of External Affairs.

To address this problem, we are also taking certain other steps to augment our human resources while waiting for the UPSC and SSC to fill up the vacancies at the officer and staff levels. We have, for instance, reinforced our technical capability in key divisions, like the Development Partnership Division which does all our projects abroad, the Disarmament and International Security Affairs Division which does a lot of sensitive work relating to our diplomacy relating to nuclear disarmament, space and so on and in some of the other divisions by taking on deputation people with domain expertise from other line Ministries. We now have a substantial number of officers, particularly from the Ministry of Power, Ministry of Railway, Ministry of Telecom and Department of Civil Accounts because many of the projects we are doing in DPA involve these sectors. We have found that by inducting these officers into the Ministry, we have considerably improved the whole process of making tenders, tendering them out and implementing projects. We intend to continue strengthening this intake in the interim period while we wait for the SSC and the UPSC to indent more officers.

We are also engaging consultants who have expertise in various fields. We have actually moved beyond policy planning unit to some of the other key divisions where we felt the need. For instance, in the case of Japan, we have inducted an expert, somebody who has expertise in science and technology which is a critical component of our relationship with Japan. We have engaged one or two other consultants in other key divisions"

5.5 The Committee wanted to know about the concrete steps taken by the Ministry to put across to the concerned Division/Department/Ministry about the problems faced by them due to shortage of manpower. The Ministry in a written reply stated that efforts

have been made by the Ministry for augmentation in human resources at the officer level through increase in the Ministry's indent for direct recruitment through the Union Public Service Commission; taking officers on deputation from other GoI Ministries/Departments; and, engagement of Consultants. At the level of officials, recruitment for the Ministry is done by the Staff Selection Commission (SSC) through a common exam. The Ministry places requisite indents with the SSC for recruitment to various grades of officials. However, there had been a delay in the process of selection of Assistant Section Officers (ASOs) by the SSC due to litigation for the 2016-17 examination. The Ministry was regularly following up the matter with the SSC. Recently, the SSC has given the go-ahead for appointment of about 148 ASOs selected in the 2016-17 examination. The Ministry is in contact with the SSC regarding the recruitment to other grades of officials as well.

5.6 With regard to manpower with requisite foreign language skills, the Committee wanted to know whether the Ministry has adequate manpower/staff with language skills to cater to various languages spoken in other countries. The Ministry responded that it accords the highest importance to training of its officers in foreign languages and has taken concrete steps to augment the pool of officers trained in foreign languages. So far, around 600 officers have been trained in various foreign languages. In addition, the Ministry is encouraging specialized training in interpretation for IFS officers. Five officers are currently undergoing such training in MIIS, Monterey, USA, in Spanish, Russian, Japanese and Chinese.

5.7 Recognizing the gravity of this issue, the Foreign Secretary during the course of oral evidence stated:-

“We had a serious shortage of language capability largely because recruitment in the Foreign Service fell very drastically between 1982 and 2005. The result was at the senior levels, even though we have the language skills, we simply do not have people to staff in every country so that the Ambassador or High Commissioner there, he or she, has those language skills. This is a challenge that we have now hopefully made up with the recruitment of new officers. I presume that at the junior levels, I think, in every embassy the policy of the Government of course, we cannot train people in every language, we have to basically focus on the UN languages plus one or two countries like Japan or Germany or Persian. But

within that now, I think, we have sufficient staff at the level of First Secretaries, in all these embassies. I just wanted to mention we have 106 Arabic speakers, 99 Russian speakers. I acknowledge that we have too many. Until the collapse of the Soviet Union, that was our most important relationship. Nobody foresaw the collapse of the Soviet Union.”

5.8 Elaborating the steps taken to deal with the issue of linguistic specialization he added:-

“More importantly, on language skills, what the Ministry has really moved to do in the last two or three years is to create a translation, interpretation division because the current leadership, the Prime Minister and the External Affairs Minister felt that it was unconscionable that they were using outside interpreters, sometimes the interpreters of the host Government and sometimes people who are Indian citizens but in the private sector or in the other Ministries for doing interpretation for them on matters which involves sensitive subjects. So, the current External Affairs Minister has directed that we must now have in the next five years only used our interpreters. As a result, a number of officers have gone for training. Most of them go to the Middlebury Institute in Monterey which is the professional training for simultaneous and consecutive interpretation. Of course, we have always been training our Chinese interpreters. There are already five or six of them. But we have now got people there who are doing a number of other languages, like Russian, Spanish, French, *etc.* We are also looking at Arabic interpreters training. So, hopefully this big lacuna will be addressed in the next few years. What we are doing in the case of Chinese is that every three years we select two or one officers to go to Monterey for training.”

5.9 Providing details of the efforts made to induct/recruit/train people with foreign language knowledge and posting, the Ministry stated that as part of the efforts to increase linguistic specialization, some officers with proficiency in French, German and Arabic have been identified for specialized interpretation-level training. To further augment its linguistic resources, Ministry has commenced imparting training in Compulsory Foreign Language to all officers of IFS Branch B promoted to the IFS. In addition, the Ministry provides for undertaking periodic refresher courses for officers who go back to their language stations. As a functional requirement, periodic foreign language classes are held in Missions/Posts for officer and officials of all levels to familiarize them with the language spoken in their country of posting. Further, in view of the requirement for officers with expertise in the local language in non-English speaking countries, a

Language Lab is being established at the Foreign Service Institute with faculty being drawn from among officers of the Interpreters Cadre of the Ministry.

5.10 Additionally, the Ministry also has a local cadre of more than 2600 employees recruited locally in Missions and Posts abroad. These employees are well versed in the local language and assist in the day to day working of the Missions and Posts, including for economic and commercial work in the local language. Some of these employees are recruited against local posts of interpreters/translators contributing in translation work and augmenting the language expertise available in Missions/Posts abroad.

5.11 The Committee note that the sanctioned strength of the Ministry is 8208, while the working strength is 7012. The Committee are unhappy to learn about the huge gap between the sanctioned and actual strength in the Ministry of External Affairs, leading to vacant posts in vital departments. Over the years, the Ministry has provided the same justification that the gap is due to delay in recruitment which is beyond its control. The Committee also observe that to tide over this manpower crunch, various steps such as induction of officers from other Ministries, engagement of Consultants etc have been taken. The Committee take serious cognizance of the persistent vacant posts in the Ministry and find the steps taken by the Ministry as inadequate and half-hearted. The Committee strongly recommend that the Ministry impress upon the Staff Selection Commission (SSC) and Union Public Service Commission (UPSC) to enhance the direct recruitment process to fill up the vacant positions in the Ministry so that it is appropriately staffed. The Committee would also recommend that the Ministry continue inducting expertise from other Ministries, academia, think tanks and the private sector, as needed to ensure the quality of manpower is also augmented simultaneously.

(Recommendation No. 30)

5.12 The Committee note the Foreign Secretary's submission that the shortage of language capability has been on account of drastically reduced recruitment in the Indian Foreign Service between 1982 and 2005. The Committee also note that concrete steps have been taken by the Ministry to augment linguistic specialization

which *inter-alia* includes compulsory training in Compulsory Foreign Language to all promotee IFS officers, establishment of Language Lab in FSI, employing local people in Missions/Posts. The Committee have learnt that the Ministry is planning to create a translation, Interpretation Division to do away with practice of using outside interpreters. The Committee are of the view that the shortage of linguistic resources in the Ministry of External Affairs acts as a great impediment to our diplomatic outreach and therefore the issue needs to be accorded highest priority and urgency. The Committee, therefore, urge that the Ministry expedite the creation of a separate Translation and Interpretation Division. The Committee also desire to be apprised about the progress made in this regard.

(Recommendation No. 31)

A. Protectorate General of Emigrants (PGoE)

5.13 Following the merger of MOIA with MEA, the expenditure related to PGoE is provided under the Major Head 'Secretariat General Services.' Expenditure on establishment of PGoE has been increased from Rs. 14.82 crore during BE 2017-18 to Rs. 21.89 crore during RE 2017-18. However, this allocation has been reduced to Rs. 17.09 crore at BE 2018-19.

5.14 Specifying the reason for increase in RE stage and reduction in BE 2018-19, the Ministry stated that the initial quarterly payments to the Implementing Agency for running the e-Migrate project could not be released due to delay in achievement of some project landmarks, including "Go Live". Therefore, a one-time additional provision of Rs. 6.57 crore has been made under Information Technology budget head during RE 2017-18 to clear these outstanding payments. Once this liability is cleared, the project expenditure will be manageable within the allocated BE 2018-19.

5.15 The Committee enquired about the break-up of sub heads for expenditure of Rs. 17.09 crore earmarked for expenditure on PGoE in BE 2018-19. In reply, the Ministry furnished the following details:

(Rs. in crores)

Budget Head	BE 2018-19
Salaries	3.26
Wages	0.12
Medical Treatment	0.12
Domestic Travel Expenses	0.21
Office Expenses	0.91
Rents, Rates and Taxes	1.12
Advertising and Publicity	0.30
Minor Works	0.25
Professional Services	0.50
Swachhta Action Plan	0.03
Information Technology	10.27
Total	17.09

5.16 It is observed that out of the total budgetary allocation of Rs. 17.09 crore to Protectorate General of Emigrants (PGoE), an amount of Rs 10.27 crore has been earmarked for Information Technology. Furnishing details of activities undertaken under this sub head, the Ministry stated that besides meeting the expenditure on IT requirements of the ten Protector of Emigrants offices in India, the 'Information Technology Office Expenses' (IT-OE) sub-head in the PGE budget is used for expenditure incurred for operating the web-based E-Migrate Project. In FY 2017-18, PGE's IT-OE budget was enhanced from Rs. 9 crore in BE to Rs.15.37 crore in RE primarily to clear pending payments to the IT service provider operating the E-Migrate system. The provision is Rs. 10.27 crore in BE 2018-19 as the pending payments would be cleared within FY 2017-18.

5.17 The Ministry further provided details of activities undertaken under this sub-head in FY 2017-18 are as follows: (In Rs. Crore)

Expenditure Item in PGE IT-OE sub-head	Amount
IT requirements of 10 Protector of Emigrants Offices	0.263
Operation of E-Migrate Project System at HQs	9.83
Standardization Testing and Quality Certification (STQC) Audit	0.12
Payments to NISG for E-Migrate Project Monitoring Unit	0.34
Sub-Total	10.553
Additional provision to clear payment arrears	4.817
TOTAL	15.37

5.18 Regarding the proposal of shifting of present PGoE offices or establishments of new offices, the Ministry stated that there is no proposal of shifting of present Protector of Emigrants (PoE) offices. However, wherever MEA has its own accommodation with adequate free space to house the PoE office, such a move will be considered as and when found feasible. As regards opening of new PoE offices, in principle approval has been obtained for opening of one PoE office in Bengaluru, Karnataka. In addition, a PoE Cell has also been started in Lucknow under PoE, Rae Bareli.

5.19 As per the Ministry, the total sanctioned strength of Protector of Emigrant (POE) Offices is 87 posts, of which 62 posts are occupied. In this regard, the Ministry were asked to enlist the steps taken to strengthen the manpower resources in PGoE office. Through a written reply, the Ministry submitted that it is endeavouring to fill the vacant posts in POE offices at the earliest. Vacancies in POE offices are circulated to various Ministries/Departments for forwarding the names of interested candidates. If vacancies are not filled, outsourced staff are deployed against the vacant posts. At the same time, the posts in POE Offices have been in-cadred in the Ministry of External Affairs in May 2017. The indent for the respective posts has been placed with the Staff Selection Commission (SSC).

5.20 The Committee further enquired whether the staff requirement varied after the functions of PGoE became online. In a written reply, the Ministry stated that Staff requirements remain the same after introduction of the E-Migrate system because functions such as grievance settlement; liaison with Indian authorities such as Bureau of Immigration and FRROs; inspection of premises; confirmation of bank guarantees; liaison with banks; coordination with Indian Missions/Posts abroad, and administrative matters, continue to be conducted as off-line processes. Further, the staff requirements would also increase with the opening of new PoE Offices/Cells in Lucknow and Bengaluru (under process) and requests from more States to open PoE Offices.

5.21 The Committee observe that out of the total budgetary allocation of Rs. 440.64 crore in BE 2018-19, for the major head Secretariat General Service, Rs.17.09 crore has been earmarked for expenditure on Protectorate General of Emigrants (PGoE). The allocation of Rs. 14.82 crore at BE 2017-18 was raised to Rs.

21.89 crore at the RE stage. The Ministry stated the reason for increase in allocation to PGoE during the RE 2017-18 was due to payments to the Implementing Agency for running the e-Migrate project. The Committee observe that the bulk of the expenditure under PGoE is for the sub-head 'Information Technology.' It is observed that against the sanctioned strength of Protector of Emigrants (POE) offices of 87 posts, 62 posts are occupied. The Ministry has informed that there is no proposal of shifting of present POE offices. However, in principle approval has been obtained for opening one POE office in Bengaluru, Karnataka and a PoE Cell has also been staged in Lucknow under PoE Rai Bareli.

The Committee have taken a serious note of the negligence accorded to PGoE post merger, as can be discerned from the budgetary allocation. It is a matter of deep concern that another vital department of MEA, namely POE offices, have been enduring manpower constraint. The Committee strongly recommend that the Government pay special attention to strengthen the POE offices through adequate provisioning of finances and human capital. The Ministry is further urged to improve the working conditions of POE offices by either shifting them to new buildings or by investing on infrastructural development of the offices in the process of establishment or to be established and apprise the Committee about the progress in this regard.

