

STANDING COMMITTEE ON EXTERNAL AFFAIRS

(2002)

(THIRTEENTH LOK SABHA)

NINTH REPORT

MINISTRY OF EXTERNAL AFFAIRS

Demands for Grants (2002-2003)

LOK SABHA SECRETARIAT

NEW DELHI

*August, 2002/Chaitra, 1924 (Saka)*

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**COMPOSITION OF THE  
STANDING COMMITTEE ON EXTERNAL AFFAIRS (2002)**

**Chairperson**

Smt. Krishna Bose

**MEMBERS**

**LOK SABHA**

2. Shri E. Ahamad
3. Shri R.L. Bhatia
4. Shri Satyavrat Chaturvedi
5. Smt.Renuka Chowdhury
6. Shri Mohan S. Delkar
7. Shri Bikram Keshari Deo
8. Shri Adv. George Eden @

9. Mohammad Anwarul Haque
10. Dr. A.D.K. Jeyaseelan
11. Shri P. Kumarasamy
12. Shri Suresh Kurup
13. Shri Zora Singh Mann
14. Shri Prakash V. Patil
15. Shri Saiduzzama
16. Shri Dileep Sanghani
17. Shri P.A. Sangma
18. Smt. Minati Sen
19. Shri Saleem Iqbal Shervani
20. Shri Sushil Kumar Shinde
21. Shri Chandra Vijay Singh
22. Smt. Shyama Singh
23. Shri Su. Thirunavukkarasar
24. Dr.S. Venugopal
- 25 to 30 - Vacant

**RAJYA SABHA**

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

44. Dr. L.M. Singhvi  
45. Sardar Gurcharan Singh Tohra

**SECRETARIAT**

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

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**@ Nominated as Member of the Committee w.e.f. 28<sup>th</sup> January, 2002**

**\$ Nominated as Member of the Committee w.e.f. 1<sup>st</sup> January, 2002**

**# Dr.Mahesh Chandra Sharma Ceased to be Member of the Committee consequent upon his retirement from RajyaSabha w.e.f. 9<sup>th</sup> April, 2002**

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**INTRODUCTION**

I, the Chairperson, Standing Committee on External Affairs having been authorised by the Committee to submit the report on their behalf, present this Ninth Report on Demands for Grants of the Ministry of External Affairs for the year 2002-2003.

2. The Standing Committee on External Affairs(2002) was constituted on 1<sup>st</sup> January, 2002. One of the functions of the Standing Committee as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha is to consider the Demands for Grants of the concerned Ministries/Departments and make a report on the same to the Houses. The Report shall not suggest anything of the nature of cut motions.

3. The Committee took evidence of the representatives of the Ministry of External Affairs on 1<sup>st</sup> April, 2002. The Committee wish to express their thanks to the officers of the Ministry of External Affairs for placing before the Committee the material and information which they desired in connection with the examination of the Demands for Grants of the Ministry for 2002-2003 and for giving evidence before the Committee.

4. The Committee (2002) considered and adopted the report at their sitting held on 17<sup>th</sup> April, 2002.

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

**KRISHNA BOSE,**

**Chairperson,**

*Standing Committee on External Affairs*

**NEW DELHI;**

**18 April, 2002**

**28 Chaitra ,1924 (Saka)**

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## **REPORT**

### **A. INTRODUCTORY:**

The Demands for Grants of the Ministry of External Affairs for the year 2002-2003 were laid on the Table of the Lok Sabha on 13<sup>th</sup> March, 2002. The budget of the Ministry of External Affairs is primarily non-Plan. From the financial year 1996-97 onwards, a 'Plan' Budget head was created with the approval of the Union Cabinet for meeting the large expenditure outlay on the Tala Hydro-electric Project in Bhutan being executed with Government of India assistance. Kurichu Hydro-electric Project and Dungsum Cement Project, being executed with Government of India assistance in Bhutan are being funded from "Plan" Budget. The allocation under the Plan Head was Rs. 420.00 crore in BE 2001-2002. In BE 2002-2003, an allocation for Plan and Non-Plan expenditure under the Head "Aid to Bhutan" has been proposed at Rs. 597.05 crore while Rs. 234.40 crore for Plan expenditure under the Head "Loan to Govt. of Bhutan" has been proposed. Besides the three ongoing mega projects, two new Hydro-Electric Projects in Bhutan viz; Mangdechu Hydro-Electric Project and Punatsangchu Hydro-Electric Project will be launched in the financial year 2002-2003 for which token budgetary provision has been kept for preliminary feasibility work in consultation with the Planning Commission.

2. The Committee took evidence of the representatives of the Ministry of External Affairs on 1<sup>st</sup> April, 2002 on issues arising out of Demands for Grants of the Ministry of External Affairs under Demand No.25 for the year 2002-2003.

## B. BUDGETARY PROPOSALS:

3. Demand No. 25 pertaining to the Ministry of External Affairs contains the figures of Revenue as well as Capital Expenditure under the Charged and Voted Sections for the year 2002-2003 as per details given below:-

(Rs. in thousand)

Section	Revenue	Capital	Total
Charged	300	-	300
<b>Voted</b>	28201094	4182000	32383094

4. The total allocation in BE 2001-2002 for Ministry of External Affairs under Revenue and Capital Sections was Rs. 2883.39 crore. This allocation was proposed to be lowered by Rs. 53.39 crore in RE 2001-2002 to Rs.2830.00 crore i.e. by 1.85%. For BE 2002-2003, the proposed allocation is Rs. 3238.34 crore which is an enhancement over RE 2001-2002 and BE 2001-2002 by Rs.408.34 crore (14.43%) and 354.95 crore (12.31%) respectively.

5. The BEs of different Major Heads and Minor Heads for the year 2002-2003 are shown separately as under:-

### **Budgetary Estimates (BE) of Major Heads and Minor Heads under Demand No. 25 for the year 2002-2003:**

(Rs. in crore)

Section	Major Head	Minor Head	BE 2002-2003	Total
<b>Revenue</b>	2052-Secretariat General Services	-		123.70
		00.090-Secretariat	123.22	
		00.800-Other Expenditure	0.48	
	2061-External Affairs			1809.71
		00.003-Training	2.15	
		00.101-Embassies & Missions	787.82	
		00.103-Special Diplomatic Expenditure	785.01	
		00.104-International Conferences/Meetings	1.20	
		00.105-Passport & Emigration	101.23	
		00.106-Entertainment Charges	24.50	
		00.798-International Cooperation	40.37	
		00.800-Other expenditure	67.43	
	2075-Miscellaneous General Service			00.01
		00.791-Loss by Exchange	00.01	
	3605-Technical and Economic cooperation With other countries			886.73
		00.101-Cooperation with other countries	886.73	
		<b>Total – Revenue Section</b>		<b>2820.14</b>
<b>Capital</b>	4059-Capital Outlay on Public Works			67.20
		60.051-Construction	67.20	
	4216-Capital Outlay on Housing			36.59

		01.700-Other Housing	36.59	
	7605-Advances to Foreign Govt.			314.41
		00.098-Loans to Govt. of Bangladesh	80.00	
		00.097-Loans to Govt. of Bhutan	234.40	
		00.095-Loans to Govt. of Nepal	00.01	
	7615-Miscellaneous Loans			
		00.200-Miscellaneous loans	00.00	
		<b>Total - Capital Section</b>		<b>418.20</b>
		<b>Total – Grant No.25</b>		<b>3238.34</b>

6. The overall budgetary position for the year 2001-2002 and the proposed allocations for the year 2002-2003 under the Revenue and Capital Section under both the Plan and Non-Plan Heads, are given below:

(Rs. in crore)

	BE 2001-2002		RE 2001-2002		BE 2002-2003	
	Non Plan	Plan	Non Plan	Plan	Non Plan	Plan
Revenue Section	2263.73	272.00	2294.37	240.00	2454.54	365.60
Capital Section	199.66	148.00	135.63	160.00	183.80	234.40
Total	2463.39	420.00	2430.00	400.00	2638.34	600.00
Grand Total	2883.39		2830.00		3238.34	

Variation between RE 2001-2002 and BE 2001-2002 = 1.85%

Variation between BE 2002-2003 and RE 2001-2002 = 14.43%

Variation between BE 2002-2003 and BE 2001-2002 = 12.31%

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

(Rs. in crore)

Year	Total Grant (RE)	Actual Expenditure	Unspent Balance
1996-97	1357.92	1286.42	71.50
1997-98	1553.42	1509.03	44.39
1998-99	2236.17	2073.76	162.41
1999-2000	2249.44	2133.16	116.28
2000-2001	2720.72	2488.85	231.87
2001-2002	2830.00	-	-

8. The comparative figures indicating BE, RE and Actual Expenditure from the year 1999-2000 onwards and the BE for the year 2002-2003 are shown as under:-

(Rs.in crore)

Major Head	BE 1999- 2000	RE 1999- 2000	Actuals 1999- 2000	BE 2000- 2001	RE 2000- 2001	Actuals 2000- 2001	BE 2001- 2002	RE 2001- 2002	BE 2002- 2003
2052-Sectt.Gen. Services	86.11	89.28	87.99	101.50	111.70	107.98	120.31	121.46	123.70
2061-External Affairs	1212.87	1281.99	1219.50	1387.67	1527.40	1380.54	1706.34	1683.18	1809.70
2075- Miscellaneous General ervices	0.01	0.01	0.00	0.01	0.01	0.00	0.01	0.01	0.01
3052-Shipping	0.01	0.01	0.00	0.01	0.00	0.00	0.00	0.00	
3053-Civil Aviation	0.01	0.01	0.00	0.01	0.00	0.00	0.00	0.00	
3605-Technical and Economic Cooperation with other countries	641.44	594.12	572.80	731.5	716.80	660.69	709.07	729.72	886.73
4059-Capital Outlay on Public Works	70.00	60.00	63.49	70	64.00	53.65	67.20	50.78	67.20
4216-Capital Outlay on Housing	30.00	20.00	13.83	30	25.00	26.13	27.00	27.42	36.59
7605-Advances to Foreign Govts	169.01	204.01	175.55	305.01	275.81	259.86	253.46	217.43	314.41
7615- Miscellaneous Loans	0.01	0.01	0.00	0.01	0.00	0.00	0.00	0.00	
<b>Total</b>	<b>2209.47</b>	<b>2249.44</b>	<b>2133.16</b>	<b>2625.72</b>	<b>2720.72</b>	<b>2488.85</b>	<b>2883.39</b>	<b>2830.00</b>	<b>3238.34</b>

9. Explaining the budget proposals of the Ministry of External Affairs for the year 2002-2003, the Foreign Secretary informed the Committee during evidence as under:

*“The total allocation made to the Ministry of External Affairs for the year 2001-2002 was Rs. 2,883.39 crore, of which Rs.420 crore was allocated for Plan projects under implementation in Bhutan. For the financial year 2002-2003, the total allocation stands at Rs. 3,238.34 crore, of which Plan allocation is of the order of Rs.600 crore. Thus, the Non-Plan allocation in 2001-2002 was Rs. 2,463.39 crore and for 2002-2003 Rs.2,638.34 crore, reflecting an increase of 7.1 per cent. If the element of allocation under special diplomatic expenditure is excluded, the increase in budgetary funds to the Ministry is 5.76 per cent”.*

10. In regard to the increase in budgetary allocations for 2002-2003 over the previous year, the witness stated as under:-



*“----particular thought has been given to the additional requirement of funds on activities and projects that warrant the attention and support of the Ministry of External Affairs. Aid and assistance to neighbouring countries has been given special emphasis in this process under the head, ‘Technical and economic co-operation with other countries’. We have budgeted an amount of Rs. 601.14 crore under non-plan for 2002-2003 as compared to the figure of Rs.542.43 crore during 2001-2002, reflecting an increase of about 11 per cent.*

*Allocations for Indian Missions abroad have increased from Rs. 756 crore to Rs. 787 crore, an addition of Rs.31 crore or 4.5 per cent. The Secretariat Budget exhibits a rise of Rs.3.7 crore over the allocation of Rs. 120 crore during 2001-2002. While there has been a lower utilisation of funds under the capital head for public works and housing during 2001-2002 mainly on account of the unusual circumstances that have obtained in the year gone by, we have requested for a slightly enhanced allocation of Rs. 103 crore for the coming financial year, an increase of nine per cent. This has been done in the expectation of fuller utilisation in 2002-2003 because of the anticipated acceleration in various projects for which the groundwork has been laid during the past year.”*

**11.** In regard to the need for control over administrative expenditure, the Foreign Secretary during evidence informed the Committee as under:

*“----while finalising the budget estimates for 2002-2003, we have taken note of and attempted to implement the advice given by this august Committee on several previous occasions that expenditure on maintenance and office expenses have to be held in check whereas enhanced funds be made available for activities and programmes which are developmental in nature and which fulfill the foreign policy objectives of India.”*

**12.** When enquired whether the budgetary allocations under various heads of the Grant were found to be sufficient enough to undertake the different activities under that head or execution of any project/activity was adversely affected because of shortage of funds, the Ministry stated in a note that annual budget grants were finalised in consultation with the Ministry of Finance on the basis of projections made by Ministry of External Affairs of its committed expenditure requirements of ongoing schemes/projects and the additional activities that Ministry proposed/anticipated to undertake during the year. Missions, various Divisions of the ministry and the grantee institutions provided necessary inputs. Ministry of Finance, taking regard of resources with the Governments provided an overall cap to the budget and generally provided flexibility of allocation under various heads within the cap. Ministry managed its activities within the allocations provided. During the budget year Ministry of Finance had been allowing re-appropriations as per the norms to ensure that funds were available for activities, which were faster, some schemes for a variety of reasons did not progress as anticipated resulting in surrender in such cases.

**13.** As regards non-utilisation of allocated funds, the reasons cited by the Ministry were:

- i) Emergency instructions issued by Govt. for saving on non-plan, non salary expenditure.
- ii) Postponement/deferment of certain activities because of change/uncertainty in external environment.
- iii) No availability of mandatory approvals in time.

**14.** From the overall examination by the Committee of the Demands for Grants of the Ministry of External Affairs, the Committee have observed instances of large scale

variations in expenditure. What disturbs the Committee more is the fact that the Ministry have been making inaccurate assumptions under different Heads even at the RE stage without ensuring proper and full utilisation of funds. While additional funds were being obtained at the RE stage, the actual utilisation has always been less than even the BE. Thus against BE of Rs. 2209.47 crore and RE of Rs. 2249.43 crore, the actual expenditure incurred in 1999-2000 was only Rs. 2133.16 crore. Again in 2000-2001 against BE of Rs. 2625.72 crore and RE of Rs. 2720.71 crore, the actual expenditure incurred was Rs. 2488.83 crore. The under-utilisation of funds which was Rs. 71.50 crore in 1996-97 has risen to as high a level as Rs. 231.84 crore in 2000-2001. Undoubtedly, this is an alarming trend clearly indicating a serious flaw in the budgetary process of the Ministry which needs to be remedied immediately. The Committee, therefore, recommend that the budgetary exercise in the Ministry should be taken up with all the seriousness it deserves taking into consideration the necessary indicators like the past trends of expenditure, the stage of formulation/implementation of various schemes for which funds are sought, etc.

**Recommendation No. 1**

**C. FOREIGN TRAVEL EXPENSES**

**a. Secretariat : 2052 - 02.00.12**

(Rs. in crore)

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual</b>
1998-99	14.25	14.82	16.53
1999-2000	16.00	16.00	18.42
2000-2001	17.00	21.43	20.27
2001-2002	22.50	21.50	-
2002-2003	22.50	-	-

**b. External Affairs : Embassies & Missions : 2061 - 00.00.12**

(Rs. in crore)

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual</b>
1998-99	59.13	53.94	60.77
1999-2000	58.26	62.36	64.15
2000-2001	68.42	79.25	73.15
2001-2002	83.21	83.21	-
2002-2003	83.21	-	-

15. The expenditure on foreign travel under the Head “External Affairs” during 2000-2001 was Rs. 73.15 crore against the Revised Estimates of Rs. 79.25 crore: On being asked the reasons therefor, the Ministry stated that less expenditure was due to the austerity instructions issued by the Ministry.

16. On being asked whether in view of the faster and quick means of communication system like fax, e-mail, internet, etc. being available, the possibility of curtailing some routine foreign visits was explored by the Ministry at any stage, the Ministry informed that efforts were being made to curtail routine foreign visits through financial scrutiny by Integrated Finance as well as through the institution of Screening Committee of Secretaries.

17. During evidence, the Foreign Secretary stated:

*“Computerisation has also enhanced connectivity thereby greatly facilitating communications between the Head Quarters and Missions abroad.”*

18. The Committee enquired whether in the present economic scenario, where the scarce resources are to be utilised for priority areas, the Ministry contemplated any action plan to rationalise the expenditure under these heads by clearing the foreign travels only in extremely essential cases.

The Ministry replied that efforts were being made to rationalise the outgo on account of foreign travel, streamline the procedures and implement austerity measures.

**19.** The Ministry were asked to furnish the categories of officials and dignitaries on whom foreign travel expenses were incurred and also the amount spent on them separately under these heads. The Ministry in a written submission informed that foreign travel expenses included travels by the officials of the Ministry of External Affairs, officials of other Departments of GOI posted in Missions and Posts abroad, MPs, Members of Haj Committee, Official Languages Propagation Team, Account Officials etc. The Ministry further informed that no separate accounts are maintained under the Head for foreign travel by each of these categories independently.

**20.** The Committee are concerned to observe that BE of Foreign Travel Expenses under the Head “Secretariat” has risen from Rs.14.25 crore in 1998-99 to Rs. 22.50 crore in 2002-2003 while it has gone up from Rs.59.13 crore to Rs. 83.21 crore under the Head “External Affairs – Embassies & Missions” during the same period. The Budget Estimates during this period have thus shown approximately 44% rise under these Heads. Besides, the actual expenditure during each of the years 1998-99 to 2000-01 has been higher than the budget Estimates. The growing trend of expenditure under these Heads belies the Ministry’s claims that austerity measures were enforced in these areas. While observing that the Ministry’s efforts for rationalising the outgo on account of foreign travel, streamlining the procedure and implementing the austerity measures are steps in the right direction, the Committee are of the firm opinion that these measures alone will not be able to achieve the desired goal of bringing down substantially the level of expenditure on this count unless the Ministry devise a suitable policy under which the foreign travels are resorted to only in unavoidable cases. All other matters should be disposed of with the optimum use of the present day cyber/hi-tech information technology available with the Ministry, which, as admitted by the Foreign Secretary herself, has enhanced connectivity thereby greatly facilitating communications between the Head quarters and Missions abroad. This would not only save the precious national resources which could be utilised in other vital sectors of the economy but also eliminate the wastage of the precious man-hours lost on such trips.

**(Recommendation No. 2)**

**21.** The Committee express their dissatisfaction over the fact that no separate accounts are being maintained in respect of expenditure being incurred on foreign travels of different categories of officials and dignitaries under these Heads. They feel that availability of such data is the basic input for the Ministry to identify the cases or class of cases/areas where foreign travels could be curtailed/reduced by them on the basis of the requirement of the situation and the amount of expenditure involved. The Committee therefore recommend that the Ministry should maintain a comprehensive account of expenditure on foreign travels separately in respect of each category of officials/dignitaries under these Heads from financial year 2002-2003 onwards.

**(Recommendation No. 3)**

**D. RENTS, RATES, TAXES****a. Secretariat: 2052-02.00.14****(Rs. in crore)**

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual</b>
1998-99	4.77	4.74	6.13
1999-2000	5.20	6.50	5.77
2000-2001	8.58	13.00	11.78
2001-2002	13.65	13.65	-
2002-2003	13.65	-	-

**b. External Affairs: Embassies and Missions:2061- 00.00.14****(Rs. in crore)**

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual</b>
1998-99	130.31	138.75	145.97
1999-2000	149.85	163.34	156.23
2000-2001	165.00	167.00	157.25
2001-2002	175.00	180.00	-
2002-2003	189.44	-	-

**c. External Affairs : Passport and Emigration: 2061 – 00.105 - 00.00.14****(Rs. in crore)**

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual</b>
1998-99	2.33	2.71	1.56
1999-2000	2.85	3.80	1.85
2000-2001	3.80	7.50	4.16
2001-2002	7.75	8.10	-
2002-2003	7.80	-	-

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

23. The following figures indicate the rental liability of Ministry of External Affairs during the last 4 years:

**(Rs. in crore)**

	<b>Major Head</b>	<b>Major Head</b>	<b>Minor Head –</b>	<b>Total</b>
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Year	2052 – Sectt. (MEA)	2061-External Affairs – Embassies & Missions	Passport & Emigration	
1998-99( <i>actual</i> )	6.13	145.97	1.56	153.66
1999-2000( <i>actual</i> )	5.77	156.23	1.85	163.85
2000-01( <i>actual</i> )	11.78	157.25	4.16	173.19
2001-02 ( <i>anticipated</i> )	10.63	174.18	7.02	191.83
2002-03 ( <i>BE</i> )	13.65	189.44	7.80	210.89

24. Asked to state the steps taken for reducing the rental liabilities abroad, it was stated that the Ministry had initiated several steps including acquisition of properties for chanceries and residences of India-based officers and staff through purchase of built-up properties and construction of properties abroad. The Committee were informed that the Government owned 76 Chancery buildings, 78 Embassy Residences and more than 600 other residential units. During 2000-2001, Missions abroad were reported to have taken on rent 1944 leased buildings for office and residential use involving rental outgo of Rs.142.16 crore.

25. On being asked about details of the perspective plans of Ministry of External Affairs to reduce rental liabilities, the Ministry submitted a list of construction projects/purchase proposals for implementation during 2001-02 to 2004-05. It indicated projects and renovation at 17 places and purchase of properties at 18 places abroad during the period of 4 years from 2001-02 to 2004-05. While the allocations for these 4 years on this have been shown to be Rs. 394 crore, the proposed expenditure has been shown as Rs. 533.30 crore as is evident from the following table:-

**List of Construction Projects/Purchase Proposals For implementation during 2001-02 to 2004-05**

(Rs. in crore)

2001-02 (Allocation: Rs. 94 Crore)	2002-03 (Allocation: Rs. 100 Crore)	2003-04 (Allocation: Rs. 100 Crore)	2004-05 (Allocation: Rs. 100 Crore)
<b>Expenditure already incurred</b> upto August 2001 & Likely to be incurred in CFY	<b>Expenditure on sanctioned Projects</b> (FSI, AALCC & ICCR Calcutta)		
35.00	21.00		
<b>Sub-Total</b>	<b>21.00</b>		
<b>Projects &amp; Renovation</b>			
			Doha 7.00
			Port of Spain 1.00
Gaborone 0.55	Doha 12.25	Gaborone 0.10	Muscat 3.30
		Doha 8.00	Beijing 10.00

	Muscat	9.15	Muscat	7.80	Dhaka	10.00
	Tashkent	8.20	Tashkent	9.45	Kathmandu	10.00
	Port-of-Spain	13.05	Port-of-Spain	5.95	Moscow	30.00
	Gaborone	1.35	Beijing	10.00	Warsaw	10.00
			Dhaka	10.00	Abuja	10.00
			Kathmandu	10.00	Brasilia	10.00
Renovation	6-RDP Geneva	2.50	Moscow	10.00	Dar-es-Salaam	10.00
	HC's Res. Singapore	10.00	Warsaw	10.00	Islamabad	10.00
			6-RDP Geneva	2.50	Port Louis	10.00
			Singapore	6.00	Tashkent	3.35
<b>Sub-Total</b>	<b>0.55</b>	<b>56.50</b>	<b>89.80</b>		<b>1 28.35</b>	
<b>Purchase of Properties</b>						
<b>Patamaribo</b>	<b>3.65</b>	Ashgabat	05.00	Nairobi	06.00	
<b>Damascus</b>	<b>15.00</b>	Bishkek	05.00	New York	12.00	
<b>Hong Kong</b>	<b>16.00</b>	Bratislava	08.00	Osaka	25.00	
<b>Buenos Aires</b>	<b>16.00</b>	Chicago	08.00	Rome	10.00	
<b>Dushanbe</b>	<b>5.00</b>	Minsk	08.00	Stockholm	08.00	
<b>Prague</b>	<b>16.00</b>	-		Toronto	05.00	
<b>New York</b>	<b>20.00</b>	-		Washington	10.00	
<b>Sub-Total</b>	<b>91.65</b>	<b>34.00</b>		<b>76.00</b>		
<b>Grand Total</b>	<b>127.20</b>	<b>111.95</b>		<b>165.80</b>		<b>128.35</b>