(Recommendation No. 32)

B. External Publicity and Diplomacy Division (XPD)

5.22 The External Publicity & Public Diplomacy Division (XPD) is the key division in the Ministry handling media relations and public diplomacy. The allocation for Public diplomacy at the BE Stage of 2017-18 was Rs.21.66 crore. This has been reduced to Rs. 20.55 crore.

5.23 Stating the reasons for its reductions, the Ministry stated that expenditure on cable subscriptions and TV purchase and maintenance, for offices of the Ministry, has been transferred to the Secretariat Establishment budget, because of which budget allocation

has been slightly decreased in this head. Inflation has been taken into account in BE 2018-19.

5.24 Out of the total Rs. 21.87 crore allocated to the head 'Expenditure on Public Diplomacy', more than 90 % is earmarked for 'Advertising and Publicity'. Enumerating the broader aim and purpose driving 'Advertising and Publicity' in Public Diplomacy domain, the Ministry stated that The 'Advertising and Publicity' sub-head under Public Diplomacy broadly covers the following outreach activities and public diplomacy initiatives:

- a. Procurement and supply of books by Ministry for Indian Missions and Posts aboard;
- b. Publication of MEA's flagship magazine (quarterly) 'India Perspectives';
- c. Commissioning of documentaries, short films, and short AV features (up to 90 seconds promotional films) on contemporary subjects;
- d. Publicity related expenditure on important events such as International Yoga Day;
- e. Events of specific relevance to India's foreign policy outreach in collaboration with the concerned territorial divisions;
- f. Publication of customized books, e-books, brochures and information material, including for distribution during outreach events;
- g. Organization of international seminars and events related to specific themes related to Indian foreign policy in coordination with concerned territorial divisions and Indian Missions and Posts aboard;
- h. Digital diplomacy outreach through development and maintenance of mobile and digital platforms; and,
- i. Specific outreach events like Distinguished Lecture Series, quiz contests, essay competitions etc.

5.25 The Committee desired to know whether the Ministry has made any comparative analysis of the allocations, goals and effectiveness of Public Diplomacy as an instrument of foreign policy *vis-à-vis* other countries. In a written reply the Ministry stated that it constantly endeavours to follow the latest global trends in public diplomacy and adapt the best international practices in the field of public diplomacy to Indian requirements. Over

the last few years, the Ministry has implemented several new initiatives to make its public diplomacy initiatives both inclusive and innovative, by reaching out to the younger audience, beyond the traditional domain of think-tanks, foreign policy experts, and academicians alone. There has been a considerable emphasis on digital platforms which are more often used by the younger generation. At the same time, Ministry continues to engage with the traditional audience and experts through its initiatives like the - Distinguished Lecture Series and seminars/workshops organized in leading universities/think-tanks etc.

5.26 Providing specific examples where the Ministry has incorporated international practices in its Public Diplomacy, the Ministry in a written reply stated that its Public Diplomacy initiatives have two broad objectives: first, to introduce and acquaint people within the country about India's foreign policy objectives; and, second, to promote India in foreign countries. The Ministry keenly observes best practices on public diplomacy of other countries, which is reflected not only in the introduction of new initiatives but also in the fine-tuning of the existing ones. Some of these initiatives are as follows:

- a. Live Press Briefings on social media: This practice, initiated in 2016 based on similar systems followed in other countries, has helped the Ministry in reaching out to a larger audience.
- b. 'India Corner': Several countries distribute books related to their country in foreign countries. The Ministry has taken an imitative to establish an 'India Corner' in the libraries of educational institutions abroad, which would stock books on different aspects of India for the benefit of the local population.
- c. SAMEEP (Students and MEA Engagement Programme): An officer of the Ministry would interact with the school/college from where he/she has studied or the educational institution in his district to explain India's foreign policy objectives and some success stories. This initiative provides an opportunity for officers of the Ministry to interact with the younger generation who may not have adequate exposure to the foreign policy priorities of the Government.
- d. 'Ask The Spokesperson': Under this pioneering initiative, the Spokesperson responds to queries from a wide cross-section of people on different aspects of foreign policy in a simple and easy to understand language.

e. India Perspectives: This flagship publication of the Ministry in 16 languages is being moved to a digital format in view of global trends and the need for a more efficient delivery platform.

f. Distinguished Lecture Series: Under this initiative, retired Indian Foreign Service officers deliver lectures in educational institutions within the country on a foreign policy related topic. So far, 209 such lectures have been held.

The Ministry has also streamlined the commissioning of coffee table books and other publications including e-books as well as the commissioning of documentary films and other promotional material for use by the Ministry and Indian Missions and Posts abroad.

5.27 Enlisting the manner in which digital technology has been utilized for augmenting public outreach of the Ministry of External Affairs, the Ministry replied that it has been increasingly using digital diplomacy tools such as Facebook, Twitter, YouTube, Instagram, LinkedIn etc. to reach out to a wider audience and has also implemented several new initiatives such as 'Ask the Spokesperson' and Students and MEA Engagement Programme (SAMEEP) to make the engagement broad-based and taking diplomacy to the doorsteps of the future diplomats and leaders.

5.28 The Committee note that the budgetary allocation to the sub-head 'Expenditure on Public Diplomacy' was Rs. 21.66 crore in BE 2017-18, Rs. 20.55 crore in RE 2017-18 and is Rs. 21.87 crore in BE 2018-19. The marginal decrease in RE 2017-18 as cited by the Ministry was on account of the transfer of certain routine activities to the Secretariat Establishment budget. The Committee observe that out of the allocated budget in BE 2018-19, more than 90% has been earmarked for 'Advertising and Publicity'. The Ministry has cited two objectives of this Division - introducing and acquainting people within the country about India's foreign policy objectives and promoting India in foreign countries. For attainment of these twin objectives, the Ministry has been emphasizing on traditional as well as digital platforms. The Committee have been informed that while constantly endeavouring to follow global trends in Public Diplomacy, it has been adapting to best international practices as per Indian requirements.

In the considered view of the Committee, the budgetary allocation made to the XPD Division is not in proportion to the critical role played by it in creating awareness about India's Foreign policy priorities and effective global engagement. There is further room for incorporating the best global practices to make this Division truly dynamic and consequently, the Committee desire that the Ministry should undertake an assessment study of successful global practices. The Committee would also urge that the Ministry expand its public outreach through an innovative and grassroots presence.

(Recommendation No. 33)

II. External Affairs

5.29 The Major Head 'External Affairs caters to the Foreign Service Institute, budgets of India's diplomatic Missions and Posts abroad, the Central Passport Organisation, hospitality to dignitaries, contributions to UNO and other international organisations, grants to autonomous bodies and institutions etc.

Training

5.30 The Foreign Service Institute (FSI) conducts in service training for Indian Foreign Service (IFS) Officers and other MEA personnel, courses for foreign diplomats and other professional training courses. The budgetary allocation during BE 2017-18 was Rs. 13.24 crore which was decreased to Rs. 12.24 crore during RE 2017-18. An outlay of Rs. 14.61 crore has been made during BE 2018-19.

5.31 In this context, the Committee were keen to know whether the insufficient budgetary allocation will negatively affect the expansion plan of the Foreign Service. Through a written reply the Ministry informed that budgetary provision is projected and allocated in line with the growth of the Ministry's human resources, and training requirements of both existing personnel and new recruits, to meet the Ministry's increasing functional requirements. The Ministry is augmenting its staff strength at all levels through direct recruitment, promotion, deputations etc. To expand India's global footprint, the Ministry is also planning the establishment of several new Missions,

starting with Africa, which would require necessary budgetary support, and this would be projected appropriately as the need arises.

5.32 The Ministry furnished the following expenditure figures for the last three financial years under the sub head 'Training': -

(In Rs. crore)

FY	Allocated Budget	Actual Expenditure
2014-15	8.00	6.82
2015-16	10.77	9.14
2016-17	12.00	9.77
2017-18	12.24	11.98 <i>(as on 31 Jan 2018)</i>

5.33 Justifying the under utilization of allocation under this sub head, the Ministry responded that there has been 15-20% shortfall in the utilization of the allocated funds in this sub-head in the past three financial years, primarily because of delayed implementation of some modernization proposals such as setting up of a new computer lab, installation of CCTV cameras, refurbishment of two conference rooms, renovation of the swimming pool, etc. However, in FY 2017-18, till the end of January 2018, FSI has utilized Rs. 13.15 crore, which is 99.32% of its BE allocation and 107.43% of its RE allocation. In view of this, the Ministry will consider restoring FSI budget allocation to the BE level at the FE 2017-18 stage.

5.34 On the Committee's query, the Ministry enumerated the measures taken to observe fiscal prudence by ensuring the optimum utilization of budgetary allocation by stating that FSI has endeavoured to utilize the allocated budget judiciously under its various sub-heads. The annual calendar of the large number of training courses conducted by FSI both for Indian Foreign Service officers and for foreign diplomats is drawn up at the beginning of the year to plan out phased expenditure and the renovation proposals are being followed up for early implementation. In the current financial year, FSI has optimally utilized its budget.

5.35 On the issue of instances of non-conducting of any regular training programme during the last three years, the Ministry specified that All the regular training programmes for Indian Diplomats have been conducted during the last three years.

5.36 As per the information furnished by the Ministry, The Foreign Service Institute organizes the following training programmes for Indian Diplomats:

1. Induction Training Programme for Indian Foreign Service Officer Trainees
2. Mid-Career Training Programme Phase-I for Under Secretary/Deputy Secretary level officers
3. Mid-Career Training Programme Phase-II for Director level officers
4. Mid-Career Training Programme Phase-III for Joint Secretary level officers
5. Training Programme for Grade-I IFS (B) officers
6. Training Programme for PPS
7. Training Programme for First-time Heads of Mission
8. Training Programme for Commercial Representatives

5.37 The Foreign Service Institute also organizes following training programmes for MEA officials:

1. Induction Training Programme for Officials of the Ministry
2. Mandatory training programme for the officials
3. Promotion Related Training of the officials
4. Typing Test for newly recruited officials
5. Orientation Training for the Participants under Know India Programme

5.38 The Foreign Service Institute organizes following training programmes for Foreign Diplomats:

1. Professional Course for Foreign Diplomats (*slots increased from 26 to 52 in last 3 years*)
2. Special Course for ASEM Diplomats
3. Special Course for ASEAN Diplomats
4. Country Specific Courses (Based on recommendation of Territorial Division)

5.39 The Foreign Service Institute proposes to organize the following training programmes in 2018-19:

S. No.	Duration	Training Course
1	18 Apr - 24 Apr	4 th Special Course for ASEM Diplomats
2	9 May – 8 Jun	2 nd Special Course for Somali Diplomats
3	20 Jun – 20 Jul	1 st Special Course for Tunisian Diplomats
4	1 Aug – 31 Aug	12 th Special Course for ASEAN Diplomats
5	12 Sep – 12 Oct	66 th Professional Course for Foreign Diplomats
6	November 2018	1 st Special Course for Diplomats from The Gambia

Proposals for country-specific special courses are received from the concerned country, duly approved the concerned MEA Territorial Division. Demands for such courses have gone up in recent times.

5.40 The Committee note that the Foreign Service Institute conducts in service training for Indian Foreign Service (IFS) officers and other MEA personnel, courses for foreign diplomats and other professional training course. The Ministry has informed that the demand for country specific courses have increased in recent times. The Committee are concerned to note the 15-20 % shortfall in utilization of allocated funds under the sub-head 'training' for past three financial years. The justification offered by the Ministry for such underutilization is the delayed implementation of some modernization proposals. The Ministry is strongly urged to observe fiscal prudence in expenditure on the Sub-head 'Training' by optimum utilization of available funds. The Committee also desire that a continuous system of evaluation be established so that the inputs and feedback received from the trainees are duly incorporated at regular intervals for value addition of the training programmes.

(Recommendation No. 34)

CHAPTER VI

OVERSEAS INDIAN AFFAIRS

Spread across the world, the Overseas Indian community is estimated to be about 30 million and constitutes the second largest Diaspora in the world. The community of global Indians comprises Non-Resident Indians (NRIs) and Persons of India Origin (PIOs). Following the merger of the erstwhile Ministry of Overseas Indian Affairs in February 2016, three Divisions – Overseas Indian Affairs-I, Overseas Indian Affairs-II and Overseas Employment – were created in MEA, which function under the supervision of the Secretary (Consular, Passport, Visa & Overseas Indian Affairs) to carry out the work related to engagement with the Indian Diaspora.

6.2 During the oral evidence, a representative of the Ministry underlining the basic principles on which the merger is working informed the Committee:

"One is, the advantage has been that all the schemes that were there, were reviewed at the level of the External Affairs Minister personally. So, whether it is KIP, whether it PBD, whether it is programmes like scholarship and diaspora contact, each of these were factually reviewed at the level of the Minister; and some were scrapped, some were reformed, but most were streamlined and made easier and transparent. Second point is the integration and holistic approach. What happened earlier was more of a silo approach where the Ministry's Territorial Division, the CPV division, the Service Division and the Missions did not have a coherent relationship with the former MOIA. Now, that has really gone and we are able to work more as a kind of a team. In fact, the integration of the CPV with OIA into one grouping has really helped us because the issues of Overseas Indians and the Consular, Passport, Visa matters cannot be separated. The third point is the immediate cooperation that we are able to get from all the Divisions when the work related to Overseas Indian Affairs is conducted. So, these are the advantages and as a result of this, the merger has been very smooth. There are not major ripples or major issues that have been raised, as you are aware."