26. The C&AG's Report No. 2 of 2001 also brought out that the Ministry of external Affairs did not take any decision for more than three decades in constructing the Embassy Complex on the plot gifted by the Government of Brazil in 1965 ; and paid over Rs. 11.23 crore on rent of leased buildings, expenditure on property tax and local taxes, expenditure on visits of property teams etc. between 1983-84 and November, 1999. When the Committee asked for comments of the Ministry in this regard, they were informed as follows:

*"The Govt. of Brazil had gifted a plot of land measuring 25000 sqm. in 1965 for construction of Embassy Complex. The process of constructing Embassy Complex in Brasilia was taken up in right earnest in 1965 itself by identifying a local Indian architect Shri Shyam Tarneja. The Project could not take off due to the introduction of an economy drive on account of Bangladesh War followed by oil crisis of 1973 and 1975.*

*In January 1984, Shri Ram Sharma & Associates, New Delhi were appointed Consultant for the Project after a selection process. The Architect submitted preliminary estimates in 1987, but these were found to have wide variation in the rates compared to the data obtained by the Mission from various professional sources, magazines etc. There was also the question of*

*hyperinflation in Brazil, which rendered the estimates inaccurate. In fact, because of these reasons, the cost estimates underwent several revisions, thus impeding any decision.*

*In the meantime, in August 1990 as a result of Gulf War, there was a freeze on projects abroad. A downward trend in the construction costs in Brazil has been observed since then.*

*A Property Team was deputed to examine the economic viability of the project in June 2000, after ascertaining the cost of construction. The downward movement in the cost of construction in Brasilia was observed by the Team. Reportedly the construction cost is now stabilizing and the project may become economically viable”.*

27. On a query about the cost of construction, the Committee were informed by the Ministry that as per available records, the earliest rough estimates worked out by a local architect in February 1971 were approx. US \$ 3.37 lakhs. As per the Property Team that visited Brasilia in June 2000, the approx. cost of constructive is US \$ 2 million.

28. The Committee observe that actual expenditure on account of “Rents, Rates, Taxes” under all the three heads ‘Secretariat’, ‘External Affairs (Embassies and Missions)’ and ‘External Affairs (Passport and Emigration)’ has been less than REs from the year 1999-2000 onwards. Rising cost of property, municipal tax, electricity, maintenance, escalation of rents etc. are the reasons, cited by the Ministry for projecting higher REs. The Committee feel that despite being well aware of the reasons guiding the trend of expenditure during the year, the Ministry have failed in accurate estimation of requirement of funds even at the RE stage. The Committee recommend that the Ministry should take concrete steps to avoid such variation in future while preparing the revised estimates (REs) on the basis of actual trend of expenditure.

**(Recommendation No. 4)**

29. The Committee wish to point out that the Budget Estimates (BE) of Rs. 210.89 crore for the year 2002-03 under “Rents, Rates, Taxes” is approximately 6.5 per cent of the total budget of the Ministry under Demand No. 25. In fact, the rental outgo of the Ministry has been ballooning year after year as a direct result of apparently little progress made by the Ministry in regard to acquiring their own properties in India and abroad which is evident from the fact that as many as 1944 buildings have been taken on rent by Indian Missions abroad. On the other hand, Ministry’s construction/purchase proposals reflect projects and renovation only at 17 places and purchase of properties only at 18 places during the period of 4 years from 2001-02 to 2004-05. What is intriguing to the Committee is that while allocations for these 4 years have been shown by the Ministry as Rs. 394 crore, the proposed expenditure has been shown as Rs. 533.30 crore. They fail to understand how and in what manner, the additional funds are proposed to be arranged. Taking into account the fact that a large number of buildings have been hired by the Ministry in India and abroad, the Committee wonder as to how the Ministry would be able to reduce the rental liability in a substantial way with such limited plan of construction/acquisition. While deploring the slow pace and apathetic attitude with which the Ministry are moving towards acquisition of properties/construction of buildings, the Committee strongly recommend the Ministry to draw a comprehensive long term policy to gradually accommodate all their offices, Missions, residences in their own buildings to be acquired/constructed in a time bound manner with adequate budgetary support and regular monitoring. The Committee are of the strong conviction that this will not only save huge rental outgo in the short run but also create assets for the country in the long run with the advantage of capital gains.

**(Recommendation No. 5)**



30. The Committee are shocked to note from C&AG Report No. 2 of 2001 that the Ministry of External Affairs did not take any decision for more than three decades in constructing the Embassy complex on the plot gifted by the Government of Brazil in 1965. Astonishingly, even after wasting a long period of 37 years, the Ministry are still at the stage of assessing economic viability of the project. The Committee do not agree with the Ministry's contention that it is better to have a rented building than investing money on construction in Brazil as the rentals there are very low. As already emphasised, rather than hiring buildings, Government should make every attempt to own properties abroad even though it may not be economically viable in the short term. The Committee are also not convinced of the reasons advanced by the Ministry such as Bangladesh war , oil crisis, Gulf war, etc. for not taking up this project since all these factors were temporary phases. They are of the firm opinion that no logical reason could stall the project for such a long period, particularly when the gifted land was free from all encumbrances. The Committee, therefore, strongly, deplore the inaction on the part of the Government which has resulted in escalation of costs from an estimated US \$ 3.37 lakh in 1971 to an estimated US \$ 20 lakh in June 2000. They would like to be apprised of the rental outgo on leased buildings by Indian Missions/Posts in Brazil from 1965 till date. The Committee now strongly recommend the Ministry to prepare within three months a schedule of different stages involved in construction of Embassy building on this plot of land, initiate all necessary steps to complete the project on priority basis without any further loss of time and keep the Committee apprised of the progress made in this regard from time to time.

**(Recommendation No. 6)**

## **E. ADVERTISING AND PUBLICITY**

### **a. Secretariat : 2052-02.00.26**

(Rs. in crore)

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual</b>
1998-99	12.75	14.00	10.50
1999-2000	16.50	11.00	10.10
2000-2001	17.50	13.00	15.06
2001-2002	17.50	20.00	-
2002-2003	20.00	-	-

31. Explaining the reasons for lesser expenditure under this Head compared to the Budgetary Estimates, the Ministry stated as under:

*“During the Financial year 2000-2001, the budgetary allocation for the External Publicity was reduced from Rs. 17.50 crores to Rs.13.00 crores on grounds of austerity as per directives of the Ministry of Finance. The final expenditure that year, however, was Rs. 15.06 crores as the External Publicity Division was given additional funds at the Final Estimate (FE) stage. In the Financial Year 1999-2000, the Ministry was faced with exceptional circumstances relating to Kargil and hijacking of IC-814. Focus from routine external publicity activities was diverted to meet the extraordinary challenges emanating from those two developments. Publicity activities which would have been taken up and completed under normal circumstances could not be implemented given the extraordinary situation”.*

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

(Rs. in crore)

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual</b>
1998-99	15.23	17.50	13.15
1999-2000	22.50	22.38	15.68
2000-2001	23.65	24.40	15.18
2001-2002	25.62	19.68	-
2002-2003	25.62	-	-

32. The Ministry were asked to furnish the reasons for under utilisation of substantial funds and also the expected actual expenditure under this Head during the year 2001-2002. Replying to this, the Ministry stated as under:

*“Reasons for fall in expending allocated funds under the Advertisement and Publicity Head are unique to each Mission. Some reasons for the shortfall are as follows:*

*Prevalence of difficult circumstances in countries of accreditation hampering even routine publicity work – civil war, etc.*

*Rescheduling of VVIP visits on which major funds were anticipated to be spent for publicity purposes*

*Strict control on media channels by local governments constraining publicity*

*Non-issue of special newspaper supplements for unavoidable reasons*

*Delay/cancellation of certain projects, seminars, film and cultural shows due to locally prevailing contingencies and situations.*

*From figures available till January 2002 on expenditure booked by the Missions under the Head Advertisement and Publicity, it is anticipated that likely actual expenditure will be about Rs. 17 crore”.*

33. The Ministry were asked as to how they justified their projection of BE again at a higher level for the year 2002-2003. The Ministry in a written submission stated as under:-

*“The projection of Budget Estimates (BE) for the year 2002-2003 has been retained at the level of Financial year 2001-2002 keeping in mind various projects/programmes envisaged by different Missions.*

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*To address the variation in funds allocated and final expenditure, it has been decided to put in place a perspective plan for both the Ministry and the Missions. Missions have been advised to closely monitor their publicity activities along with availability of funds. The Missions have also been asked to furnish monthly reports of publicity-related activities undertaken by them. It is likely that the funds available under BE 2002-2003 will be fully exhausted”.*

34. The following table indicates the expenditure actually incurred during the past years and proposed to be spent during the year 2002-2003.

(Rs. in crore)

Year	Major Head 2052-Sectt.	Major Head External Affairs(Embassies & Missions)	2061- &	Total
1998-99(actual)	10.50	13.15		23.65

1999-2000 (actual)	10.10	15.68	25.78
2000-01(actual)	15.06	15.18	30.24
2001-02(RE)	20.00	19.68	39.68
2002-03(BE)	20.00	25.62	45.62

35. The above table indicates that approximately Rs. 46 crore during the year 2002-03 are proposed to be spent for “Advertising & Publicity” in different Heads covering the domestic as well as international areas. In this context, the Ministry was asked as to whether the Ministry had evolved any mechanism to review the different modes of Advertising and Publicity with a view to make it more intensive and result oriented. In reply, the Ministry stated as under:

*“Missions constantly endeavour to review their publicity efforts based on the feedback received from the local media and interlocutors, undertaking a pro-active position on important current India-related developments, increasing interaction with local radio, TV and print media, and more efficient utilization of e-mail and internet for information dissemination”.*

36. The Committee asked as to what counter measures had been devised by the Ministry through the external publicity to project the correct image before the international community in view of the aggressive onslaught maligning the image of our country through international media by our neighbouring country. The Ministry replied as under:

*“Every suitable avenue and platform is utilized to counter anti-India propaganda in order to project the correct image of the country before the international community. The Hon’ble Minister of External Affairs and Minister of State for External Affairs have interacted with the media to neutralize the mis-information campaign. Missions are encouraged to interact pro-actively with interest groups of persons of eminence with pro-India leanings and to persistently seek the correction of any distortion or bias in local public opinion, relating to India. Briefings are conducted and Press Statements issued by the External Publicity Division with sustained intensity and regularity. The Ministry’s website is updated daily and carries a special section on J&K and Terrorism. Seven documentary films have been commissioned specially to counter Pakistan’s anti-India propaganda. Journalists have been invited for familiarization visits to India from countries known to be partial of the Pakistani viewpoint. During these visits the journalists are exposed to various aspects of contemporary India and also suitably briefed about the Indian position on various issues. The monitoring of Pakistani and western media has also been strengthened through special internet monitoring and extensive clipping services.*

*The Government’s clearly expressed view about Pakistan’s record of support for terrorism has been carried in influential sections of the foreign media, especially the western media”.*

37. On being asked to furnish the details of the lobbying firms and advertising agencies engaged by the Ministry for the purpose of presenting India’s view point in proper perspective in different

countries and also to state as to whether the desired results had been achieved through such exercise, the Ministry stated as under:

*“ There is only one lobbying firm currently engaged by Embassy of India, Washington D.C., to project India’s point of view in the United States, namely M/s Verner Liipfert. M/s Verner Liipfert is considered one of the top-most lobbying firms in Washington.*

**38.** In response to a question as to whether the Lobbying firms engaged by Pakistan were more influential and effective than the firms engaged by India, the Ministry replied that there was no factual basis to the notion that the lobbying firms hired by Pakistan were more influential and effective than those hired by India. The Ministry further stated that they were not engaged in competition with Pakistan in Washington.

**39.** During the evidence too, the Foreign Secretary informed the Committee as under:-

*“We just had a review of the lobbying firm which we use just now in Washington. It has done very well. In fact, we got inputs from some other lobbying firms and made an assessment as to how they were doing. We felt that they were very well suited to our requirements. In fact, we have now renewed their contract. They had helped us post-1998. In the Congress, they gave us a lot of support and as a result, as the hon. Chairperson is aware, our relationship with US and Washington has improved. The lobbying firm along with the Mission, of course, has been able to bring our concerns across to the Congressmen plus the Senate as well as the American people in general. You can see that it has been successful. As I said, we have extended their contract for some more time”.*

**40.** The Committee observe that actual expenditure under the Heads “Secretariat” and “External Affairs –Embassies & Missions” has been substantially lower than the BE and RE during the past years with a sole exception for the year 2000-2001 when the actual expenditure under the Head “Secretariat” has been more than RE but still less than BE. The justifications given by the Ministry for less expenditure on advertising and publicity under the Head “Secretariat” viz. happenings of Kargil and hijacking of IC-814 requiring diversion of the activities are not acceptable to the Committee for the simple reason that such contingencies require all the more aggressive advertising and publicity in an extensive and intensive manner to solicit world opinion in our favour which would definitely require additional funds instead of under-utilisation of the allocated funds as has actually happened. Similarly, the reasons given for less expenditure under the Head “Embassies & Missions” are not of the nature which could not have been anticipated well in advance. In the opinion of the Committee, under-utilisation of funds under these Heads clearly reflects lack of concrete programmes and policies of the Ministry for advertising and publicity. The Committee need hardly emphasise that projection of India’s image and also its viewpoint in proper perspective in the cross sections of the society throughout the world is the need of the day particularly when maligning campaigns to distort the image of the country is vigorously launched by one of our neighbouring countries. They, therefore, recommend the Ministry to streamline the activities of advertising and publicity and ensure full utilisation of the budgetary allocations in future. The Committee are also of the view that NRIs and Persons of Indian Origin (PIOs) could be involved actively

by our Missions in enhancing their publicity efforts more effectively as in many places they are having vast potential to influence public opinion in our favour.

**(Recommendation No. 7)**

41. The efforts made by the lobbying firm engaged in USA for the purpose of presenting India's viewpoint have been lauded by the Ministry and it has also been emphasised by them that there is no factual basis to the notion that the lobbying firms hired by Pakistan are more influential and effective than those hired by India. While the Committee do not completely disagree that efforts were made by the lobbying firm in USA and some positive results were also achieved, they are nevertheless of the opinion that the Government have somehow not been able to garner the desired level of support either financially or politically. The Committee, therefore, recommend the Ministry to look into the reasons therefor and devise a suitable strategy to counter the anti-India propaganda abroad on one side and projection of India's potential strength on the other side. The Committee also desire that the Ministry should regularly and closely monitor the performance of the lobbying firm and ensure that lobbying efforts are utilised to the fullest satisfaction in projecting India's foreign policy objectives in the right perspective.

**(Recommendation No. 8)**

## F. PROFESSIONAL SERVICES

### a. Secretariat : 2052 – 02.00.28

(Rs. in lakh)

YEAR	BE	RE	Actuals
1998-1999	06.00	06.00	00.32
1999-2000	06.00	30.00	17.23
2000-2001	40.00	55.00	54.05
2001-2002	40.00	20.00	-
2002-2003	20.00	-	-

### a. External Affairs – Passport and Emigration :

(2061– 02.105 – 00.00.28)

(Rs. in Lakh)

YEAR	BE	RE	Actuals
1998-1999	65.00	70.00	12.25
1999-2000	75.00	119.27	00.46
2000-2001	200.00	200.00	181.65
2001-2002	210.00	240.14	-
2002-2003	138.57	-	-

42. The Committee enquired about the nature of professional services being availed under both the above Heads. The Ministry stated in their reply that the Consular Section availed the services of Standing Counsels for pursuing cases in courts relating to extradition of fugitives under the Extradition Act. The professional services availed by the Ministry as informed in a written reply, was in the form of legal advice, writing memorial and oral presentations before the International Court of Justice in connection with a ICJ case concerning aerial incident of 10<sup>th</sup> August, 1999 (Pakistan Vs. India) in the year 2000.

43. The Ministry was asked to furnish details of the agencies/professionals/experts from whom the professional services were availed and fee/remuneration paid to them during the last 5 years. As per figures made available to the Committee, the Ministry incurred expenditure of Rs. 26,95,094 on account of payment made to the Central Government Standing Counsels during the period from 1996-97 to 2000-2001 and the year wise details as furnished by Ministry in this regard are as under:-

Year	Amount (Rs.)
1996-97	2,13,343
1997-98	9,03,355
1998-99	12,18,420
1999-00	2,39,424
2000-01	1,20,552

44. The Ministry however did not furnish details in respect of the agencies/professionals/experts from whom the professional services were availed by them during the last 5 years.

45. Replying to a question as to whether the professional services so availed had been found to be satisfactory and if not, what alternate arrangements were proposed in this regard, the Ministry stated:

*“The professional services of Central Government Standing Counsels are generally not commensurate with the requirements of extradition cases as the fugitives often engage top legal luminaries to fight their cases. The Ministry is considering formation of a separate panel of advocates for its court cases, particularly extradition proceedings. This matter has been taken up with the Ministry of Law, Justice and Company Affairs”.*

46. The Committee are informed that professional services availed under both the heads of expenditure are in the form of legal advice, writing memorial and oral presentation of the cases in various Indian and International Courts/Tribunals. The Committee find that fee paid to Central Government Standing Counsels during the year 2000-2001 was Rs. 1,20,552 which was a small fraction of the huge expenditure of Rs. 54.05 lakh under the Head “Secretariat” and Rs. 181.65 lakh under the Head “External Affairs-Passport and Emigration” incurred in the same year. They, therefore desired, to be furnished with details of professionals/experts/agencies whose services were availed and also the fee/remuneration paid to them for such services. However, regrettably the Ministry failed to furnish this information. The Committee need hardly emphasise that lack of full information on any matter acts as a hindrance in consideration of that matter in the right perspective. They, therefore, desire that the details of professionals/experts/ agencies whose services were utilised, be furnished to them soon. Besides, the Ministry should in future ensure that any information asked for by the Committee is furnished to them fully and promptly.

**(Recommendation No. 9)**

47. The matter regarding formation of a separate panel of advocates for court cases, particularly extradition proceedings, is stated to have been taken up by the Ministry of External Affairs with the Ministry of Law, Justice and Company Affairs. The Committee recommend that the Ministry of Law, Justice and Company Affairs should be asked to expedite the formation of panel of advocates. The Committee stress that the extradition cases have wider ramifications on country’s international relations and, therefore, the extradition proceedings both in India and abroad should not be treated at par with other general legal matters. The Committee would, therefore, strongly recommend that the best counsels of proven professional competence and also having expertise in local criminal laws of foreign countries should be included in the panel to be formed.

**(Recommendation No. 10)**



## G. EMBASSIES AND MISSIONS (2061-00.101)

(Rs. in crore)

Year	BE	RE	Actual
1998-99	600.00	596.61	629.26
1999-2000	617.23	652.85	660.01
2000-2001	674.75	727.01	691.61
2001-2002	756.09	759.92	-
2002-2003	787.82	-	-

48. According to the Ministry, this provides for expenditure on India's representation at 157 Missions and Posts. The allocation is proposed to be increased in RE 2001-2002 compared to BE 2001-2002 by Rs. 3.84 crores to meet the requirements of the Missions/Posts abroad. There has been depreciation of rupee vis-à-vis US Dollar and the increase is sought to cater to this need. The requirement in the next financial year for Missions/Posts abroad has been pegged at Rs.787.82 crores which is Rs.27.89 crores increase over RE 2001-2002. The increase is essential to meet the normal inflationary trends such as increases in air tariffs, increase in cost of living in most of the countries the world over etc. Besides, the enhanced allocation would also cater to the full year expenditure of the newly opened Indian Missions/Posts.

49. The Committee in their 4<sup>th</sup> Report (12<sup>th</sup> Lok Sabha) had recommended the Ministry to get in touch with some neighbouring countries to examine whether opening of Joint Missions/Posts in certain countries of the world were feasible.

50. The Ministry in their action take note (1<sup>st</sup> Report – 13<sup>th</sup> Lok Sabha) stated as under:

*“The recommendation to consider the feasibility of opening joint Missions/Posts has been examined carefully in the Ministry. After due deliberations and contemplation, it is considered that the proposal may not be appropriate at this stage, in view of the political scenario in the South Asian region. Opening of joint Mission/Posts with neighbouring countries is predicated on a high level of political integration and perceptual understanding. Even in the EU, where considerable level of political integration has been achieved, the idea of Joint Missions has not yet been, implemented, although some co-ordination of activities in specific areas has been attempted.*

*Joint Missions would imply staffing from several different Foreign Ministries, who have their own service, discipline rules and administrative structures. This would not be a workable proposition in the case of India and some of its neighbouring countries, given the present situation”.*

51. During evidence, the Committee pointed out that India has a very large number of Missions abroad which were established during Nehru era with a view to having relations with those countries and asked whether in view of the changed world order, the necessity for having all these Missions was reviewed particularly when the country incurred huge expenses on maintaining the Missions in many countries without having any trade relations with them. The Committee also desired to know as to whether the Ministry was considering reduction of the number of Missions. Responding to this, the Foreign Secretary informed the Committee as under:

*“This is under constant review. Presently, we have 158 Missions and Posts abroad. The question as to whether they should continue or not is constantly under review. After the review, it was decided to shut down two of our Missions abroad and so the Missions in Malta and Burkinafaso are being closed down. This aspect is constantly under review.*

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*The Expenditure Reforms Committee suggested that we close down seven of our Missions abroad. Out of that, a decision to close down two of these had already been taken. We are looking into that.”*

**52. In view of the availability of faster and accurate modes of communications, including cyber technology the Committee suggest that the Ministry should make a thorough review of administrative expenses to explore the areas of activities where such expenses could be curtailed. As a part of such exercise, the functioning of the Missions in particular is needed to be reviewed periodically with a view to deciding their continuation or changing their pattern of functioning. The Committee, therefore, recommend that a thorough study may now be undertaken by the Ministry to rationalise the requirement of Indian Missions abroad and to evolve the concept of joint missions for two or more countries. The Committee also desire that all other necessary measures may be initiated by the Ministry to reduce the administrative expenses in these areas as far as possible.**

**(Recommendation No. 11)**

## H. PASSPORT AND EMIGRATION

(2061 - 00.105)

(Rs. in crore)

Year	BE	RE	Actual
1998-99	86.00	65.55	64.93
1999-2000	68.87	87.57	76.88
2000-2001	88.41	95.96	79.75
2001-2002	98.48	99.64	94.42*
2002-2003	101.23	-	-

### \* Estimation of actual expenditure

53. The Ministry in their reply have stated that the additional projections in both BE and RE 2000-2001 were made on the basis of the anticipated expenditure on starting of the project of scanning of old files, and extension of machine writing of Passport and scanning of Index cards to all Passport Offices, additional hardware to support additional projects and support for ongoing computerisation and modernisation projects. The expenditure, however, could not be incurred during the year as some projects could not be started during the financial year. On being asked as to what were the reasons for projecting BE and RE at an increased level i.e. Rs. 98.48 crore and Rs. 99.64 crore respectively for the year 2001-2002, the Ministry stated that the budgetary provisions were made for opening of five new Passport Offices in the Country and to meet the expenditure on increase in the cost of printing of passport booklets. Projection of Rs. 101.23 crore, under BE 2002-2003 was intended to meet, in addition to the normal estimated expenditure, the anticipated cost of travel documents i.e. passport booklets, emergency & identity certificates, freight and agency charges towards shipment of travel documents, payment of annual maintenance contracts, printing of passport forms and information booklets, for the setting up of 5 new Passport Offices and also the provision for computerisation.