I. Engagement with Diaspora

6.3 Elucidating the manner in which the Diaspora has been urged to contribute time, expertise and investment in all the endeavors of their country of origin with the long term goal of strengthening the link between the Indian Diaspora and India, the Ministry stated that the Government of India has launched a number of programmes and schemes for an

extensive and sustained engagement with the Diaspora through which the link between India and the Diaspora is deepened. Among the programmes are : Pravasi Bharatiya Divas Convention, which is held on alternate years since 2015, Pravasi Bharatiya Samman Award, Pravasi Bharatiya Divas Conferences, Regional Pravasi Bharatiya Divas, Know India Programme, Scholarship Programme for Diaspora Children, Bharat Ko Janiye Quiz, GIAN, VAJRA etc.

6.4 During the course of oral evidence, a representative of the Ministry of External Affairs while delineating four pillars of Governments engagement with the Overseas Indians, stated:-

“We have four pillars. We have worked out. One is the protection of the Overseas Indian people. Provide them protection in whichever form that is required. Members have really raised this issue several times.

Second is move a state forward and take care of the welfare – hospitalisation, the medical bills, sometimes shelter, sometimes and requirements of food. These are the further measures.

Third is engagement. One more step. Proactively engage the people who are staying overseas whether they are workers or whether they are people in the developed countries.

Last is the outreach, both, within India and outside India. So, these are the four principles on which we have formulated our programmes.”

6.5 Regarding the issue of the effective use of the Diaspora as a soft power instrument to enhance our global outreach and deepen our relations with countries, the Ministry stated that after the merger of the erstwhile Ministry of Overseas Indian Affairs with the Ministry of External Affairs in February 2016, this Ministry has brought about a transformational change in its engagement with the Indian diaspora. The 30 million strong overseas Indian community is an invaluable partner in the progress of the nation. A successful, prosperous, and influential diaspora is an asset for India. The Pravasi Bharatiya Divas (PBD) Convention, PBD Conferences, Regional PBDs, Youth PBD, Know India Programme, Scholarship Programme for Diaspora Children, Bharat Ko Jaaniye Quiz are some of the important programmes undertaken by the Government to strengthen Diaspora's connect and engagement with India. The Government's efforts are also aimed at harnessing the Diaspora's potential to its fullest, including through investments, philanthropy and transfer of knowledge and expertise. Ongoing economic reforms and flagship programmes *viz.* Swachh Bharat Mission, National Mission for

Clean Ganga, Make in India, Digital India, Skill India, Stand up India provide an enabling environment to our youth. The Government is also trying to convert 'brain drain' into 'brain gain' by engaging the Indian diaspora in making India strong and self-reliant.

6.6 The Ministry has stated that the Government is also trying to convert 'brain drain' into 'brain gain' by engaging the Indian Diaspora in making India strong and self-reliant. Specifying the concrete steps taken in this direction, the Ministry stated that there are many schemes/programmes launched by the Government for engaging the Indian diaspora to contribute to India's growth story in the manner they wish to, be it in terms of capacity building, best practices, sharing of views and ideas, technology transfer, joint collaboration in research, visiting faculty to improve the quality of higher education, investment etc., through schemes like VAJRA, GIAN, PBD Conferences, to name a few. Ministry of Health and Family Welfare has launched a programme to encourage NRI/PIO/OCI research personnel to return to India for research in identified areas.

6.7 The Ministry further added that it is engaging with the Indian Diaspora in a more sustained and regular manner, especially on issues which are of significance to the Government. Since 2016, the Pravasi Bharatiya Divas Conferences have provided a platform for domain experts among the Diaspora to engage directly with policymakers and stakeholders in India. Indian Missions and Posts abroad also engage with the Diaspora in a more regular manner, seeking their insights, suggestions and feedback. Through these regular dialogue mechanisms, the Government remains engaged with the Indian Diaspora. The young Indian Diaspora is of special significance in the context of soft power. The Ministry is engaging with the young overseas Indian community through programs such as the Know India Programme, the Bharat Ko Janiye Quiz and the Scholarship Programme for Diaspora Children. Ministry also uses social media to connect with young Indian Diaspora members worldwide.

6.8 On the issue of existence of any formal mechanism to incorporate the concerns and feedback of Indian Diaspora into the foreign policy agenda, a representative of the Ministry during the oral deposition on 16 February, 2018 stated:-

“I can it say with reasonable confidence that we have a fairly robust feedback system, not only through the Missions but considering the 360 spectrum, we have feedback from the States. The hon. NRI Minister engages the States on a regular basis. Our MoSs have been regularly visiting the State capitals to take feedback from the State Governments. Then, we have sensitised on specific issues our Missions whether it is interaction with students, whether it is interaction about women, particularly distressed women. The fact that our Indian Community Welfare Fund has been reformed in a major way, what it entails really is that the powers are all delegated to the Missions. So, they do not have to seek approvals and sanctions from the Ministry. No time is wasted in assistance whether it is prisoners, whether it is people who have lost their jobs, whether it is people who are just on the street. As long as they are Indian citizens, we have provision to help them in whichever country they might be. They have to just call one of our Missions, our Consulates and the help is available.”

6.9 On the Committee’s query on suggestions that have emanated from Indian Diaspora towards achieving greater association with the country of their origin, the Ministry stated that during interactions with Diaspora held on a sustained and regular manner through various platforms/programmes/schemes, particularly PBD Conferences, many ideas/views/suggestions in different fields and in the context of growth story of India and her bilateral relations with the country of domicile have emerged. India’s engagement with its Diaspora is symbiotic, the strands of both sides of the relationship equally important to create a resilient and robust bond. There is a need to strategically capitalize on our Diaspora as the size, spread, and the growing influence of overseas Indians today is impressive and they play an active and participatory role in the economy and politics of the host nations they reside in. The Government recognizes the importance of its Diaspora and the need for India’s Diaspora to reconnect with emerging India, develop a sense of shared history and cultivate an appreciation for the varied challenges that India faces and the opportunities that its economy offers. The Indian Diaspora, especially in developed countries, has also risen to positions of power and influence in various spheres of life such as politics, business, science and technology, research and development, arts and culture, etc. They are making their voices heard, and they speak up for India, on issues of concern to the country of their origin.

6.10 Illustrating on the grievance redressal mechanism, a representative of the Ministry during the course of oral evidence on 16 February, 2018 clarified:-

“There is a very robust grievance redressal system, whether it is MADAD or through e-Migrate or through the Committees that we have set up in the Passport Office. We have fairly robust grievance redressal system and MADAD has been acclaimed as one of the best grievance redressal systems in the Government of India. They have also got several awards for the way they are functioning and responding to the grievances/”.

6.11 The Committee note that following the merger of erstwhile MOIA with MEA, Overseas Indian Affairs (OIA) Divisions have been created to deal with the issues relating to the engagement of the Indian Diaspora. The Ministry has informed that by streamlining the various schemes/programmers and establishing greater synergy with related Divisions, the merger has led to greater integration and adoption of a holistic approach to issues related to Overseas Indians. It is noted that four principles of protection, welfare, proactive engagement and outreach guide the diverse programmes and schemes pertaining to Overseas Indians. The Committee also note the specific steps taken by the Government to convert brain-drain into brain gain.

While recognizing the benefits flowing out of the merger of MOIA with MEA, the Committee observe considerable *ad hocism* leading to the issues relating to the Overseas Indian Affairs getting neglected. Even two years after the merger, no separate budget head has been provided for matters related to Overseas Indian Affairs. Allocation for the various schemes and organizations related to Overseas Indians are being made under the budget Head 'Other Expenditures'. This odd budgetary practice speaks volume about the seriousness attached to such a critical aspect of the Ministry's work, post-merger. The Committee, therefore, strongly recommend that the Ministry create a distinct budget head specifically pertaining to Overseas Indians. Pertaining to mechanisms to incorporate the feedback of the Indian Diaspora into the Foreign Policy agenda, the Committee note that the Ministry is taking feedback not only through considering the 360 degree spectrum, it is taking feedback from the States as well. However, there is no such formal mechanism for taking feedback from the Indian Diaspora and incorporating the

same into the Foreign Policy agenda. Therefore, the Ministry is urged to establish a formal mechanism for integrating the concerns and feedback of Indian Diaspora so that the same is fruitfully converged in the work of the Ministry.

(Recommendation No.35)

II. Schemes/Programmes related to Overseas Indians

6.12 After its merger with the MEA, the allocation for the schemes under the erstwhile MOIA in 2016-17 and 2017-18 for the selected schemes:-

	Name of Scheme	BE 2016-17	BE 2017-18	BE 2018-19
(i)	Know India Programme	1.5 crore	0.9 crore	5 crore
(ii)	Scholarship Scheme for Diaspora Children	6 crore	4 crore	7 crore
(iii)	Promotion of Cultural ties with Diaspora	2 crore	1 crore	2 crore
(iv)	Awareness campaign/media plan	5.54 crore	2.5 crore	11 crore
(v)	Overseas Indian Centres	3.2 crore	1.2 crore	1.2 crore
(vi)	Legal assistance to women facing problems in NRI marriages	0.25 crore	0.02 crore	0.01
(vii)	Pravasi Kaushal Vikas Yojana	10 crore	10 crore	5 crore

6.13 Enumerating the challenges faced in execution of the schemes and programmes related to Overseas Indian Affairs following the merger of erstwhile MOIA with MEA, the Ministry stated that following the merger of the erstwhile MOIA with MEA, to avoid duplication of effort and to rationalise the schemes, some of the programmes and schemes were closed down, some were revamped, and some new programmes were launched. Among the schemes closed down were Study India Programme, Overseas Indian Facilitation Centre and Tracing the Roots. Among the programmes/schemes reviewed, revamped and new schemes/programmes initiated are: Pravasi Bharatiya Divas (PBD) Convention, Celebration of PBD in Missions on 9 January through resources available with them, holding of PBD Conferences, Know India Programme, Scholarship Scheme for Diaspora Children, Bharat Ko Janiye Quiz, Videsh Sampark Series and holding of PIO Parliamentarians Conference (the first Conference was held in January 2018). With an aim to extend the benefits of MEA's scheme for distressed Indian women married to NRI spouses to all Indian Missions and Posts abroad, the guidelines for utilization of the Indian Community Welfare Fund (ICWF) were revised with the approval of the Union Cabinet with effect from 01 September 2017, and the amount of

legal assistance was increased to US\$ 4000/- per case. Under the Promotion of Cultural Ties with the Diaspora budget head, earlier proposals were received on an *ad hoc* basis and processed as and when received. In February 2017, in an attempt to streamline the procedure of fund allocation and optimise the use of available funds, all Indian Missions and Posts abroad were asked to send consolidated and timely proposals for PCTD.

6.14 Furnishing a comparative analysis of the budget of the erstwhile MOIA with that of the budget demanded and the budget now earmarked for all the functions/ schemes/ programmes which are now falling under the MEA, post-merger. The comparative information is given below:

(Rs. in crores)

Schemes	MOIA			POST MERGER		
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Secretariat-General Services	21.94	33.95	19.38	0.00	0.00	0.00
Protector General of Emigrants	6.87	6.41	11.30	15.76	14.82	17.09
Indian Development Foundation	2.00	2.00	0.85	1.00	1.00	0.00
Overseas Indian Facilitation Centre	7.00	4.50	1.30	1.50	0.50	0.00
Overseas Workers Resource Centre	1.25	1.50	1.20	1.30	1.30	1.30
Labour Mobility Partnership	0.05	0.05	0.04	0.01	0.01	0.00
Overseas Indian Centre	4.00	4.86	3.69	3.20	1.20	1.20
Indian Centre for Migration	5.00	4.00	3.04	0.10	0.05	2.50
Other Schemes (GiA-General)	1.00	1.00	0.76	1.00	1.00	0.00
Other Schemes (Other Charges)	12.00	6.00	1.50	3.50	2.00	3.92
Overseas Citizenship of India	2.38	2.85	0.50	1.50	0.50	0.00
Know India Programme	4.00	4.50	8.00	1.50	0.90	5.00
Scholarship Scheme for Diaspora Children	7.60	8.56	6.50	6.00	4.00	7.00
Promotion of Cultural ties with Diaspora	0.50	5.00	9.50	2.00	1.00	2.00
Awareness Campaign/Media Plan	10.00	12.50	9.50	5.54	2.50	11.00
Pre-Departure Orientation and Skill upgradation of Emigrant Worker	0.05	1.00	0.50	0.01	1.00	0.50
Legal Assistance to Women facing problems in NRI Marriage	0.75	1.00	0.10	0.25	0.02	0.01
Pravasi Kaushal Vikas Yojana	0.00	20.00	20.00	10.00	10.00	5.00
Celebration of Pravasi Bharatiya Divas	8.00	13.00	7.53	5.00	10.00	10.00
Pravasi Bharatiya Kendra	20.00	15.00	12.00	7.50	0.00	0.00
Others	1.40	1.30	0.99	0.00	0.00	0.00
TOTAL	115.79	148.98	118.18	66.67	51.80	66.52

6.15 Nil allocation has been made for Indian Development Foundation, Overseas Indian Facilitation Centre, Pravasi Bharatiya Kendra and other Schemes. Justifying the

nil allocation, the Ministry stated that 'Nil' allocations have been made in BE 2018-19, (a) for the India Development Foundation, since IDF-OI is being closed w.e.f 31 March 2018; (b) for the Overseas Indian Facilitation Centre, since OIFC was closed w.e.f 31 March 2017; and (c) for the Pravasi Bharatiya Kendra as PBK's construction has been completed and its operations and maintenance expenditure is being met from the Ministry's Establishment budget heads such as Minor Works and Office Expenses, similar to the Ministry's other buildings.

6.16 On the issue of lower allocations to schemes pertaining to Overseas Indians, the Foreign Secretary during the course of oral evidence submitted:-

“On the issue of overseas Indian affairs, I would also like to point out that this is of highest priority for the External Affairs Minister and for the Ministry. As the Committee is well aware of, our External Affairs Minister has taken a number of steps to reach out to Indians overseas and to take very concrete measures which benefit all our brothers and sisters who are abroad. We have already presented the facts to the Committee, but I would like to reiterate that all the major schemes for overseas Indian programmes have actually been enhanced very substantially in the current financial year. For the Know India Programme, which is where we get young persons of Indian origin from a number of countries to show them around India and to get them to understand what new India is about, we have enhanced the revised estimates this year from less than one crore rupees to Rs. 5.56 crore. For the scholarship scheme for diaspora children, which is again an important flagship programme of the Government, the revised estimate has been enhanced from four crore rupees to seven crore rupees. For the awareness campaign and the media plan, by which we are now trying to make our potential emigrants aware of the pitfalls and of the need to travel safely, Surakshit Jaao, Prashikshit Jaao, and other campaigns the Government has launched, we have increased the revised estimates from Rs. 2.5 crore to Rs. 11 crore. In a nutshell, allocations have increased in all these areas.”

6.17 Upon careful scrutiny of the schemes, programmes and organizations relating to Overseas Indians, the Committee find that the Ministry's verbal assertion that highest priority has been accorded to Overseas Indian Affairs post-merger, does not find resonance in the budgetary allocation. While comparing the budget and allocation of erstwhile MOIA and MEA on schemes/programmes related to Overseas Indians, the Committee discern that a number of schemes have witnessed a reduction in allocation. Overseas Indian Facilitation Centre, India

Development Foundation, Overseas Indian Centre, Overseas Citizenship of India, Pravasi Bhartiya Kendra have been given 'nil' allocation in BE 2018-19; there has been drastic budgetary cut to India Centre for Migration, Know India Programme, Promotion of Cultural ties with Diaspora, Legal Assistance to women facing problems in NRI marriages. The sudden closure OIIF-OI and OIIFC without any substitute arrangement and without taking a policy decision on establishment of Pravasi Bhartiya Kendras, the Committee are apprehensive about the objectives of merger being realized.

The Committee, therefore, strongly recommend that the Government seriously have a re-look at the budgetary allocation to various schemes and programmes in order to ensure that our engagement with Diaspora is mutually beneficial, welfare of our Overseas Indians is secured, and our migrant workers, students and women are particularly protected in their country of destination. The Ministry should ensure that due priority and financial sanctity is given to schemes and programmes related to Overseas Indians.

(Recommendation No 36)

A. Overseas Citizenship of India (OCI) Scheme

6.18 The budgetary allocation under this scheme was Rs 0.05 in BE 2017-18, which was further reduced to 0.05 crore in RE 2017-18 and nil allocation has been made in BE 2018-19. According to the Ministry, the reasons for reducing the allocation for this scheme from Rs. 1.5 crore in 2016-17 to Rs. 0.5 crore in 2017-18 was in line with the utilization pattern.

6.19 Enlightening the Committee about the steps taken to reduce pendency under the OCI Scheme, the Ministry stated that the approved OCI cards are printed the next day and dispatched the same day to the concerned Indian Mission/Post abroad or the concerned FRRO in India. The pendency under the OCI card scheme has been reducing owing to the following:

- a. MEA has been regularly taking up the matter for faster issuance of clearances by the security agencies for grant of OCI cards

- b. The procedures and documentation requirements for conversion of PIO cards into OCI cards have been kept simple and minimal. For conversion, only the copies of valid passport and valid PIO card are required.
- c. There is no lock-in period for issuance of OCI card in lieu of PIO card
- d. We have been regularly advising MHA for faster processing of clearances for spouse-based OCI card applications
- e. Our Missions and Posts abroad have been instructed to grant the OCI applications immediately after the lock-in period of 21 days is over
- f. Once the applications are granted, OCI cards are printed the following day in New Delhi and dispatched to the Mission/Post concerned, without delay
- g. Local printing of OCI cards has been introduced at some of our high volume Missions like New York and London, to reduce pendency. More Missions are being added to the list of Missions that prints the OCI card locally.

6.20 Apprising the Committee about the status and merger of the POI and OCI schemes, the Ministry stated that the merger of the PIO card scheme with the OCI card scheme was done in January 2015 and OCI cards were issued in lieu of PIO cards on gratis basis up to 31 December 2017. More than 3.35 lakh OCI cards have been issued in lieu of PIO cards since the merger of the schemes. The procedures involved in conversion have been simplified and the timelines too have been kept at the minimum. Total no. of OCI cards issued in lieu of PIO cards are 339702. The year wise break up of conversion cases is as follows

2015: 50821
2016: 153032
2017: 119730
2018: 16119

6.21 Elucidating on the progress made with regard to deployment of additional staff and printers at Missions/Posts abroad to efficiently execute the task of conversion of PIO cards to OCI cards in a time bound manner, the Ministry argued that printing of OCI cards is going on in our Embassies in London and Washington and the Consulates in Chicago, Sydney, Melbourne and New York. Printing of OCI cards is expected to commence soon in the High Commission in Singapore and the Consulates in Houston and Atlanta where printers have been purchased. The process of purchasing printers is on-going for the High Commission in Kuala Lumpur and Wellington and the Consulates in Vancouver, Toronto, Milan and San Francisco.

6.22 The Committee find that there has been a declining trend in allocation to the Overseas Citizenship of India (OCI) scheme due to a reduction in the pendency of cases. However, the Committee fails to decipher the rationale behind nil allocation to this scheme during BE 2018-19. Following the plethora of steps taken by the Ministry, there has been a reduction in pendency under the OCI Card Scheme. The Committee observe that for the smooth conversion of POI cards into OCI cards, the procedures have been simplified and bare minimum time lines have been fixed. The Ministry has informed that while printing of OCI cards is going on in missions in London and Washington and the Consulates in Chicago, Sydney, Melbourne and New York, printing of OCI cards is expected to commence soon in High Commission in Singapore and Consulates in Houston and Atlanta. The Committee fail to understand how the process of conversion of PIO cards and OCI cards will happen with NIL allocation? The Committee urge that the Ministry make realistic budgetary projections and seek additional budget for the Scheme at the RE stage to execute the task of conversion of PIO cards to OCI cards in a time-bound manner.

(Recommendation No. 37)

B. Know India Programme

6.23 The objective of the Ministry's Know India Programme is to help familiarize the Indian Diaspora's youth, in the age group of 18-26 years, with developments and achievements made by the country and bringing them closer to the land of their ancestors. An allocation of Rs. 0.9 crore was made under this programme during BE 2017-18 which was increased to Rs. 5.5 crore during RE 2017-18. An allocation of Rs. 5 crore has been kept at BE 2018-19.

6.24 On being asked about the allocation and utilization of funds on KIP in the last three years, the Ministry provided the following details:-

(In Rs. crore)

FY	BE Allocation	RE Allocation	Actual Expenditure
2014-15	4.50	4.00	2.20
2015-16	8.00	3.00	2.18
2016-17	1.50	1.50	2.77

In FY 2014-15, five editions of KIP with participation of 151 candidates, and in FY 2015-16, two editions of KIP with 70 participants, were conducted. The scheme was revamped in 2016, and in FY 2016-17, 260 diaspora youth participated in seven editions of KIP, and in FY 2017-18, 200 participants have participated in the scheme, and another 40 would be joining the 46th KIP in February 2018.

6.25 Regarding the proposal to increase the number of KIPs and its participants, the Ministry stated that as the number of the Indian Diaspora is increasing, there have been demands from different Indian Missions and Posts abroad to organise more KIPs. However, keeping the limited resources and manpower in mind, the Ministry is currently working on a proposal from CGI New York and EoI Paris for two KIP editions for 20 participants each between May and August 2018. In FY 2017-18, the Ministry had proposed a 20-member group of 10 top contestants of *Bharat Ko Janiye Quiz* from the categories of PIOs and NRIs to participate in the semi-final and final rounds of KIP, which will now be taking place in FY 2018-19.

6.26 The Ministry also provided details of the following measures that have been taken to improve KIP:

- a. Number of KIPs organized annually enhanced to six in 2016 with 40 participants in each
- b. Duration of KIPs increased to 25 days. Every KIP will have one or more State Governments as partner/s and will host KIP participants for 10 days at their cost.
- c. Age limit of participants has been increased from 26 to 30 years.
- d. Accommodation has been raised to a 4-star level hotel.

KIP partnership with the State Governments has enabled KIP participants to connect with their respective States of origin in India, and participants have been very appreciative of this initiative. This has also provided State Governments the opportunity to showcase their achievements and developmental progress to the KIP participants.

6.27 Explicating the activities for which enhanced allocation has been made, the Ministry stated that the Ministry is currently working on a proposal from CGI New York and EoI Paris for two KIP editions for 20 participants each between May and August 2018. In FY 2017-18, the Ministry had proposed a 20-member group of 10 top

contestants of Bharat Ko Janiye Quiz from the categories of PIOs and NRIs to participate in the semi-final and final rounds of KIP, which will now be taking place in FY 2018-19. The Ministry also proposes to hold Welcome and Farewell Receptions for KIP participants with participation of their Heads of Missions based in New Delhi and other Diaspora organizations. The KIP budget head also includes expenditure on a 2-day orientation programme conducted by the Foreign Service Institute for about Rs. 65,000 per edition.

6.28 The Foreign Secretary while deposing before the Committee on 16 February, 2018 added about KIP:-

“On the Know India Programme, the need for building awareness abroad is something which all our embassies use very effectively in the NRI and PIO communities. We are spreading the word both in terms of digital means, tweets and websites and so on as well as through conventional ways. We have received a large number of requests. I think we get about 400 or 500 people every year under KIP but I am sure that there is room for improvement in the need for spreading awareness.”

6.29 The Know India Programme (KIP) is a significant scheme to reconnect the Indian Diaspora youth with their roots. The Committee observe that in the last financial year, 46 KIPs were conducted with almost 240 participants. With the increase in the India Diaspora, there have been rising demands from different Indian Missions and Posts abroad to organize more KIPs. However, due to limited resources and manpower, the Ministry is currently working on a proposal from CGI New York and EOI Paris for two KIPs editions in 2018. The Committee are of the opinion that manpower and financial paucity should not be a hurdle in expanding KIPs to meet the increasing demand from Indian Missions and Posts abroad. The Committee, therefore, recommend that the Ministry of External Affairs make sustained efforts for spreading awareness about the programme and allocate additional funds for Know India Programmes which have received a warm reception from future generations of the Indian Diaspora.

(Recommendation No. 38)

C. Pravasi Kaushal Vikas Yojana (PKVY)

6.30 The allocation for PKVY was Rs. 10.00 crore at BE 2017-18 which was reduced to Rs. 3.00 crore at the RE Stage. The allocation at BE 2018-19 has been kept at Rs. 5.00 crore. Explicating the reason for declining allocation under this scheme, the Ministry stated that PKVY is to be implemented by the Ministry of Skill Development and Entrepreneurship (MSDE) through the National Skill Development Corporation (NSDC). Based on the demand for funds raised by MSDE during FY 2016-17, MEA had released Rs.10 crore to MSDE in March 2017, after restoration of the RE 2016-17 allocation. However, till now, only about Rs.3 crore have been utilized by MSDE from this released amount. Keeping in view the pace of the expenditure incurred, allocations in RE 2017-18 and BE 2018-19 have been rationalized. Enhancement of allocation will be considered in RE 2018-19 stage, based on progress of work and utilization of earlier released funds.

6.31 Pravasi Kaushal Vikas Yojana (PKVY), a skill development scheme of the Ministry of External Affairs, is aimed at enhancing the skill set of potential emigrant workers in select sectors and job roles, in line with international standards, to facilitate overseas employment opportunities. The scheme is part of the government's efforts towards strengthening the eco-system that supports migrant workers in all stages of the migration cycle and to ensure that Indian workers should migrate safely with an enhanced skills set. The motto is: "सुरक्षितजाएँ, प्रशिक्षितजाएँ, विश्वासकेसाथजाएँ". Towards this end, a Memorandum of Understanding (MoU) was signed on July 2, 2016 between the Ministry of External Affairs and the Ministry of Skill Development and Entrepreneurship (MSDE) for implementation of PKVY. The MoU details the broad parameters of cooperation and envisages collaboration for developing a robust skill training, assessment and certification system for workers who seek overseas employment. Initially, the scheme would focus on sectors that are in demand in ECR countries.

6.32 When asked about the activities undertaken under this scheme during past two years, the Ministry stated that the PKVY includes a technical top up training to be provided by MSDE through the National Skill Development Corporation (NSDC). This is being complemented by Pre-Departure Orientation Training (PDOT) aimed at enhancing

soft skills of potential emigrants in terms of culture, language, traditions and local rules and regulations of the destination country. MSDE is providing technical top up (domain training) through its own funds. MEA's funds are exclusively used for Pre-Departure Orientation that is MEA's responsibility as per the MOU.

MEA, on its part, has finalized the module for the Pre-Departure Orientation Training and a handbook for participants. India Centre for Migration (ICM), that serves as a research think-tank of the Ministry on all issues related to international migration has collaborated with IOM to bring out a comprehensive Pre-Departure Orientation Training Manual. The Manual has been translated from English into Hindi, Urdu and Telugu languages as well. Apart from the Manual exclusive Handbooks on Pre-departure Orientation have also been developed, both for general category and women migrant workers. They have also been translated into regional languages.