54. Regarding timely issue of passports, the Committee in their 4<sup>th</sup> Report (11<sup>th</sup> Lok Sabha) had recommended that the concerned passport officers in the Passport Offices should be made accountable for any delay in issue of passports beyond the revised stipulated norms of 5 weeks. In their action taken note, the Ministry informed (2<sup>nd</sup> Report – 12 L.S.) that all the passport offices had been instructed to bring to the notice of the Ministry any problem faced by them, in issuing passport within the stipulated time of 4-5 weeks and deliberate delay on part of any official would be taken very seriously and suitable action is taken. It was also intimated that the Ministry received weekly reports regarding issue of passport and other services and thus the functioning of each passport office was under close scrutiny of the Ministry on a continuous basis. On being pointed out that instances had come to the notice regarding inordinate delay in issuance of passports, the Ministry stated as under:

*“It is the Government’s endeavour to issue passports in 5-6 weeks provided clear Police Verification Report has been received and the application is complete in all other respects. However, in some cases there is some delay in issue of passports mainly due to incomplete police report, doubt about the nationality of the applicant or in-sufficient documents”.*

55. In order to expedite the police verifications, the Committee had recommended certain measures in para 76 of their 3<sup>rd</sup> Report (10<sup>th</sup> L.S.). The Ministry had informed (7<sup>th</sup> Report – 10<sup>th</sup> L.S.) that MHA had instructed State Governments to ensure that police verification report was sent to the passport offices within three weeks. The Ministry had also informed that separately a decision had been taken that even if police verification report was not received within 3 weeks, a passport would be issued after four weeks time.

56. The Ministry of External Affairs have announced a new fee structure for passports and related services to be effective from 1<sup>st</sup> April, 2002 as under:

	<b>In India(Rs.)</b>	<b>Abroad (US \$)</b>
i) Ordinary passport (fresh or in lieu of an expired passport) of 36 pages	1000	40
ii) Jumbo Passport (fresh or in lieu of an expired passport) of 60 pages	1500	50
iii) India-Bangladesh and India-Sri Lanka passport	500	20
iv) Observations/Endorsements in the passport e.g. change in address. ECNR endorsement, name of spouse etc.	300	10
v) Miscellaneous service requiring a new passport booklet of 36 pages	500	20
vi) Miscellaneous service requiring a new passport booklet of 60 pages	700	25
vii) Ordinary passport booklet containing 36 pages with a maximum validity of five years for minor children below the age of 18 years	600	25
viii) Duplicate passport of 36 pages in lieu of lost, damaged or stolen passport	2500	125

57. During evidence, the Committee desired to know as to what additional benefit would be available to the applicants after this hike and also whether there was going to be any special change in the functioning of the passport offices. The representative of the Ministry replied as under:

*“---the last fee was fixed in July, 1993. It has been nine years since we had any increase at all. One of the major bottlenecks that was experienced so far is the police verification system and the to and fro communication with the States. They had a very genuine grievance that for this service they were not being paid anything by the Central Government. So, what we have decided is that we would give Rs. 200 per passport for carrying out their part of the work to the State Government. So, the increase to the extent of Rs. 200 straight away goes for this*

*purpose. In addition a very substantive technology upgrade is required for passports of the present generation.*

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*I have visited a number of passport offices----- It will be our endeavour to give it without hassles”*

**58.** On being asked about the status report on computerization of passport offices, the Ministry have informed that all 28 passport offices except Passport Office, Patna have been computerized. Computerization at Patna could not be started as the office was being shifted to a new building but it was expected that computerisation of Passport Office, Patna will be completed by the end of May, 2002. Machine-readable passport printing project has been implemented at Delhi, Mumbai, Hyderabad, Kozhikode, Chandigarh and Ahmedabad. It was in the process of implementation at Kolkata, Lucknow, Cochin, Trivandram, Chennai, Tiruchirapalli, Jalandhar and Bangalore Offices. The online registration of passport applications has already been introduced at Bangalore, Chennai and Mumbai on trial basis.

**59.** About decentralisation of passport services, the Ministry stated as under:-

*“The Government has decided to decentralise the passport services and to bring these services closer to the people. The channels made available are the Speed Post Centres of Department of Posts and the office of the District Magistrate/Superintendent of Police. Under this scheme, the passport applicants can deposit their filled passport application forms through the designated Speed Post Centres (SPC) or office of the District Magistrate/Superintendent of Police in every state throughout the country”.*

**60.** During evidence, the representative of the Ministry stated:

*“A District Passport Cell will be created and dedicated for this task in those Districts which have 10,000 or more applicants”.*

**61.** On being asked as to how the public was made aware of this scheme and what had been the response of the public after introduction of this scheme, the Ministry stated that Publicity in the print media has been made to inform the public of the scheme.

**62.** In reply to a question on number of passport offices functioning in rented buildings and also the rent being paid for them, the Ministry informed that 19 passport offices were functioning from rented premises with total rentals of Rs. 28,51,556. It was also intimated that passport office, Panaji (Goa) was under construction at present and the construction projects in Calcutta, Chandigarh, Lucknow, Bangalore and Jaipur were in various stages of planning.

**63.** Regarding engagement of ex-servicemen, the Ministry informed that pursuant to the Committee's recommendations, facilitation counters manned by the Ex-servicemen to assist/guide illiterate/semi-literate passport applicants have commenced in ten passport offices namely Delhi, Jalandhar, Ahmedabad, Trivandrum, Trichy, Chennai, Vishakhapattanam, Cochin, Mumbai and Chandigarh. However, the Ministry had not prescribed the fee to be charged by the ex-servicemen for the various services rendered by them and the rates to be charged were determined locally in consultation with the concerned passport office. There might be some variance in the fee charged by Ex-servicemen manning the facilitation counters in different passport offices.

64. The likely actual expenditure under the Head "Passport & Emigration" for the year 2001-2002 is Rs. 94.42 crore against the BE and RE of Rs. 98.48 crore and Rs. 99.64 crore respectively. The reason cited by the Ministry for less expenditure incurred is that some of the projects could not start during the financial year. The Committee feel that apparently, the requirement of funds even at RE stages was not assessed properly leading to under-utilisation of the funds not only in the year 2001-2002 but also in the past so many years. While emphasising the need for accurate estimation of funds at every stage of the budgetary exercise, the Committee trust that the enhanced BE of Rs. 101.23 crore for the year 2002-2003 will be fully utilised.

(Recommendation No. 12)

65. Delay in issuance of passports to the applicants has been a matter of serious concern to the Committee for quite a long time. The Ministry have given late or incomplete receipt of police report as the reason for delay in the issue of passports. The Committee do not find this reason justified since the Ministry themselves had taken a decision that police verification report was to be sent to the Passport Offices within 3 weeks and a Passport was to be issued after 4 weeks time even if the police verification report was not received within 3 weeks. The Committee reiterate their desire that all steps are needed to be taken by the Ministry to remove all the bottlenecks so that the target of issuance of passports within the prescribed time limit is achieved effectively in the near future.

(Recommendation No. 13)

66. The Committee observe that the Ministry have announced substantial hike in the passport fee to be effective from 1<sup>st</sup> April 2002. While the Committee would not like to go into the merits of this hike in their present Report, they would like the Ministry to ensure that the quality of services being rendered by Passport Offices are correspondingly enhanced and the passports are issued to the applicants without any impediments. The Committee further desire that the Ministry should initiate making arrangements to extend the Machine-readable passport writing machine as well as the facility of on-line registration of passport applications to all the Passport Offices in the country.

(Recommendation No. 14)

67. While the Committee appreciate the efforts made by the Ministry to decentralize and bring the passport services closer to the people, they desire that the proposal to authorize/set up passport cells in Speed Post Centres and the offices of the District Magistrate/Superintendent of Police in all the district headquarters of the country may be operationalised in a time bound manner. They also desire that availability of this facility should be given wide publicity so that the prospective applicants residing even in rural or remote areas of the States become aware of the scheme.

(Recommendation No. 15)

68. The Committee express their concern over the fact that 19 out of 28 Passport Offices are functioning from rental premises. They recommend that the Ministry must chalk out a comprehensive plan to either acquire or construct their own buildings for all the remaining passport offices in the near future.

(Recommendation No. 16)

**69. The Committee appreciate that facilitation counters manned by Ex-servicemen to assist/guide illiterate/semi-literate passport applicants have commenced in ten passport offices. The Committee, however, find that the Ministry have not prescribed the fee to be charged by the Ex-servicemen for various services rendered by them resulting in variation in the fees at different Passport Offices for similar services. The Committee, therefore, desire the Ministry to address this issue immediately and prescribe a uniform fee structure in respect of different kinds of services rendered by ex-servicemen in all the Passport Offices. Thereafter, this service should be extended to all Passport Offices after making an appraisal of the feed- back received about this scheme.**

(Recommendation No. 17)



## I. INDIAN COUNCIL FOR CULTURAL RELATIONS ( ICCR)

(2061 - 11.01.31)

(Rs. in crore)

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual</b>
1998-99	28.00	35.00	33.00
1999-2000	37.00	37.00	36.82
2000-2001	39.00	39.65	39.68
2001-2002	40.00	41.62	-
2002-2003	42.43	-	-

70. The Ministry in their reply have stated that the objectives of ICCR are to strengthen cultural exchanges with other countries, through activities such as administration of scholarship schemes for foreign students, exchange of visitors and cultural delegations, organization of cultural festivals and exhibitions, establishment and maintenance of Chairs on Indian Studies/Languages in foreign universities, publication of journals and books, organization of seminar etc.

71. Replying to a query as to whether the Ministry have chalked out any strategic plan to strengthen cultural relations with various countries of the world, the Ministry stated the Department of Culture had the overall responsibility for chalking out plans for cultural exchanges with other countries through concluding agreements on Cultural Cooperation and Cultural Exchange Programmes. The ICCR was essentially concerned with implementation of relevant provisions of these agreements and exchange programmes. The detailed annual plan of action for the Council was finalized after obtaining inputs from the Indian diplomatic Mission, festival organizers etc. in the relevant country.

72. On being asked as to whether the Ministry have taken/proposed to take any initiative to make use of the advantage of the Information Technology in projecting India's cultural heritage abroad, the Ministry informed that the Council had a centralized e-mail facility. There was a move to allow separate access to all sectional heads. All the Cultural Centres abroad were also provided with internet and e-mail facilities. The Council has an information website.

73. The Committee had commented in their report on Demands for Grants for the year 2001-2002 (5<sup>th</sup> Report 13<sup>th</sup> Lok Sabha) that cultural diplomacy should be given a high priority and therefore, due care should be taken in coming years to see that the ICCR budget was suitably augmented for its enhanced activities. In this context, the Ministry was asked to state whether the budget enhancement of a mere Rs. 0.81 crore in BE 2002-03 over RE 2001-02 for ICCR would be sufficient to meet the normal as well as enhanced activities of ICCR. The Ministry stated that budget enhancement of 0.81 crore will be sufficient for the normal activities of ICCR at the current levels, including escalation due to inflation, exchange rate variations etc.



74. On being enquired about details of programmes/activities which the ICCR could not pursue during the last three years for want of funds, the Ministry stated as follows:

*“During the past three years, the ICCR has been meeting about one third of the total number of requests received for outgoing cultural delegations. This year, about 250 requests have been received while the ICCR would accord only about 70 requests”.*

75. As regards opening of Cultural Centre in Washington, the Committee had pointed out in their 5<sup>th</sup> Report (13<sup>th</sup> Lok Sabha) on Demands for Grants for 2001-2002 that outdated and cumbersome procedures were the greatest obstacle in acquiring properties for this project. The Committee had, therefore, recommended that the team/empowered Committee being sent to Washington to finalise the proposals may take on the spot decisions to speed up the process. The Ministry of External Affairs in their Action Taken Note stated that the Ambassador in Washington was reminded in May 2001 to send a comprehensive proposal on the setting up of the Cultural Centre in Washington.