The Pre-departure training/ Training of the Trainers (ToT) programmes have been organized during 2016-17 and 2017-18 viz: Five-day ToT on PDOT on 27-31 March 2017, Three-day ToT on PDOT on December 8-10, 2017, New Delhi, Two-day ToT on PDOT on 30-31 May 2017 in Hyderabad, Two-day ToT on 11-12 October 2017 in Amaravati, Two-day ToT on 4-5 January 2018 in Vizag., Two-day ToT in Lucknow on 5-6 February, 2018 and a Two-day ToT workshop on Building Capacities for Safe & Legal Migration for Women Domestic Workers, Sircilla, Telangana, on 25-26 October 2017 in collaboration with the respective State governments and their manpower agencies. The initiative has been a success and Ministry is in process of expanding it further.

During January 2018, One Day Pre- Departure Orientation Training (ODPDOT) for Indian workers going to ECR countries has been launched in Mumbai and Delhi in collaboration with NSDC. Ministry intends to expand one-day PDOT to other major cities that are departure point for emigrant workers.

6.33 The Ministry further elaborated that MSDE has set up India International Skill Centres (IISCs) under the 'Skill India Mission' to provide skill training and certification benchmarked to international standards. Currently, 13 such IISCs are operational, as per details given below:

	Name of Training Centre	IISC Job Roles	Location
1	Society Action for Welfare and Cultural Advancement	General Duty Assistant	Varanasi, U.P.
2	Quivan – DTC – Anandnagar	Mason General	Maharajganj, U.P.
3	Orion Edutech	General Duty Assistant	Varanasi, U.P.
4	SynchroServe Skill Development Centre	Food & Beverage Steward	Hyderabad, Telangana
5	Force 10 Protection Services Private Ltd	Unarmed Security Guard	Kochi, Kerala
6	Empower Pragati IISC	Sales Associate, F&B Steward	Allahabad, U.P.
7	Mahendra Skills	Retail Sales Associate	Lucknow, U.P.
8	Labournet-IIMC Center	General Mason	Gorakhpur, U.P.
9	Prayas JAC	General Housekeeper	Ranchi, Jharkhand
10	IL&FS Skills	Commercial Vehicle Driver	Ajmer, Rajasthan
11	Quivan HTTC	General Mason	Kolkata, W.B.
12	Moti Babu Institute of Technology	General Mason and MIG Welder	Araria, Bihar
13	Quivan Technical Institute	MIG Welder	North 24, Parganas, W.B.

6.34 Pravasi Kaushal Vikas Yojana (PKVY) is a skill development scheme of MEA aimed at enhancing the skill set of potential emigrant workers in select sectors and job roles in line with international standards to facilitate overseas employment opportunities. On the basis of a MoU signed in 2016, PKVY is to be implemented by the Ministry of Skill Development and Entrepreneurship (MSDE) through the National Skill Development Corporation (NSDC). The Committee note that the budgetary allocation for PKVY was Rs. 10 crore at BE 2017-18, which was reduced to Rs. 3 crore in RE 2017-18 and an allocation of Rs. 5 crore has been made in BE 2018-19. The Committee do not favour such poor allocation for the scheme of skill development of prospective workers. The Committee, therefore, desire that the allocation should be enhanced at RE 2018-19 stage so that the maximum number of potential emigrant workers are trained across India. The Committee also note that on its part, MSDE has set up 13 India International Skill Centres (IISCs) under Skill India Mission for this Yojana. The Committee are not aware about the criteria for the selection of places for establishing such centres. The Committee strongly recommend that while identifying the places for establishing the Centres, areas from where a significant number of workers go abroad should be given the priority. The Committee would also recommend that MEA take up the issue of the slow

implementation and low utilization under this scheme by MSDE at the highest level and apprise the Committee of the outcome of such an endeavour.

(Recommendation No. 39)

D. Legal Assistance to Woman facing problems in NRI Marriages

6.35 With an aim to provide financial and legal assistance to distressed Indian women married to NRI spouses by all Indian Missions and Posts abroad, the Scheme of Government of India to provide legal assistance to women facing problems in overseas marriages was merged with the Ministry's Indian Community Welfare Fund (ICWF) in September 2017. An allocation of Rs. 0.25 crore was made for this scheme in BE 2017-18, Rs. 0.02 crore in RE 2017-18 and Rs. 0.01 crore at BE 2018-19 for providing legal protection to women facing problems in NRI marriages.

6.36 Providing reasons for making reduced allocation of Rs.01 crore in BE 2018-19 for the scheme. The Ministry stated that the financial assistance has been increased to USD 4000 per case. As the financial assistance will be given by the Indian Missions and Posts abroad from their respective ICWF funds, the allocation in the Ministry's budget has been decreased to a token amount of Rs. 01 cr in BE 2018-19 to keep the budget head active. Based on feedback about working of the new modality, the need to retain this budget head will be assessed.

6.37 Regarding the number of petitions seeking assistance received during 2017-18 and the number of women who got assistance till date and the nature of assistance provided to them, the Ministry in a written reply submitted that besides walk-ins, during the last two years, the Ministry, including Indian Missions and Posts abroad, has addressed 2581 grievances against 2696 complaints received from distressed Indian women married to NRI spouses, by way of providing counseling, guidance and information about procedures, mechanisms for serving judicial summons on the overseas Indian husband; filing a case in India, issuing Look Out Circulars, getting access to lawyers and NGOs empanelled with Indian Missions and Posts *etc.*

6.38 The Ministry further stated that in addition to the FAQs posted on the website, Ministry has taken the following steps to create awareness among Indian nationals about NRI marital issues:

- a. Ministry has compiled information about legal provisions prevailing in foreign countries with respect to various issues faced by aggrieved Indian women. This information is posted on the Ministry's website.
- b. A database of Organisations, NGOs, lawyers registered/empanelled with Indian Missions and Posts abroad is also available on the Ministry's website.
- c. Ministry has shared its resources relating to 'Standard Operating Procedures' with the Ministry of Women and Child Development and the National Commission for Women, regarding impounding/revocation of passports of NRI spouses; extradition processes; and legal and financial assistance to Indian women deserted by their NRI/PIO spouses.
- d. State authorities and Regional Passport Offices (RPOs) have been requested to translate the FAQs, legal provisions, and the revised guidelines for legal and financial assistance under ICWF and other relevant information into local languages, and for posting it on their websites to disseminate information to Indian nationals as well as applicants visiting RPOs.
- e. Under the Ministry's Videsh Sampark Series, outreach events are held in partnership with State Governments to brief stakeholders about programmes/schemes and welfare measures taken by the Ministry for the community. During 2017, outreach events were held in Telangana, Maharashtra and Kerala.
- f. In association with the Ministry of Women and Child Development (MWCD), this Ministry is working on a Bill to make registration of all marriages compulsory, which will also have the passport number of the NRI spouses. With an aim to capture and compile data of registration of all marriages, MWCD is also working on creation of a website for registration of marriages which will be linked to the portal of Registrars of Marriages.

6.39 The Committee have noted that scheme on 'Legal Assistance to Women Facing problems in NRI marriages' is the only gender specific scheme being implemented by MEA for Overseas Indians. The Committee are dismayed to note that there has been a drastic reduction in allocation under this scheme, from Rs. 0.25 crore in BE 2017-18 to Rs. 0.01 crore in BE 2018-19. The Ministry has informed the Committee that after bringing this scheme under the ambit of Indian Community Welfare Fund (ICWF), budgetary allocation has been reduced to a token amount in BE 2018-19 and the existence of the budget head will be assured in

light of feedback received. The Committee have noted that various steps have been taken by the Ministry to create awareness among Indian nationals about NRI marital issues. The Committee would urge that the Ministry actively monitor the efficacy of the new modality under ICWF in providing legal and other assistance to distressed Indian women. Further, adequate budgetary funds and awareness drive should be launched to ensure that such a gender specific scheme does not get lost under the ICWF which caters to multiple issues.

(Recommendation No 40)

E. Awareness Campaign/Media Plans

6.40 An allocation of Rs. 2.5 crore was made under 'Awareness campaign/Media Plan' during BE 2017-18 which has been increased to Rs. 11 crore during BE 2018-19. Specifying the activities for which enhanced allocations has been made this year. The Ministry stated that under activities proposed to be undertaken under the enhanced allocation are to run media campaign on Safe and Legal Migration on TV and Radio, Ministry's social media platforms, community radio stations, through the States Division of the Ministry, billboards in Regional Passport Offices and Protector of Emigrants offices in States, for the Videsh Sampark series and through offices of Resident Commissioners of State Governments based in Delhi.

6.41 The Committee enquired about the efforts made during last financial year the media campaign '*Surakshit Jaaye, Prasikshit Jaaye*' to create awareness among potential emigrants for safe and legal migration. In a written reply the Ministry submitted that the media campaign on Safe and Legal Migration continued during FY 2017-18 through Lok Sabha TV. Ministry's social media platforms, interviews and panel discussions on All India Radio and Doordarshan, on community radio stations, billboards in Regional Passport Offices and Protector of Emigrants offices in States, and Ministry's *Videsh Sampark* series held in partnership with the State Governments of Telangana, Maharashtra and Kerala, were used to create awareness among potential emigrants. In addition, through TV, radio and private FM stations in Hindi and eight regional languages, advice has been disseminated to potential migrant workers to avoid fraudulent agents and approach only agents registered with Ministry, obtain training specific to the

job, and contact Indian Mission/Post abroad on arrival. The Ministry has so far incurred expenditure of Rs. 11.70 crore on the campaign. To continue the campaign, including in print media, and to undertake an impact assessment of the campaign in FY 2018-19, and to undertake a media campaign on NRI marital disputes, an allocation of Rs. 11 crore has been made for BE 2018-19, with further enhancement to be considered at the RE 2018-19 stage.

6.42 The Committee further wanted to know whether the Ministry plans to educate people about safe and legal migration through social media. The Ministry responded that it intends to continue with the existing plan of using social media platforms to disseminate information and to endeavour to pursue it more vigorously.

6.43 Giving a detailed reply on the outreach of campaigns under this head, the Ministry stated Funds allocation was increased from Rs. 2.5 cr in BE 2017-18 to Rs. 11 cr in RE 2017-18 under the Awareness Campaign budget head, which has been fully utilized. The 40-second advertisement in audio and visual was broadcast and telecast through All India Radio, Doordarshan, NFDC and Lok Sabha TV. During the Winter Session of Parliament, Lok Sabha TV telecast the 40-second advertisement between 15 December 2017 and 5 January 2018.

6.44 The Ministry further stated that the campaign will be expanded to the print media and an impact assessment of the campaign will be undertaken in FY 2018-19. A campaign on NRI marital disputes will also be undertaken. During the Meet of State NRI Ministers chaired by External Affairs Minister on 10 January 2018, the DVD containing the 40-second advertisement on Safe and Legal Migration (audio and visual) in Hindi and eight regional languages was distributed with a request to State Governments to disseminate information through all means at their disposal. In addition, the media campaign was aggressively pursued through Ministry's social media platforms, interviews and panel discussions on All India Radio and Doordarshan, community radio stations, Indian Missions and Posts abroad, billboards in Regional Passport Offices and Protector of Emigrants offices in States, and through Ministry's *Videsh Sampark* series held in partnership with the State Governments of Telangana, Maharashtra and Kerala during 2017.

6.45 The Committee are happy to note that the budgetary allocation under 'Awareness Campaign/Media Plan' has witnessed a four-fold increase from Rs. 2.5 crore in 2017-18 (BE) to Rs. 11 crore in 2018-19 (BE). The Committee also note that the Ministry has extensively used the social and print media to spread awareness among potential emigrants on safe and legal migration. It is also satisfying to note that the budgetary allocation of Rs 11 crore provided at the RE 2017-18 stage has been fully utilized. The Committee would urge that the Ministry carry out an impact assessment study of the awareness campaign and in light of its findings, establish a formal mechanism for continuous monitoring and evaluation of these campaigns. The Committee also recommend that the Ministry proactively engage with the State Governments to deepen the information and awareness campaigns.

(Recommendation No.41)

6.46 As regards advisories issued to the migrants, the Committee note that the Ministry does prepare advisories each time there is a crisis and it does circulate them widely through XP Division and through website. However, people go through a third country without the knowledge of the Ministry. The Ministry has very little control over that situation. The Ministry has admitted the fact that it is trying to evolve an evacuation policy and currently it is in the stage of consultations with the Missions. Once that is there, one can have effective preventive mechanism for those who misuse it. The Committee, therefore, desire that the Ministry finalise the evacuation policy at the earliest so that Indian citizens can be evacuated safely in emergent situation with due promptitude.

(Recommendation No.42)

CHAPTER VII
AUTONOMOUS BODIES AND INSTITUTIONS

There are various institutions functioning under the aegis of the Ministry of External Affairs dealing with specific functions and mandate. The prominent among these Indian Council for Cultural Relations (ICCR), Indian Council for World Affairs (ICWA), Society for Research and Information System for Non-Aligned and Other Developing Countries (RIS), India Centre for Migration (ICM), and India Development Foundation of Overseas Indians (IDF-OI). The details of allocations made under this head during the last financial year and in BE 2018-19 is provided below:-

(Rs. in crores)

Sl. No.	Institution	BE 2017-18	RE 2017-18	BE 2018-19
1.	ICCR	233.14	233.14	255.00
2.	ICWA	14.66	14.66	16.70
3.	RIS	8.65	8.65	12.00
4.	ICM	0.05	2.50	2.50
5.	IDF-OI	1.00	1.00	0.00

A glance though the table amply illustrates that the bulk of the allocation is granted to ICCR while the other institutions are granted meager allocations.

7.2 An outlay of Rs. 14.66 crore was provisioned for BE 2017-18 for ICWA and the same were retained at RE 2017-18. A higher allocation of Rs. 16.70 crore has been provisioned for BE 2018-19 on account of implementation of 7th Central Pay Commission and expanding research and academic activities. As per the information furnished by the Ministry of External Affairs, the Indian Council of World Affairs Act 2001 lays down the objectives of the ICWA. Section 13 of the Act lists the objectives of ICWA as:

- a. To promote the study of Indian and international affairs so as to develop a body of informed opinion on international matters.
- b. To promote India's relations with other countries through study, research, discussions, lectures, exchange of ideas and information with other organizations within and outside India engaged in similar activities.

- c. To serve as a clearing house of information and knowledge regarding world affairs.
- d. To publish books, periodicals, journals, reviews, papers, pamphlets and other literature on subjects covered under Indian foreign policy.
- e. To establish contacts with organizations promoting objects facilitating India's relations with other countries.
- f. To arrange conferences and seminars to discuss and study the Indian policy towards international affairs.
- g. To undertake such other activities for the promotion of ideas and attainment of the above mentioned objects.

7.3 As part of the mandate ICWA, has been organizing events, commissioning Book Projects and arranging international and national interactions with foreign think tanks and universities as well as local institutions and academic centres. In 2017-18, ICWA has organized 47 conferences/seminars. Apart from these, the Council has organised 27 Sapru House Lectures so far, which are delivered by prominent political leaders, Heads of Government, Head of State, Foreign Ministers and other important dignitaries.

7.4. RIS is a think tank specializing in international economic relations and development cooperation, serving as a forum for fostering effective policy dialogue among think tanks of developing countries. The Ministry furnished detail of allocation sought and made, and the actuals, for the last three years of RIS as below:

(Rs. in Crores)

FY	BE		RE		Actual Expenditure
	Demand	Allocation	Demand	Allocation	
2014-15	5.35	5.35	5.35	5.28	5.28
2015-16	6.35	5.85	7.50	5.85	5.85
2016-17	8.90	6.90	10.01	6.90	6.90
2017-18	11.78	8.65	12.20	8.65	4.33*

* Up to December 2017

7.5 Specifying the role of RIS, the Ministry stated that RIS undertakes research activities and forges links between research institutions of other developing countries. It organizes discussions, seminars and workshops and involves research institutions of other

countries in these undertakings. It advises Government of India on matters pertaining to multilateral economic and social issues as are referred to it from time to time. The research inputs provided by RIS provide inputs for foreign policy formulation by the Ministry. Some of the areas where such inputs have proved beneficial in Ministry's critical understanding of issues include the Asia Africa Growth Corridor, Sustainable Development Goals, and Implementing Agenda 2030: The Role of Global Partnership, and India's Quest for Connectivity.

7.6 A significantly higher RE 2017-18 and BE 2018-19 has been provisioned for ICM in view of expanding scope of research activities related to Safe & Skilled migration of Indians abroad. The functions of ICM as provided by the Ministry of External Affairs are as follows:

- a. Study overseas labour markets and the skill sets required
- b. Coordinate with institutions working in fields of labor and manpower, including the state manpower development corporations, project manpower suppliers and foreign employers.
- c. Initiate and support the study, monitoring and analysis of the trends and dynamics of international labor market, problems faced by the emigrant Indian workers in India and abroad, benchmark the best practices of other labour sending countries, recommend policy initiatives/strategies.
- d. Contribute towards programs for skill development and skill upgradation in consultation with professional bodies and the private sector.
- e. Initiate Pre-departure orientation Manuals for various categories of workers.
- f. Identify best practices in safety and welfare of emigrant workers.

7.7 Illustrating the research activities related to Safe & Skilled migration of Indians abroad, for which a higher provisioning has been made at both RE 2017-18 and BE 2018-19, the Ministry in a written reply submitted that during 2018-19, the India Centre for Migration (ICM) proposes to take up the following research activities:

- a. Creating country-wise profiles of key destination countries highlighting the prevailing immigration laws and the pre-requisites for Indian workers. Newer destinations in South East Asia, Africa and Europe will be examined. Research in

- this regard would build on ICM's Manual on Pre-Departure Orientation Training (PDOT) which covers 6 countries in Gulf Cooperation Council (GCC) and Malaysia.
- b. Examining the labour laws of key destination countries.
 - c. Creating migration profiles of key emigrant sending States in India using data available with E-Migrate and mapping of districts for implementing State-specific PDOT programs. Efforts will be made to document state-specific problems/concerns on migration.
 - d. Provide research inputs to the Ministry on matters relating to labour MoUs with ECR countries, and developments relating to Migration and Mobility, regional processes including Colombo Process and Abu Dhabi Dialogue.
 - e. Impact of Mode IV of GATS on mobility of Indians.
 - f. Design an exclusive module for training of law enforcement agencies/officials on Emigration Act of 1983 and PDOT.
 - g. Examine the cost of remittances sent to India vis-à-vis India's commitments at G20 including analysis of existing data with the World Bank and RBI.
 - h. Develop Handbooks for PDOT for general category of migrant workers and women domestic service workers; and Handbook on Emigration Act 1983 for law enforcement agencies and officials.

ICM also plans to work with other academic institutions, bilateral and multilateral institutions to identify areas of mutual interest that benefit Ministry and support academic/research work, conferences and workshops and other events that promote understanding issues pertaining to international migration from India.

7.8 India Development Foundation of Overseas Indians (IDF-OI) was set up by the Government of India in 2008 as a not-for-profit Trust to facilitate Overseas Indian philanthropy into social and development projects in India. As per the information furnished by the Ministry, no allocation has been made to IDF-OI in view of proposal for its closure. Justifying the proposal to close this institution, the Ministry stated that to enhance synergies in channelizing Diaspora's contributions to Government of India's flagship programmes such as Namami Gange, Swachh Bharat etc. and the reservations expressed by Department of Expenditure, the Board of Trustees of IDF-OI in its meeting held in January 2018 decided unanimously to close down IDF-OI by 31 March 2018.

7.9 The Committee enquired whether the functions performed by this institution have been given to any other institution/body. If so, please provide the details. IN a written

reply the Ministry responded that the Board of Trustees of IDF-OI during its meeting held in January 2018 decided that any outstanding work, including monitoring of Projects supported by IDF-OI, will be handled by the Overseas Indian Affairs Division in the Ministry of External Affairs, after the closure of IDF-OI on 31 March 2018.

7.10 The Committee observe that the grants to institutions and autonomous bodies to five major institutions, namely Indian Council for Cultural Relations (ICCR), Indian Council for World Affairs (ICWA), Society for Research and information System for Non-Aligned and Other Developing Countries (RIS), India Centre for Migration (ICM) and India Development Foundation of Overseas Indians (IDF-OI) are provided for in the minor head ‘Other Expenditure’. While analyzing the budgetary allocations made to these institutions, the Committee discerned that the bulk of grants is provided to ICCR while the allocation to other four is abysmally low.

With an enormous mandate of undertaking research activities across the spectrum of international affairs, ICWA has been organizing conferences, Sapru House Lectures conferences and conducting track-two interactions. RIS, on the other hand provides research inputs on economic and social matters, ICM specifically studies overseas labour markets and workers. The Committee recommend that the Ministry of External Affairs accord requisite importance to research activities undertaken by these institutions by placing adequate funds at their disposal and channelizing the inputs emanating from their research activities in the formulation of foreign policy and engagement with Overseas Indians.

(Recommendation No. 43)

Indian Council for Cultural Relations (ICCR)

7.11 One of the aims of ICCR is to foster and strengthen cultural relations and mutual understanding between India and other countries. Budgetary allocation of Rs. 233.14 crore was made in BE 2017-18 and the same was retained at the RE stage. During BE 2018-19, an enhanced allocation of Rs. 255 crore has been provisioned.

7.12 The Ministry furnished the following details of allocation sought, made and actuals for the last three years:

(Rs. in Crores)

FY	BE		RE		Actual Expenditure
	Demand	Allocation	Demand	Allocation	
2014-15	217.68	176.00	193.00	167.20	167.20
2015-16	250.48	192.00	202.80	192.00	192.00
2016-17	255.23	215.80	222.70	185.80	185.37
2017-18	273.38	233.14	242.02	233.14	174.85*

* Up to December 2017

7.13 Specifying the mechanism within ICCR to ensure optimum utilization of funds, the Ministry stated that ICCR has instituted monthly monitoring mechanism on follow-up on utilization of allocated funds with regard to ICCR Headquarters. Quarterly reporting and follow-up mechanism with regard to the ICCs and Regional Offices is being initiated. Due to regular and stringent monitoring, inspite of the manpower crunch, ICCR has managed to spend 94% of received/ released funds till the end of January 31, 2018. In addition to above ICCR has taken following initiatives:

- a. Separate bank account is opened for receiving agency fund so that expenditure incurred in Grant's account and Agency account are properly accounted for and tracked properly.
- b. Internal audit mechanism has been strengthened.
- c. It is in the process of putting guidelines for implementation of all programmes in place, which will give greater clarity as far as finances are concerned.
- d. All accounts officers are trained on Tally software.
- e. ICCR has taken digitization in a mission mode and following has been established so far:
 - ICCR launched Admissions to Alumni (A2A) Scholarship Portal to digitize the entire process of applications received and processing of payments made to and utilization details received from all stake holders in the processing chain (students, colleges, institutes and Universities). The portal will introduce greater level of transparency and accountability in the administration of scholar scheme.

- A total of nine ICCR programmes have been identified to be on-boarded on Direct Benefit Transfer portal, which calls for monthly financial monitoring.

7.14 In view of the expanding activities of ICCR, the Committee asked the Ministry whether the given budgetary allocation is sufficient to carry out these activities. The Ministry responded that the budgetary demand and allocation for ICCR is done in close coordination with the various territorial Divisions as well as Plan of Action received from Missions and Post. ICCR does a detailed exercise based on realistically achievable objectives in line with overall priorities of the government for effective cultural diplomacy. Demands of ICCR for increased budgetary allocation are considered within the overall budgetary constraint of the Ministry. The BE 2018-19 has been provisioned higher at Rs 255 crore in line with increasing significance of soft power projection of the country and ICCR's central role in it.

7.15 The Ministry also illustrated the several steps taken by the Government for better use of ICCR as a cultural diplomacy area of the Ministry during the last three years as follows:-

1. Mainstreaming of Soft Power initiatives: In the past three years, ICCR has managed to highlight that Soft Power projection has to be implemented in a systematic, coordinated and coherent manner, with a clear policy on Soft Power Projection including initiatives to be taken with the related Divisions of MEA as well as the line ministries of GOI that are involved in their own respect in promotion of Soft Power overseas. In this direction following has been achieved:
 - i. Soft Power Projection is now an important theme which is a mandatory session for discussions during the annual HOMs Conferences.
 - ii. ICCR signed an MOU with Ministry of Culture in 2016 to collaborate on execution of the Festivals of India overseas.
 - iii. ICCR has closely aligned its plan of activities with the Foreign Policy directives and executed programmes in consultation with various territorial Divisions and Ministry of Culture. Some of the important programmes executed are described in points below.

2. Performing Arts, Festivals, and Exhibitions: Over past three years ICCR aligned its initiatives with the Foreign Policy and executed programmes in consultation with various territorial Divisions and Ministry of Culture. Some programmes to mention include Namaste France – Indian Cultural Festival (2nd Edition) in France; Festival of India in Spain, India by Nile in Egypt, Confluence – Indian Cultural Festival in Australia, Namaste Russia edition in Russia in 2016 and in India in 2017; Ramayana Festival in 2015 and 2017 on the sidelines of events organized for ASEAN Summit; Conferences on Buddhist studies; International Conference on Indology in past three year (first in New Delhi, second in China and third is planned in Moscow), Conferences on bilateral cultural relations and links in Iran, Mongolia and on Vietnam (in Delhi); Conferences and Productions for overseas Indians; Digitized exhibition on Gandhi ji in South Africa.
3. Scholarships: ICCR is offering over 3000 slots per annum to the foreign students to study in Indian Universities. Additional 100 slots under Africa Scheme, 500 slots for under special scholarship scheme for the children of Afghan martyrs and 20 slots for the students of Bangladeshi Border Force were announced in 2015 and 2016. Ground work to implement these new programmes has been done and the schemes will be put into operation this academic session (2018-2019). 500 slots will be offered in this scheme.
4. Yoga promotion overseas: ICCR has been the key agency through which Ministry of Ayush has implemented IDY every year in cooperation with the Missions and Posts. This has emerged as a successful cooperation model between a GOI Ministry, ICCR and Missions and Posts for implementing large-scale impact making initiatives overseas.
5. Promotion of Hindi overseas: For promotion of Hindi language, since 2015 additional 16 chairs have been established in the span of last three years. ICCR is also in the process of collaborating and partnering with the Indian and International partners for use of modern technology and softwares for teaching language. ICCR's Hindi journal "*Gagananchal*" is being brought out regularly. ICCR has tied up with Air India for distribution of *Gagananchal* in its lounges at Airports.