76. On being asked to furnish the number of visits undertaken in the past to identify the property for the Cultural Centre in Washington, the Ministry subsequently informed as under:-

*“Two property Team visited Washington – in October 1997 and February 1999 – for evaluation of identified properties. A total expenditure of Rs. 21,73,726 was incurred on their visits. One of the properties was finally recommended for purchase; however, while obtaining structural & other technical evaluation reports pertaining to the recommended property at 2342, Massachusetts Avenue, this property was sold to another party and was no longer available”.*

77. While examining Demands for Grants of 2002-2003, the Committee desired to be furnished with the status report on the project. The Ministry replied as under:

*“Given the scale of the proposal and the expenditure involved, the Mission has been asked to prepare a comprehensive proposal, to enable the Ministry to take a final view after making an assessment of whether or not the resources expected on this project are commensurate with its intended benefits.*

*A concept Plan for the Cultural Centre has been received from the Mission, which had conducted an extensive exercise amongst various sections of American society, including PIO's and NRI's to gauge the need for such a Centre. These ideas are presently being evaluated in the Ministry before a final decision is taken”.*

78. The Committee were informed by the Ministry that more cultural centres in many countries needed to be set up. In reply to a question about the countrywise details of proposals of ICCR to open any new Cultural Centres abroad or acquire land/properties abroad for opening of Cultural Centres in future, the Ministry stated as under:

*“Proposals have been received from about 65 Indian Missions and Posts for setting up of Cultural Centres/strengthening of cultural wings. Out of them about 20 proposals are for setting up of new Cultural Centres. Implementation of these proposals would involve a large financial outlay of around Rs. 30 crores in capital expenditure and Rs. 10 crores in recurring expenditure. Commitment for setting up of new cultural centres in Japan, Iran, USA and France have been made at the Government level. These commitments will be taken up for implementation on a priority basis and provisions of additional funds will be made once details are worked out.”*

79. In reply to a query as to what mechanism was available with the Ministry/ICCR to assess the benefits derived from such cultural programmes, the ministry stated that the benefits derived from the cultural programmes of the ICCR were mainly in the form of increased awareness about India’s rich cultural heritage and strengthening of people-to-people contacts with other countries. The Ministry further stated that some of the foreign students who studied in India have later gone on to occupy important positions in their countries.

80. **The role of Cultural diplomacy in today’s world cannot be over-emphasised since it facilitates direct people to people contact. It is in this context that the role of Indian Council for Cultural Relations in promoting India’s cultural heritage abroad has become increasingly important. But unfortunately, the ICCR seems to have been stuck in a sort of routine activities without much creative thinking. The Committee wish to stress that ICCR has to expand its activities considerably to create a favourable atmosphere in the international arena for better understanding of India’s viewpoint. While expanding its activities, the ICCR should ensure that its basic objectives of projecting multi-cultural, multi-ethnic and multi-lingual heritage of the country, are fulfilled by an effective representation of all sections in the various troupes being deputed abroad for such purposes. For this, ICCR needs sufficient funds at their disposal. In the opinion of the Committee, the mere enhancement of Rs. 0.81 crore proposed in BE 2002-2003 for ICCR over the last year is grossly inadequate. Admittedly, the ICCR has been able to meet about one-third of the total number of requests received for outgoing cultural delegations. Besides, the need for more cultural centres in many countries has been agreed to by the Ministry. The Committee, therefore, strongly recommend that the budgetary allocations for ICCR should be substantially enhanced so as to enable it to vigorously pursue its objectives and expand its activities in India and abroad.**

(Recommendation No. 18)

81. The Committee are surprised to note that the ICCR is yet to make optimal use of the advantage of the Information Technology in projecting India's cultural heritage abroad. A centralized e-mail facility of the ICCR or the connection of the Cultural Centres abroad with the internet and e-mail facilities are not adequate by any standard. The Committee desire that the ICCR should take the initiative to project the diverse ethnic and cultural heritage of India abroad through its website. It should also take full advantage of the electronic media for publicity as is being done by various other countries like Malaysia, Singapore, etc.

(Recommendation No. 19)

**82. The Committee regret to observe that in spite of the specific recommendation made in their 5<sup>th</sup> Report presented last year regarding the urgency to finalise the proposal regarding setting up of a Cultural Centre in Washington, the Ministry failed to take prompt action. As a result, the property which was finally recommended for purchase, has been sold to another party. The Committee cannot but deplore that instead of learning lessons from their inaction, the Ministry are again examining a concept plan received from the Mission and a final decision is yet to be taken. This is despite two property teams having already visited Washington entailing an expenditure of Rs. 21.73 lakh. In the Committee's opinion, the extremely bureaucratic, rigid and cumbersome procedures have already cost the country dearly. There is need to review such procedures and replace them with simple, and speedy ones so that opportunities do not continue to be lost like what happened in the case of the Cultural Centre in Washington. At the same time, The Committee, once again strongly urge the Ministry to initiate immediate action on the project on top priority and ensure that a Cultural Centre is opened in Washington during the current financial year.**

(Recommendation No. 20)

83. The Committee are informed that proposals have been received for setting up of cultural centres/strengthening of cultural wings from about 65 Indian Missions and Posts abroad. Out of them 20 proposals are for setting up of new cultural centres and Government level commitments have been made to open new cultural centres in Japan, Iran, USA and France. The Committee are surprised to note that the Ministry have not provided for additional requirement of funds to meet expenditure on these centres in BE 2002-2003. The Committee, therefore, desire that the Ministry should take up these proposals seriously and ensure that these proposals are pursued on top priority basis with adequate budgetary support. They also desire that considering the large number of persons of Indian origin settled in UAE, the ICCR should open a Cultural Centre in Dubai.

(Recommendation No. 21)

**84. The Committee are happy to learn that some of the foreign students who studied in India have come to occupy important positions in their respective countries. While emphasizing the need for maintenance and continuous updation of a comprehensive data bank containing the details of such personalities, the Committee recommend that continuous contacts should be maintained with them as far as possible by organizing appropriate functions from time to time with a view to strengthening our cultural and political contacts with them which would result in developing better understanding with their Governments.**

**(Recommendation No. 22)**

## **J. INDIAN COUNCIL OF WORLD AFFAIRS (ICWA)**

(2061 – 11.05.31)

(Rs. in lakh)

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actuals</b>
1998-99	01.00	01.00	00.00
1999-2000	01.00	00.00	00.00
2000-2001	01.00	80.00	65.00
2001-2002	100.00	120.00	-
2002-2003	150.00	-	-

**85.** The Indian Council of World Affairs (ICWA) was founded in 1943 with a view to encourage in the country the study of Indian and international affairs. The Council serves the public in general and the intellectual community in particular by providing through its publications, lectures, and a specialised library, valuable information for basic understanding of the complexities of the international system. In 1956, the ICWA acquired consultative status with the Economic and Social Council of the United Nations. The major activities of the Council are research, publication, organisation of and participation in conferences, seminars, and symposia and maintenance of the library.

**86.** According to the Ministry, the ICWA ran very well for the first 38 years of its existence. However, matters started deteriorating from 1981. The membership was enlarged to include unlettered persons with a view to providing an electoral base perpetuating control of the management. Certain provisions of the Memorandum of Association were altered to increase the tenure of the elected members from three to six years. Numerous complaints about its functioning had been received from academicians, scholars and staff members while articles and editorials criticizing its functioning had appeared in the national media.

**87.** The Committee in para 43 of their 1<sup>st</sup> Report (12<sup>th</sup> Lok Sabha) on Demands for Grants of the Ministry of External Affairs (1998-99) had desired that unless the ICWA was taken over by the Government, there would be further deterioration in this Institution which was set up with high hopes of making it a credible and respectable institution.

**88.** It has been stated in the latest Annual Report of the Ministry for the year 2001-2002 that in order to arrest the decline of the ICWA, the Government of India promulgated the Indian Council of World Affairs Ordinance No. 3 of 2000 on 1 September 2000 on the basis of which the ICWA was declared an institution of national importance and converted into a statutory body corporate. Subsequently, the ICWA Act, 2001 was passed which became effective from 1 September 2000.

**89.** During evidence, the Foreign Secretary informed the Committee as under:-

*“The Presidential assent to the Indian Council of World Affairs Act, 2001 gave effect from the 1<sup>st</sup> September, 2001 to the establishment of the ICWA as a body corporate. Since then, the Ministry’s efforts have been to reinvigorate and revitalise the functioning of the institution by pursuing a vigorous programme of seminars on international affairs and subjects of topical interest, reviving the publication of two journals, that is, India Quarterly and ICWA Foreign Affairs Report, restoring the ICWA auditorium and operationalising the ICWA library”.*

90. The Committee desired to know how the expertise available with ICWA was proposed to be utilised by the Ministry for strengthening India’s International diplomacy. In their reply, the Ministry stated that the Council and the Governing body were in the process of being formed. At the time of the take over, there were 50 persons on the pay roll of the ICWA. There were proposals to appoint a Chief Editor, Assistant Editor etc. in addition to eminent scholars/personalities as Research fellows. Since in the ICWA Act, the powers to appoint such officials are vested in the Council, these appointments can only be made after the formulation of the Council. Currently, ICWA is utilising the services of retired diplomats, professors, academicians and research scholars to run its seminar programmes.

91. On being asked whether the budgetary allocations for ICWA in Demands for Grants for 2002-2003 were sufficient for its proposed activities, the Ministry stated that once the Council was formed, depending upon the directives received from the Council, the activities of ICWA were likely to increase manifold. Current allocations of Rs.1.50 crore to ICWA would then be inadequate.

92. **The Committee are happy to note that after the recommendations made by the Committee in their First Report (12<sup>th</sup> Lok Sabha), the Government have converted the ICWA as a body corporate by the ICWA Act 2001. They are optimistic that the re-birth of the ICWA would be able to bring substantial changes in the functioning of the Council towards promoting India’s interest all over the World. However, the Committee find that the Council and the Governing body are still in the process of being formed and the appointments for the Council can only be made after the formation of the Council. In the Committee’s view, the formation of Council and Governing Body of ICWA has taken too long a time and thus, the objective of making the ICWA as a body corporate, has not been achieved. They, therefore, desire that the Council and its Governing body should be formed urgently and the ICWA rejuvenated so that the infrastructure available with the ICWA could be effectively utilized for strengthening India’s international diplomacy. The Committee also observe that once the Council is formed, the activities of ICWA are likely to be increased manifold and the current budgetary allocations would be insufficient. They would, therefore, recommend that the allocation to the ICWA should be stepped up considerably so that it would achieve its desired objectives.**

**(Recommendation No. 23)**

## K. PROPAGATION OF HINDI

(2061 - 13.01.26)

(Rs. in lakh)

Year	BE	RE	Actuals
1997-98	50.00	50.00	14.59
1998-99	52.00	68.00	39.76
1999-2000	175.00	285.00	219.45
2000-2001	75.00	70.00	71.11
2001-2002	73.50	72.50	-
2002-2003	70.00	-	-

93. The Committee desired to know as to what specific measures have been initiated by the Ministry for propagation of Hindi in various missions abroad. In reply, the Ministry of External Affairs stated that it had the responsibility of propagating and promoting Hindi abroad and the Indian Missions were playing a significant role in this regard. The Ministry was catering to the demands of the missions abroad for their libraries or gifting to local organizations, universities, institutions etc. in the form of Hindi books, software, hindi teaching materials etc. All necessary help was rendered to the foreign students for learning Hindi. In 2001-2002, 100 slots were allotted to the students of different countries to learn Hindi at the Central Institute of Hindi, Agra. In a bid to achieve the objectives of promotion and propagation of Hindi abroad in 2001-2002, Ministry supplied standard Hindi literature worth Rs.15 lakhs on various subjects to the Missions for the above purpose.

94. The Ministry further stated that there were two universities in South Korea at Seoul and Pusan having Hindi Departments. On an average, 400-500 students enrolled for Hindi at graduate and postgraduate level. Recently, Ministry helped in organizing Regional Hindi conference in Budapest (Hungary) by providing financial assistance of Rs. 10 lakhs. Efforts were also on to organize such conferences in other prominent places with the help of our Missions. The Ministry was proceeding towards establishing a World Hindi Secretariat at Mauritius. This Secretariat would also act as a platform for furthering Hindi at international fora. Currently, Ministry is engaged in the preliminary exercise of organizing 7<sup>th</sup> World Hindi Conference for which proposals from two countries, Surinam and Netherlands, had been received.

95. The Committee desired to know the extent to which the Ministry succeeded in achieving the objective of propagation of Hindi, and how far the budgetary estimates projected for the year 2002-03 would be sufficient in furtherance of this objective. The Ministry stated that the Budget estimate for promotion and propagation of Hindi abroad was allocated at Rs. 70 lakhs for the year. There were three other proposals for organizing regional Hindi conferences and one World Hindi Conference for which additional budget allocation would be separately made available as and when needed.



96. On being asked during evidence about the proposed Vishwa Hindi Sammelan, the representative of the Ministry stated as under:

*“----- we have moved into a very advanced stage so far as ----- Hindi Sammelan is concerned. We are working out with our Ambassador in Paramaribo in Surinam where most likely the next Hindi Sammelan will be taking place, hopefully, within this year. We are working out the dates and the final stages of the logistics. So, that I assure you, will be implemented.”*

97. The Committee were further informed that :-

*“----- As far as the question of Hindi and our projection, I may add that we have 14 Cultural Centres abroad. They undertake Hindi studies. We have professors who teach Hindi in these cultural centres.....”.*

**98. The Committee notice that the Ministry of External Affairs which have been entrusted with the responsibility of propagating and promoting Hindi abroad through the Indian Missions, have been taking various steps in this regard like providing Hindi materials, organising conferences, providing necessary help to foreign students to learn Hindi, etc. The Ministry are also reported to be proceeding towards establishing a World Hindi Secretariat at Mauritius which would act as a platform for promoting Hindi at international fora. The Committee feel that the initiative of the Ministry for organising the 7<sup>th</sup> World Hindi Conference in the current year is certainly a step in the right direction for the promotion of Hindi. While appreciating the various steps being undertaken by the Ministry for propagation of Hindi, the Committee wish to emphasize that the place Hindi deserves to achieve on the international platform is still a distant goal and a lot needs to be done in this direction. The Committee recommend that for promoting Hindi, the Ministry should ensure that “Hindi Sammelan” is organised in different parts of the world regularly. The Committee, also recommend suitable enhancement of budgetary allocations and its effective utilisation to promote and propagate Hindi with a missionary zeal, specially through our cultural centres abroad so as to make Hindi popular across the globe.**

**(Recommendation No. 24)**



## L. FINANCIAL ALLOCATIONS FOR GOVERNMENT OF BHUTAN

### a. Aid to Bhutan : 3605 - 10.00.32

(Rs. in crore)

Year	BE	RE	Actual
1998-99	331.00	372.00	357.77
1999-2000	436.00	436.00	451.88
2000-2001	545.00	549.20	553.36
2001-2002	482.00	495.00	-
2002-2003	597.05	-	-

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

(Rs. in crore)

Year	BE	RE	Actual
1998-99	119.00	115.00	124.61
1999-2000	154.00	154.00	156.00
2000-2001	230.00	200.80	200.78
2001-2002	148.00	160.00	-
2002-2003	234.40	-	-

99. The Demands for Grants of the Ministry for the year 2002-03 indicate the following pattern of allocation of funds in different forms to the Government of Bhutan:-

Year	Head-"Aid to Bhutan"			Head-"Loans to Government of Bhutan"			Grant Total (a+b)
	Plan	Non-Plan	Total (a)	Plan	Non-Plan	Total (b)	
1998-99 (actual)	172.97	184.80	357.77	124.61	0.00	124.61	482.38
1999-2000 (actual)	238.93	212.95	451.88	156.00	0.00	156.00	607.88
2000-2001 (actual)	334.19	219.17	553.36	200.78	0.00	200.78	754.14
2001-2002 (RE)	240.00	255.00	495.00	160.00	0.00	160.00	655.00

2002-2003 (BE)	365.60	231.45	597.05	234.40	0.00	234.40	831.45
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**100.** The Committee were informed by the Ministry that there were three ongoing mega projects in Bhutan. These were being funded from the plan Budget of the Ministry. Details of the projects, estimated cost and the target date of completion of these projects are as under :

<b>Project</b>	<b>Estimated Total Cost (Rs. in crore)</b>	<b>Target Date of Completion</b>
Kurichu Hydro-Electric Project	560.00	2002
Tala Hydro- Electric Project	3843.40	2005
Dungsum Cement Plant	400.00	Project stalled due to security reasons

**101.** The Ministry were asked to furnish a note on the power being generated/to be generated by all the hydro-electric projects in Bhutan funded by the Government of India as well as the requirements of power by Bhutan and the prospects of availability of power to India. The Ministry replied that the Chukha Hydroelectric Project was commissioned in 1988 and generates 334 MW of electricity. Kurichu Hydro-Electric Project (KHEP) was initially envisaged to have 3 generating Units of 15MW each, with provision for an additional 15 MW Unit. Three Units of Kurichu have already been commissioned and the fourth unit was likely to be commissioned in 2002. Tala Hydro-Electric Project (THEP) which was expected to generate 1020 MW of electricity was expected to be commissioned by 2005. It is a Run-of-the-River(RoR) project with 6 units of 170 MW each. Bhutan's requirements are minimal and the surplus power from these projects would be sold to India at mutually agreed rates. The Committee were also informed that as of now, additional financial burden was not anticipated on account of time overrun for Kuruchi and Tala Project.

**102.** According to the Performance Budget (2002-2003) of the Ministry of External Affairs, as per the studies conducted so far, the kingdom of Bhutan is endowed with considerable hydro power potential estimated at around 12,000 MW. At present, Bhutan's total installed generating capacity is about 432 MW from (370 MW from the Chukha Hydro Electric Power Corporation (CHPC), 45 MW from Kurichhu H.E. Project, 11 MW from Diesel Stations and 6 MW from 21 Mini Hydel Schemes). This indicates that a mere 3% of Bhutan's total hydro power potential is so far put into use. At the same time, this situation offers immense scope of future projects in the hydro power sector.

**103.** In this context, the Committee desired to know the prospects of further collaboration between India and Bhutan for exploiting 97% of Bhutan's untapped hydro-power potential. To this, the Ministry replied as under:

*“Government of India has taken a sustained interest in developing the hydroelectricity potential in Bhutan as the energy sector continues to be priority sector for bilateral economic co-operation. The 334 MW Chukha HEP has been commissioned. 60 MW Kurichu HEP will be commissioned in 2002. The 1020 MW Tala HEP is expected to be completed by 2005. In addition, the Government of Bhutan has proposed that the Mangdechu (600+MW) and Punatsangchu (800+MW) projects be developed in co-operation with India. These are under consideration”.*

**104.** In regard to the progress of work at Dungsum Cement Plant, the Ministry stated the work has been stalled due to deteriorating security situation in South-East Bhutan. The Government of Bhutan had also to close down the Project Office in Nangalam and shift to a temporary office in Gelepu on this account. The adverse security situation may continue to affect the progress of this project.

**105.** The Committee desired to know the total commitments of Government of India in respect of this project. They were informed in a note submitted by the Ministry of External Affairs that Government of India commitment towards Dungsum Cement Plant was limited to a grant of Rs. 300 crore to the Royal Government of Bhutan. Escalations beyond this amount were expected to be absorbed by the Government of Bhutan. In addition, Government of India had also agreed to undertake associated infrastructure development which included construction of Gelephu-Nangalam transmission line and Pathsala-Nangalam road. The Gelephu-Transmission line which would also be used for transmitting power from Kurichu hydel Project was completed last year. The initial allocation for infrastructure development associated with the Dungsum Cement Plant was Rs.100 crore. Any escalation beyond this amount was expected to be absorbed by Government of India. Therefore, the total Government of India allocations for Dungsum Cement Plant, including associated infrastructure development was Rs.400 crore. So far the Government of India has released funds amounting to Rs. 56.38 crore for this project including Rs.45.78 crore for infrastructure facilities.

106. Financial assistance to Bhutan is extended under two heads viz. ‘Aid to Bhutan’ and ‘Loans to Government of Bhutan’. While the Head ‘Aid to Bhutan’ comprises both Plan and Non-Plan components to the extent of Rs. 365.60 crore and Rs. 231.45 crore respectively, the Head ‘Loans to Government of Bhutan’ is entirely Non-Plan to the tune of Rs. 234 crore at BE stage for 2002-2003. The BE for the year 2002-2003 under both these heads taken together comes to Rs. 831.05 crore which is approximately 20 per cent of the total budget of the Ministry under Demand No. 25. Since a major chunk of the Ministry’s budget is devoted to Bhutan every year, the Committee desire the Ministry to establish an effective mechanism to ensure even flow of expenditure, smooth and timely execution of projects and adherence to the schedule of different activities being undertaken with Government of India assistance in Bhutan.

(Recommendation No. 25)

107. The Committee observe that there are three ongoing mega-projects in Bhutan which are being funded from the Plan Budget of the Ministry. The Kurichu Hydro-electric Project is expected to be completed by 2002 with the total estimated cost of Rs. 560 crore while the Tala Hydro electric

Project is to be completed by 2005 with an estimated total cost of Rs. 3843.40 crore. The Committee expect the Ministry to make all out efforts to complete these projects by the target dates and within the estimated cost so as to avoid additional financial burden on account of time and cost overrun. It is a matter of concern to learn that the Dungsum Cement Project involving a total estimated cost of Rs. 400 crore, including associated infrastructure development, has been stalled due to the deteriorating security situation in South-East Bhutan thus leaving the fate of the project in doldrums. The Committee desire the Ministry to impress upon the Government of Bhutan to find ways to resolve the security situation in the affected areas and take an early decision to restart the Dungsum Cement Plant so that the funds amounting to Rs. 56.38 crore already invested in the project do not go waste.

(Recommendation No. 26)

**108. The Committee are happy to note that the Government of India have taken a sustained interest in developing the hydro-electric potential in Bhutan as the energy sector continues to be a priority sector for bilateral economic cooperation between the two countries. However, as informed to the Committee, a mere 3% of Bhutan's total hydro-power potential has so far been put to use. In the opinion of the Committee, this situation offers immense scope for collaboration between India and the Government of Bhutan in future hydro-electric projects in that country. They would, therefore, recommend the Ministry to explore how 97% of Bhutan's untapped hydro-power potential can be effectively exploited. This would not only help the socio-economic development of a neighbouring and friendly country but may also bring down substantially the demand-supply gap in the energy sector in our country after availability of surplus power from these projects. In this context, the Committee would like to point out that the Government of Bhutan have already proposed that the Mangdechu(600 MW) and Punatsangchu (800 MW) projects be developed in cooperation with India. The proposal is under consideration of the Government of India. The Committee desire the Government to take an early decision in the matter under intimation to them.**

(Recommendation No. 27)

**M. CAPITAL SECTION:**

**(Major Heads 4059 and 4216)**

**(a) Capital Outlay on Public Works : 4059**

(Rs. in crore)

<b>YEAR</b>	<b>BE</b>	<b>RE</b>	<b>Actuals</b>
1998-1999	80.00	45.00	30.17
1999-2000	70.00	60.00	63.49
2000-2001	70.00	64.00	53.65
2001-2002	67.20	50.78	-
2002-2003	67.20	-	-

**(b) Capital Outlay on Housing : 4216**

(Rs. in crore)

<b>YEAR</b>	<b>BE</b>	<b>RE</b>	<b>Actuals</b>
1998-1999	20.00	19.00	12.75
1999-2000	30.00	20.00	13.83
2000-2001	30.00	25.00	26.13
2001-2002	27.00	27.42	-
2002-2003	36.59	-	-

**109.** The Committee desired to know the reasons for substantial under utilisation of funds under these Heads year after year. The Ministry stated that implementation of construction projects and purchase of properties depend on many factors such as permission from the local government and financial approval etc. These factors lead to delay in implementation of construction project/acquisition of properties and resultant under utilisation of funds.

**110.** During evidence, the Foreign Secretary stated in this connection as under:-

*“While there has been a lower utilisation of funds under the Capital Head for public works and housing during 2001-2002 mainly on account of the unusual circumstances that have obtained in the year gone by, we have requested for a slightly enhanced allocation of Rs. 103 crore for the coming financial year; an increase of 9%. This has been done in the expectation of fuller utilisation in*

*2002-2003 because of the anticipated acceleration in various projects for which the ground work has been laid during the past year”*

**111.** On being asked to furnish the status report on the proposed new Diplomatic Enclave in New Delhi, the Ministry stated that a proposal for development of second diplomatic enclave was first mooted in 1970 in order to provide accommodation to various diplomatic missions whose requests for allotment of suitable space were pending with the Ministry. A task force comprising representatives of CPWD, DDA and Land & Development Officer was set up in July 1981. The task force identified 6 locations and finally recommended allotment of land in Vasant Kunj Phase-II. The Ministry conveyed its agreement to the proposal in February 1991. The Ministry of Urban Development, in March 1992, proposed to accommodate the second diplomatic enclave in a new area being developed at Papan Kalan. The proposal was not found suitable. In August 1992, the Ministry of Urban Development conveyed that it was not in favour of providing land at Vasant Kunj. In September 2000, the Ministry of Urban Development offered some land in Rangpuri but it was also not found acceptable after a visit to the site. The Ministry of Urban Development has been reminded on the matter and their suggestions for the sites suitable for the purpose are still awaited. The Ministry also informed that requests from 31 diplomatic missions for allotment of land had been received by the Ministry between 1975 to 1998 and all these are proposed to be accommodated in the proposed second diplomatic enclave.