7.16 Highlighting the effectiveness of the activities of ICCR, the representative of the Ministry of External Affairs submitted as under:-

“The ICCR programmes are spread all over the world and are not restricted to the 37 Cultural Centres we have. So, though we have 37 Cultural Centres abroad, our activities are all over the world. We have very active performing arts and visual arts programme. Under our Performing Arts Programme, a large number of cultural troupes are sent abroad throughout the year. I will give an example. In the month of August alone when our Missions and Posts were celebrating Independence Day, we sent as many as 27 cultural troupes but not only to 27 countries but to several countries.

ICCR sends quality exhibitions, photographs, paintings, especially curated exhibitions on Indian icons like Gandhiji, Tagore to our Missions and Posts. We also host a large number of cultural troops from abroad. We have recently had a very successful Ramanaya Festival at which all the 10 ASEAN countries participated. It was a very successful festival and the Ramanaya troop was sent to five other cities other than Delhi.

We also have every year the Latin American Dance and Music Festival as well as the African Dance and Music Festival. Besides which we do have a Jazz Festival on International Music and Dance Festival. We also host exhibitions from abroad either in our own venues or we take venues from the State Governments and other institutions.

ICCR has always had a very strong educational programme. We administer more than 6000 scholarships every year. These students are attracted to our excellent education system. Their presence in India adds to our own soft power. There are more than 75 operational Chairs of India Studies abroad. These have been very effective in promoting a better understanding of India, especially amongst young people, the special target group for us.”

7.17 On the Committee’s specific query about the existence of alternative resources for ICCR, the Ministry stated that ICCR is not a commercial profit making organization, but a 100% grantee organization under MEA. Its mandate is to promote India's soft power policy. However, minor financial resources are available in terms of other receipts such as membership fee, Gagananchal, royalty on Maulana Azad’s books, rent from Auditorium. The statement of receipts is as follows.

(Rs. in crores)

Year	Receipt
2014-15	4.80
2015-16	4.20
2016-17	4.84

These receipts are on account of (i) sale of publications, (ii) summer/study tour fees, (iii) Management fees from BCL, (iv) membership fees, (v) receipts from Culture Centres overseas, (vi) rent received from Auditorium/Art gallery, (vii) interests received on Bank deposits. The receipts are used for ICCR activities.

7.18 ICCR's Cultural Centres are the principal instrument of India's institutional outreach. In this regard, the Committee enquired whether ICCR is in the process of opening more Indian Cultural Centers abroad during financial year 2018-19. In a written reply, the ministry stated that Currently the Council is in the process of consolidating the activities of its Culture Centres overseas and streamlining all the processes involved in running the Centre. Once these are in place, proposals for opening new Culture Centres will be taken up. Decision to open new Culture Centre overseas is based on demand and inputs received from Mission and Territorial Divisions of MEA and after seeking approval of ICCR's statutory bodies. Ministry is fully involved in the process of opening of new Culture Centres overseas.

7.19 Elaborating on the criteria for setting up new cultural centres, the Ministry stated that there has been a well thought out policy decision to establish ICCs overseas. To begin with Culture Centres were established in countries where we had substantial Indian diaspora. Subsequently ICCs were established in the neighbouring countries followed by in P5 and ASEAN countries. These policies are designed to align ICCR's activities with Foreign Policy priorities of the day. As far as some current projects are concerned, while action on the ICC projects in Washington and Paris will continue and action will be initiated on establishing of new Culture Centre in Tel Aviv (PM's announcement), which will be important activities in terms of substantial financial implications in this financial year. Establishing ICCs overseas incur huge costs; ICCR is currently in the process of putting Standard Format in place for conducting feasibility study before establishing any Culture Centres overseas. The Ministry and its Missions/Posts as well as the territorial Divisions are integral part of decision making process in this regard.

7.20 In light of lack of desired resources to enhance India's soft power, the Committee categorically asked about the sustainability of the plan of opening of new Cultural

Centres abroad. The Ministry stated that currently the Council is in the process of consolidating the activities of its Culture Centres overseas and streamlining all the processes involved in running the Centre. Once these are in place, proposals for opening new Culture Centres will be taken up. There has been a well thought out policy decision to establish ICCs overseas. These policies are designed to align ICCR's activities with Foreign Policy priorities of the day. As far as some current projects are concerned, while action on the ICC projects in Washington and Paris will continue and action will be initiated on establishing of new Culture Centre in Tel Aviv (PM's announcement), which will be important activities in terms of substantial financial implications in this financial year. Establishing ICCs overseas incurs huge costs, ICCR is currently in the process of putting Standard Format in place for conducting feasibility study before establishing any Culture Centres overseas.

7.21 On the Committee's query on the extent of autonomy exercised by ICCR while remaining within the overall fold of the Ministry of External Affairs, the Ministry stated that ICCR's financial transaction is based on GFR-2017 and administrative decisions are governed by IFS (PLCA) rules and other rules prevalent in Government of India. Further its statutory rules including decisions of ICCR's General Assembly, Governing Body and Finance committee are also applicable.

7.22 The Committee note that in BE 2018-19, ICCR has been provided with an enhanced allocation of Rs. 255 crore. The Ministry has informed that ICCR carries out a detailed budgetary exercise based on realistic achievable objectives in line with overall priorities of the Government for cultural diplomacy. As a pre-eminent organization of Ministry of External Affairs with a mandate of India's soft abroad, ICCR's activities are spread across the globe ranging from providing scholarships to organizing exhibitions to performing arts and visuals arts programme. The Committee are happy to learn that over the past few years, ICCR has fully utilized the allocation provided to it at the RE stage. The Committee, however, are concerned to note the issue of under-staffing of ICCR. Moreover, in the opinion of the Committee, even the increased budgetary allocation provisioned to ICCR is not in sync with its wide-ranging activities. Realizing that as a not for profit and 100 per

cent grantee organization under Ministry of External Affairs there exist limits for ICCR to raise extra-budgetary resources to cater to its expansive activities. The Committee would therefore, recommend that the Government embark on a recruitment drive to tide over the existing manpower crunch in ICCR. Given the increasing salience of soft power projection in our Foreign Policy and the centrality of ICCR's role in it, the Committee are of the considered view that the latter should have augmented financial and manpower resources.

(Recommendation No. 44)

7.23 The Committee are aware that ICCR's Cultural Centres abroad are the principal instrument of India's institutional cultural outreach. The Ministry has informed that the policy of establishing Indian Cultural Centres is a well thought out decision and designed in alignment with our foreign policy priorities. The Committee observe that ICCR is currently in the process of consolidating its activities of its Cultural Centres and the proposal for opening up of new Culture Centres will be taken up once the process is completed. With regard to the current projects in Washington, Paris and Tel Aviv, action is being initiated for its establishment. The Committee note that ICCR is also in the process of putting in place a standard format for conducting feasibility study before establishment of new Cultural Centers Overseas. The Committee recommend that the Ministry equip ICCR with requisite financial resources at the RE stage to expedite the completion of ongoing projects in Washington and Paris which have been lying in limbo for a considerable period of time. The Committee also desire to be apprised about the outcome of the consolidation process and feasibility study once it is completed.

(Recommendation No. 45)

CHAPTER VIII

POLICY PLANNING & RESEARCH

As per the Ministry of External Affairs, the following principles and priorities have guided India's international outreach since 2014:

- a. Changing the international narrative about India to project it as a rising and responsible power and a rightful contributor to the management of world affairs.
- b. Imparting greater energy, planning, rigour to India's external outreach, to simultaneously strengthen traditional friendships while expanding India's diplomatic canvas to include new geographic and thematic areas.
- c. A greater focus on implementation of India's international commitments, to correct the notion that Indian diplomacy is slow in delivering on its promises and potential.
- d. Significantly revitalising India's engagement with its immediate neighbourhood - at the bilateral level as well as within the framework of SAARC and BIMSTEC. Simultaneously deepen India's ties with all the major powers of the world, by focusing on areas of greatest promise in each relationship.
- e. Developing a comprehensive security strategy for India, encompassing both traditional and non-traditional threats (including terrorism and its enabling ecosystem across its borders) that can threaten or undermine India's developmental prospects.
- f. Giving centrality to economic diplomacy in our international outreach, thus strengthening links between diplomacy and domestic development. Our foreign policy and diplomatic outreach must seek engagement from our key partners to advance our domestic flagship programmes.
- g. Giving greater energy, pragmatism and outcome-orientation to the Look East Policy, which has accordingly been re-labeled as Act East Policy. Leveraging the full potential of this policy to accelerate the developmental path of our Northeastern States.
- h. Defining and operationalising a well thought-out Indian approach towards the Indian Ocean, which would address issues of maritime security as well as fuller leveraging of the economic and cultural complementarities between the littoral states.

- i. Making a special outreach towards India's diaspora, to leverage their skills, political influence and financial capital, and to offer them an opportunity to contribute to the rise of their ancestral land.
- j. Leveraging the riches of India's civilisational ethos, such as Yoga, Ayurveda, Buddhist thought, or the holistic lifestyle prescribed in our ancient scriptures, to offer solutions to some of the global problems and also to deepen relations at people-to-people level.

8.1 Enumerating the exact role of Policy Planning Division, the Ministry stated that the Policy Planning and Research Division in the Ministry was significantly revamped and strengthened in 2014-15, with increased allocation of human and financial resources. Its mandate was redefined and streamlined to enable it to perform the role envisaged for it when it was first set up several decades ago. The major elements of the mandate of the Division are as under:

- a. Undertake a continuous and forward looking analysis of our principal foreign policy objectives and to provide research based perspective on ongoing issues/policies to the Ministry. This involves doing in-house work or utilizing the services of research organizations and think tanks outside the Government.
- b. Proactive outreach to Indian think tanks to gain ideas and perspectives for foreign policy formulation, to provide support to their research activities, and also to guide them on the kind of research that would be useful to the Ministry.
- c. Organize conferences in partnership with major think tanks and academic institutions with the aim to develop platforms in India where discussions on contemporary foreign policy issues can take place among leading strategic experts and policy makers around the world.
- d. Develop institutionalized dialogues on policy planning with our important diplomatic partners for exchange of views on long term strategic planning and priorities.
- e. Ensure India's participation in important diplomatic conferences in India and abroad to present India's perspective as well as to benefit from exchanges between experts and policy makers at such conferences.

8.2 With regard to spelling out a long term strategic doctrine by the PP&R Division, the Ministry stated that the Division continually assesses and refines our diplomatic approach and policies in response to evolving global challenges and the opportunities which have a bearing on India's short-term and long-term interests. There is no single overarching and formalized policy document which can capture all aspects of India's foreign policy but the principle is that the underlying principles of our diplomatic strategy are long-established and enduring. These include safeguarding India's sovereignty and security, enabling India's domestic economic transformation, and building influence in global forums through bilateral, multilateral and regional efforts. The PP&R Division also prepares research papers and policy briefs on various aspects of India's foreign policy. The papers focus specifically on on-going developments in the world and India's evolving role and interests. On the basis of this forward looking analysis, policy recommendations are offered for directing the energies of India's foreign policy apparatus and help shape the roadmap of India's international engagement on issues of importance.

8.3 Elucidating the manner in which external expertise has been inducted, the Ministry stated that recognizing that outside experts can effectively contribute in the Ministry's work, the Ministry has promoted their lateral entry for 3-5 years period. As a result, at present, more than 65 officers on deputation are working in the Ministry. These officers are drawn from specialized cadres and Line Ministries/Departments, such as Ministry of Railways, Ministry of Power, Department of Telecommunications, Ministry of Science and Technology, Military Engineering Service, Central Public Works Department and Ministry of Information and Broadcasting, among others.

8.4 In addition, Indian Missions and Posts abroad include officers from various Line Ministries such as Department of Atomic Energy, ISRO, Ministry of Defence, Ministry of Railways, Department of Commerce, Department of Economic Affairs and Department of Revenue. From time to time, the Ministry has been deputing abroad officers drawn from other Government of India Ministries and Departments for implementation of development partnership projects. Through these measures, the Ministry endeavors to meet its diverse functional needs and emerging challenges.

8.5 Ministry has also been engaging Consultants – including professionals with relevant experience; experts from the private sector and academia; and, legal experts – in key areas of functioning of the Ministry such as project management, bilateral and multilateral diplomacy, international law, consular and disarmament related work. At present, Ministry engages more than 50 Consultants. Important Divisions of the Ministry including those dedicated to policy planning, economic diplomacy, energy security, disarmament and international security affairs and various multilateral issues, have been engaging Consultants to benefit from their expertise and experience. Scholars and specialists engaged as Consultants are engaged in monitoring and undertaking analysis of various developments in international relations and diplomacy around the world and in preparing inputs by way of briefs, papers and research reports. The Consultants assist in covering the discussions in foreign policy related events/conferences in which views are presented by senior politicians, scholars, retired Service Officers/Ambassadors etc. as speakers/panelists/discussants. Event Reports prepared by the consultants are thereafter circulated. The objective is to keep updated and apprised of the views and lines of thoughts on contextual diplomatic issues of importance.

8.6 Regarding the mechanism for incorporating academic expertise into policy formation, the Ministry stated that it has engaged experts from academia many of whom are engaged in the PP&R Division, and some other specialized Divisions, of the Ministry. Creation of an academic wing in the Foreign Service Institute, to be headed by a Professor/Associate Professor, is under process. The academic wing would include faculty from universities and educational institutions such as Indian Institutes of Management, Institute of Defence Studies and Analyses, United Services Institute and Indian Institute of Foreign Trade, with expertise in relevant areas, who would be recruited on a contractual arrangement. Services of academic experts are also being used in various training programs undertaken by the Ministry, both for induction training as well as in-service training programs. Training programs are being organized for officers of the Ministry in collaboration with reputed management institutes such as IIM Ahmedabad, ISTM Delhi and ISB Hyderabad, etc.

8.7 The Ministry further added that academic expertise is directly utilized in Track 2 and Track 1.5 dialogues with partner countries. MEA extends financial supports to institutions for holding foreign policy related events and discussions in which academicians make presentations and put forth their analyses/views. The Ministry encourages Universities/ Departments of International Relations/ Institutes of higher learning to impart knowledge and training required for specialized capacity building to deal with fast changing diplomatic challenges. PP&R Division continues to support and strengthen capacities, particularly at the State level Universities/academic institutions, by extending financial support to organize seminars and conferences with the objective of encouraging Professors and students to engage in research on issues of diplomacy and foreign relations.

8.8 On the Committee's query, the Ministry furnished details of the research organizations/ think tanks which are collaborating with the Division by stating that the PP&R Division collaborates with and works in partnership with various think-tanks, universities and research organisations across the country. In the preceding year (2017-18), the Division collaborated with the Delhi Policy Group, the Ananta Centre, the India Foundation, ORF, Carnegie India (New Delhi), the Gateway House and VPM Centre for International Studies, (Mumbai), Jadavpur Association of International Relations (Jadavpur), the Symbiosis Institute (Pune) and, the Chennai Centre for Chinese Studies (Chennai).

8.9 The Committee further enquired about the existence of research collaboration with other countries on issues pertaining to Foreign Policy. In a written reply, the Ministry submitted that while there is no direct research collaboration between PP&R Division with think-tanks and research organisations in other countries, the Division supports efforts at the Track-2 level between think-tanks and institutes in India with select counterpart institutes abroad *viz.* Ananta Centre and Korea Foundation and, the ICWA with thinks-tanks in Brazil, Russia and China. These institutions share their research papers presented or proceedings of such interactions with the Division.

8.10 When asked about the factors shaping our foreign policy in the short, medium and long run, the Ministry stated that the immediate and most fundamental factor shaping our

foreign policy thinking is the flux and transition that characterizes the current world order. There is a clear trend of new voices and issues arising in the overall global discourse, particularly from Africa. The challenge posed by terrorism and cross border terrorism remains enduring and requires that we work with partner countries at the regional and multilateral level. The rise of China offers both opportunities and challenges and following the 19th Party Congress we will need to be prepared for a more confident posturing by that country. Connectivity issues are animating much of strategic maneuvering by major powers. While we are working on the Asia Africa Growth Corridor and the Chabahar port development, China has clearly stepped up its role through the China Pakistan Economic Corridor and the Belt and Road Initiative. There is increased maritime activity in our vicinity in the Indian Ocean region by extra regional powers. Not all such activity has been a positive for us. We are responding through deeper engagement, projecting our capabilities as a net security provider in the maritime domain, intensifying our engagement with Seychelles and other small island states as also through plurilateral platforms such as the QUAD, staging of maritime exercises and entering into bilateral relationships with other maritime powers. We are also actively engaging in fora such as BRICS, the G20, etc. to put forward our positions and engage others. Our membership in multilateral non-proliferation technology regimes such as the Wassenaar Arrangement, the Missile Technology Control Regime and the Australia Group is reflective of India's rise as a balancing power and a responsible actor on the world stage.

8.11 Enlightening the Committee about the consultation mechanisms between different Ministries/ Departments/ Institutions on issue of foreign policy, the Ministry stated that there is no gainsaying of the importance of the role other ministries/departments play on foreign policy matters. As such inter-ministerial consultation and coordination is at the centre of our foreign relations. Some of the important Ministries in GOI with which consultations on these issues took place were the Ministry of Defence, Ministry of Home Affairs, Ministry of Commerce & Industry, Ministry of Finance, Ministry of Environment & Forests, Ministry of Water Resources, Ministry of Power, Department of Atomic Energy, Ministry of Human Resource

Development, Department of Science & Technology, Ministry of Agriculture, Ministry of Petroleum & Natural Gas, and Ministry of Shipping. MEA also collaborated closely with the three arms of the Armed Forces for several operational issues. The newly set up States Division within MEA helped to expand and deepen these consultations with State Governments in a more systematic manner, particularly in the areas of economic, cultural, tourism and educational outreach.

8.12 On the issue of spelling out foreign policy objectives, goals and strategy for the long run, the Ministry in a written reply stated that Government's foreign policy continues the pursuit of ensuring a peaceful and stable international order for furthering India's economic growth and promoting our development in a fast changing global environment. Given the diversity and varied range of our international engagements, the Government follows a pragmatic and outcome-oriented foreign policy, one which is agile and responsive in the face of short term developments and is forward looking in its approach to dealing with emerging global trends in the longer term. Policy initiatives and strategies such as 'Neighbourhood First' policy, 'Act East', SAGAR maritime doctrine, revitalizing ties with West Asia, simultaneous engagement of major powers, focus on regional connectivity and Humanitarian Assistance and Disaster Relief (HADR), reform of multilateral institutions, including of the UN Security Council, reconnecting with Diaspora, constitute the elements of this multi-faceted and coherent approach to India's international relations and our diplomatic strategy.

8.13 While tendering evidence before the Committee, the Foreign Secretary stated on the need for framing a grand strategy:

"My own sense is that we are still in the beginning of what is going to be the shape of things to come. For the first time, I think, we may be moving back into an age of bipolarity or certainly one where two countries, United States and China have put forward ideological position about what Foreign Policy consists of. China, which for 30 years, essentially talked of socialism with Chinese characteristics and said that they did not export their policy, for the first time, explicitly at the Party Congress said that 'our model of economic development is something which can be shown to the rest of the world, and that the concept of

the community for the shared future of mankind, their sort of overarching theme on political relations is juxtaposed to the United States Cold War System of Alliances. Now, how far this will go is a matter of debate, but we need to watch it. In the absence of scene where this goes for us to have a strategy, it might be difficult. The only thing I can say is that we are, we should and do have our own world view. I think, the world view is essentially centred on the concept of Vasudhaiva Kutumbakam. Certainly, a lot more work needs to be done in fleshing that out, but if you have noticed the current references that our leaders have been making to various ideas under that concept, I think, the intention is not to fall between two stools. But on this, I would say that having a grand strategy when the world is in such flux, might land the Ministry of External Affairs with the pitfalls that the Standing Committee might then question us as to why we thought something was going to happen and did not. "

8.14 The Committee note that there are ten key principles and objectives guiding our foreign policy. The Ministry has informed that the Government follows a pragmatic and outcome-oriented foreign policy. The Committee were surprised by the Ministry's submission that there is no overarching and formalized policy document covering all aspects of our foreign policy. However, policy initiatives and strategies such as 'Neighbourhood First' Policy, 'Act East', SAGAR maritime doctrine, revitalizing ties with West Asia, simultaneous engagement with all powers, focus on regional connectivity and Humanitarian Assistance and Disaster Relief (HADR), reform of multilateral institutions, including of the UN Security Council, reconnecting with Diaspora, constitute the elements of this multi-faceted approach to India's international relations and our diplomatic strategy. 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 are cognizant of India's deepening engagement at the bilateral, regional as well as multilateral level. The Committee are of the considered view that the formulation of a grand strategy encompassing the broad aspects of our

foreign policy with short term, medium term and long term objectives is the need of the hour. By imparting coherence and clarity on our hitherto long established and enduring principles of foreign policy, the grand foreign policy strategy will also bolster the case for enhanced allocation by the Ministry of Finance. The Committee, therefore, 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.

(Recommendation No. 46)

NEW DELHI
7 March, 2018
18 Phalguna 1939 (Saka)

DR. SHASHI THAROOR
Chairperson,
Committee on External Affairs

**MINUTES OF THE ELEVENTH SITTING OF THE COMMITTEE ON
EXTERNAL AFFAIRS (2017-18) HELD ON 16 FEBRUARY, 2018**

The Committee sat on Friday, the 16 February, 2018 from 1100hrs. to 1330hrs. in Room No. G-074, Parliament Library Building, New Delhi.

PRESENT

Dr. Shashi Tharoor – Chairperson

MEMBERS

LOK SABHA

2. Prof. Richard Hay
3. Shri Vishnu Dayal Ram
4. Shri Magananti Venakateshwara Rao
5. Mohammad Salim
6. Prof. (Dr.) Mamta Sanghamita
7. Shri Sharad Tripathi

RAJYA SABHA

8. Shri P Bhattacharya
9. Shri Sambhaji Chhatrpati
10. Shri Chunibhai Kanjibhal Gohel
11. Shri D.P. Tripathi

SECRETARIAT

- | | |
|---------------------------|---------------------|
| 1. Dr. Ram Raj Rai | Director |
| 2. Smt. Jyochnamayi Sinha | Additional Director |
| 3. Shri Janmesh Singh | Under Secretary |

REPRESENTATIVES OF THE MINISTRY OF EXTERNAL AFFAIRS

S.No.	Name	Designation
1.	Shri Vijay Gokhale	Foreign Secretary
2.	Shri Dyaneshwar M. Mulay	Secretary (CPV&OIA)
3.	Dr. Sumeet Jerath	Additional Secretary & FA
4.	Ms. Riva Ganguly Das	Director General, ICCR
5.	Shri Sanjay Kumar Verma	Additional Secretary (AD)
6.	Shri Dinkar Asthana	Joint Secretary (DPA-II)
7.	Shri Sanjay Verma	Additional Secretary (COP)
8.	Shri Sanjay Panda	Joint Secretary (IOR)
9.	Ms. Neena Malhotra	Joint Secretary (E&SA)
10.	Shri Vinay Kumar	Joint Secretary (South & Nalanda)
11.	Shri Sudhakar Dalela	Joint Secretary (North)
12.	Ms. Sripriya Ranganthan	Joint Secretary (BM)
13.	Shri M Subbarayadu	Joint Secretary (DPA-III)

14. Shri Amit Kumar	Joint Secretary (AD)
15. Shri Raveesh Kumar	Joint Secretary (XP&PD)
16. Smt. Nutan Kapoor Mahawar	Joint Secretary (Parl. Coord.)
17. Shri Prashant Agrawal	Joint Secretary (DPA-I)
18. Shri Piyush Srivastava	Joint Secretary (SAARC&BIMSTEC)
19. Shri Manoj Mohapatra	Joint Secretary (OIA-II)
20. Shri Viraj Singh	Joint Secretary (Establishment)

2. At the outset, the Chairperson welcomed the members of the Committee and the representatives of the Ministry of External Affairs to the Sitting of the Committee to take evidence of the representatives of the Ministry on Demands for Grants of the Ministry for the year 2018-19. He also drew the attention of the representatives of the Ministry to Direction 55 (1) of Directions by the Speaker, Lok Sabha. In his opening remarks, the Chairperson delved upon the overall budgetary allocations made to the Ministry of External Affairs during BE 2018-19 as well as RE 2017-18 and expressed serious concerns about the allocations not being commensurate with our expanding global engagement and footprint.

3. Thereafter, the Foreign Secretary provided an overview of the Ministry's budget, milestones achieved in the ongoing Fiscal and the challenges faced in project implementation abroad. The members raised specific questions on various issues pertaining to the mandate of the Ministry which *inter-alia* included uneven quarterly spending by the Ministry; reduction in the MEA's budget in proportion to the Government's overall budget; inability of the Ministry to take up the cause of lower budgetary allocations with the Ministry of Finance in a convincing manner; fluctuating nature of demands and allocations to various countries under developmental cooperation; insufficient budgetary allocation for the Diaspora functions of the Ministry; Videsh Sampark programmes, under-staffing in vital departments & missions/posts abroad: criteria for project selection under ITEC programmes; multiple budget head for Advertising and Publicity; increasing Chinese connectivity projects in our neighbourhood; declining trend in Passport Sewa Camps; rationale for inclusion of schemes pertaining to Overseas Indian Affairs under 'Other Expenditure'; status of Nalanda University and South Asian University Projects, articulation of a grand strategy for India's Foreign Policy etc

4. Responding to the queries raised by the Committee, the Foreign Secretary assured them about rationalization of expenditure, closer coordination with the Ministry of Finance,

effective implementation of international projects and due prioritization of welfare schemes and programmes dealing with Indian Diaspora. The Committee desired the Ministry to furnish written replies to the various points raised by the members during discussion and to the Supplementary List of Points send by the Secretariat within a week.

The witnesses then withdrew.

The Committee then adjourned.

A verbatim record of the proceedings has been kept.

**MINUTES OF THE THIRTEENTH SITTING OF THE COMMITTEE
ON EXTERNAL AFFAIRS (2017-18) HELD ON 7 MARCH, 2018**

The Committee sat on Wednesday, 7 March, 2017 from 1600 hrs. to 1700 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Dr. Shashi Tharoor – Chairperson

Lok Sabha

2. Shri Gurjeet Singh Aujla
3. Shri Jose K. Mani
4. Shri Vishnu Dayal Ram
5. Dr. Mamta Sanghamita
6. Shri Ram Swaroop Sharma
7. Smt. Supriya Sule
8. Shri Sharad Tripathi

Rajya Sabha

9. Shri P. Bhattacharya
10. Shri Sambhaji Chhatrapati

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 Demands for Grants of the Ministry of External Affairs for the year 2018-19.

4. The Chairperson invited the members to offer their suggestions, if any, for incorporation in the draft Report. The members suggested some minor modifications. After deliberations the Committee adopted the draft Report with these minor modifications.

5. The Committee then authorized the Chairperson to finalize the Report incorporating the suggestions made by the members and present the same to Parliament.

The Committee then adjourned.