**112.** The Committee enquired about the progress in regard to the construction of “Videsh Bhawan” in New Delhi for which the plot of land was allotted to the Ministry of External Affairs in two phases in 1992 and 1994 and the Parliamentary Standing Committee had desired (5<sup>th</sup> Report – 13<sup>th</sup> Lok Sabha) the Ministry to set a detailed time frame for the completion of the project with stringent monitoring of the pace of progress so as to avoid cost-overrun. The Ministry replied that the land for construction of Videsh Bhawan was allotted to MEA in two phases in 1992 and 1994. The project for its construction could not take off on account of encroachments on the land, which were only removed after a long litigation process and an order of the Supreme Court in 1997. Subsequently, the project was launched in February 2000 with the Limited Design Competition for selection of architect. After detailed evaluation and examination of the entries, it was found that none of the entries met requirements for this prestigious project. Therefore, the Limited Design Competition was terminated in April, 2001. It was decided to go in for a fresh competition for selection of an architect for the Videsh Bhawan project. One of the participants in the Limited Architectural Design Competition filed a writ petition in the Delhi High Court. The Hon. Judge in the hearing on 12<sup>th</sup> December orally communicated that there was no injunction and the Ministry was free to start the process afresh for selection of architect. The process for holding an Architectural Competition afresh has been initiated.

**113.** The Committee desired to know whether the space requirements of Ministry of External Affairs would be fulfilled after construction of Videsh Bhawan in New Delhi and if not, what arrangements were being made by the Ministry to meet their additional present/future requirements. The Ministry stated that the plot earmarked for the new building would not be sufficient to house the

entire Ministry. Taking into account a total requirement of 30,317 sq. mtr., the Ministry would be short of space by approximately 7,814 sqm. And, therefore, the proposal was approved in 1994 for retention of South Block (4,646 sqm.) for Ministry's core Divisions, and Shastri Bhawan (1,487 sqm.) for XP Division.

**114.** On Being asked whether the Ministry would retain Akbar Bhawan also after construction of Videsh Bhawan, the Ministry replied in a note furnished after evidence as under :

*“After the construction of the Videsh Bhawan, it is not proposed to retain the Akbar Bhawan.”*

**115.** In their 2<sup>nd</sup> Report (13<sup>th</sup> Lok Sabha), the Committee had desired that the Ministry may in consultation with the Ministry of Tourism and Ministry of Finance explore whether any of the various ITDC units, particularly Ho tel Ashok, if leased out may be taken over to set up offices of the Ministry of External Affairs.

**116.** During the course of evidence of representatives of Ministry of External Affairs, the Committee pointed out that Ashoka Hotel, which has an excellent location in Chanakyapuri, is a magnificent structure. It has Convention Centres for Conferences, suits for putting up visiting VIPs as well as an auditorium. It could be converted into Ashoka Bhawan and the whole of the Ministry of External Affairs could shift there. The Foreign Secretary responded:

*“As far as the Ashoka Hotel is concerned, I think ITDC wants to continue it as a hotel. So, they are not willing to part with it”.*

**117.** **The Committee note that the actual expenditure under both the major heads “4059-Capital Outlay on Public Works” and “4216-Capital Outlay on Housing” has always been substantially lower than the proposals made at BE stage. The reasons given by the Ministry for under-utilisation of funds under these heads are delay in implementation of construction projects/acquisition of properties because of delay in permission from the local Government, getting financial approval, etc. The Committee are not at all convinced of such explanations as these factors are not new and, therefore, they should have been taken into account at budgetary proposal stage itself learning from the experience of previous years. They express serious concern over such a state of affairs in the Ministry and recommend for projection of BE and RE in a more realistic manner taking into account all available inputs, procedures and processes involved, market trends and other relevant data/information to avoid recurrence of such variations year after year.**

**(Recommendation No. 28)**



118. What is more shocking to the Committee is the fact that the new Diplomatic Enclave for which a proposal was mooted long back in 1970 still remains a distant dream as the Ministry have not been able so far even to select/obtain suitable land for this despite a lapse of 32 years. Surprisingly, even the pending requests of 31 Diplomatic Missions from 1975 to 1998 for allotment of land in the proposed new Diplomatic Enclave have not been able to motivate the Ministry in this regard. In the Committee's opinion this is yet another instance of the highly casual and lethargic approach of the Ministry towards important matters. The Committee recommend that the matter be investigated at a high level so as to identify the persons whose negligence/ inaction resulted in the abnormal delay in such a prestigious project and take exemplary action against them. At the same time, the site for new Diplomatic Enclave should be identified without any further delay and the project should be completed in a time bound manner. The Committee desire to be apprised of the progress on both the counts regularly.

(Recommendation No. 29)

119. Another instance of the lackadaisical approach of the Ministry is the construction of Videsh Bhawan. A plot of land was allotted to the Ministry of External Affairs in two phases in 1992 and 1994 for the purpose and the Parliamentary Committee had also desired in Para 32 of their 5<sup>th</sup> Report (13<sup>th</sup> Lok Sabha) for preparation of a detailed time frame for completion of the project with stringent monitoring of the pace of progress so as to avoid cost overrun. However, the Committee are anguished to observe that the Ministry are still at the stage of selection of an architect. After the encroachments were removed in 1997, the project should have been started in right earnest. But the Committee find that no sincere efforts seem to have been made for expeditious completion of different stages of execution of the project. The Committee apprehend that the project which has not yet been taken up, is not likely to come up in the near future. It was due to the urgency of having a suitable accomodation for the Ministry of External Affairs that the Committee had recommended in their 2<sup>nd</sup> Report(13<sup>th</sup> Lok Sabha) that the possibility to take over the Ashok Hotel in New Delhi should be explored by the Ministry. Since the prospects of the Videsh Bhawan coming up early appear very bleak, the Committee once again renew their earlier recommendation and desire that the Ashoka Hotel, New Delhi which is a magnificent and prestigious building should be taken over by the Ministry of External Affairs. This would be suitable not only from the points of view of infrastructure facilities, approach roads, security, etc. but also would be convenient for the Diplomatic Missions as well as visitors from within and outside the country. The Committee would also like to impress upon the Ministry to expedite the completion of Videsh Bhawan project in Kolkata.

(Recommendation No. 30)



## N. INDIAN DIASPORA

**120.** The term Diaspora is used in a generic sense for communities of migrants living or settled permanently in other countries, aware of its origins and identity and maintaining varying degrees of linkages with the mother country. Indian Diaspora thus refers to Indians who migrated to different parts of the world and have generally maintained their Indian identity. The term Indian Diaspora includes in its ambit both NRIs and PIOs. NRIs or Non Resident Indians are Indian citizens, holding Indian passports and residing abroad for an indefinite period, whether for employment, or for carrying on any business or vocation, or for any other purpose. On the other hand, the term PIO or Person of Indian Origin is applied to a foreign citizen of Indian origin or descent. The population of the Indian Diaspora is estimated to be about 20 million.

**121.** The Committee in their earlier Report (2<sup>nd</sup> Report- 13<sup>th</sup> Lok Sabha) had observed that NRIs and PIOs were national reserve of India and were extremely valuable for the country in many ways. The Committee had therefore recommended that a meaningful data base must be created in the Ministry of External Affairs to formulate an acceptable blueprint of ideas dealing with this issue alongwith the comprehensive holistic approach, greater sensitivity and political will to effectively deal with NRIs and PIOs for the country's benefit. The Ministry in their action taken note (4<sup>th</sup> Report – 13<sup>th</sup> Lok Sabha) informed the Committee as under:

*“The Government recognizes the significant role played by the Indian Diaspora in India's development. A new NRI-PIO Division, headed by an Additional Secretary, has already been created in the Ministry. The new Division would formulate appropriate policies for deepening linkages with Non-Resident Indians and Persons of Indian Origin. It would also act as an inter-face between the organisations and associations of overseas Indians, and the Government of India.*

*A High Level Committee has been set up by the Government to study the issues relating to NRIs & PIOs. The Committee is expected to submit its report in March 2001”.*

**122.** At the time of examination of Demands for Grants (2002-03) of the Ministry of External Affairs, the Foreign Secretary stated during evidence:

*“The High-Level Committee on the Indian Diaspora set up under the very able leadership of hon. Member Dr. L.M. Singhvi formally presented its report to the Prime Minister on the 8<sup>th</sup> January this year. While receiving the report, the Prime Minister announced that the Pravasi Bharatiya Diwas would be observed on the 9<sup>th</sup> January every year. Up to ten awards would be conferred on prominent Non-Resident Indians or Persons of Indian Origin on Pravasi Bharatiya Diwas. The Persons of Indian Origin card scheme would be restructured to make it more attractive. The Ministry provided the secretariat for the High-Level Committee and commenced further follow-up action on the report”.*

**123.** On being enquired about the action being taken by the Government on the Report of the High Level Committee, a representative of the Ministry informed in his evidence:

*“We have circulated the relevant chapters to all the Secretaries of the various Ministries, invited their comments on the Committee’s Report because a number of things which are not in the jurisdiction of the External Affairs Ministry will have to be done by the Ministry concerned. I am awaiting response. I have, in fact, started reminding them about their responses also. We have three interim recommendations. We have now reached a stage where we have started operationalising the preparations for the celebration of the Pravasi Bharatiya Divas for 9<sup>th</sup> January, 2003. We have decided to work with FICCI to organise the Pravasi Bharatiya Divas celebrations. I have already issued letters to HoMs inviting their suggestions as well as for giving thought to the names for the Pravasi Bhartiya Samman awards. We hope to bring in the gazette notification within one month or so. Whatever else is there within the jurisdiction of the Ministry of External Affairs, we have initiated action to operationalise that part. Wherever the other Ministries are concerned, whenever we get their inputs, we would definitely work on this”.*

124. The Committee desired to know the views of the Government on the recommendation of the Committee on the Indian Diaspora, about dual citizenship. The representative of the Ministry replied as under:-

*“---as far as the question of dual citizenship is concerned, you are very much aware that several stages would have to be gone through because the allocation of business falls in the jurisdiction of the Ministry of Home Affairs. We have again sent our Chapter to them. I am in contact with the Ministry of Home Affairs. Eventually it is the Ministry of Home Affairs who have to move the Cabinet note as the subject is under their jurisdiction. But certainly it is something that is receiving our active attention”.*

125. The Committee observe that the High Level Committee on the Indian Diaspora constituted in pursuance of their earlier recommendation in the 2<sup>nd</sup> Report (13<sup>th</sup> Lok Sabha), has submitted its Report on 8<sup>th</sup> January, 2002. They appreciate the efforts made by the High Level Committee for going into various issues relating to the Indian Diaspora and making valuable suggestions in this regard. The Committee have been assured that the Ministry of External Affairs have initiated action to operationalise that part which is within their jurisdiction and wherever the other Ministries are concerned, whenever they get their inputs, they would work on that. The Committee expect the Ministry of External Affairs to vigorously pursue the issues with all the Departments/ Ministries concerned to ensure that the suggestions/ recommendations of the High Level Committee are implemented early so as to ensure that the potential benefits from Indian Diaspora could be effectively utilised. They also desire that the Government should take a positive decision soon on the recommendation made by the High level Committee regarding dual citizenship.

(Recommendation No. 31)

**KRISHNA BOSE**

**Chairperson, Standing Committee on External Affairs**

**NEW DELHI;**

**18 April, 2002**

**28 Chaitra, 1924 (Saka)**

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON EXTERNAL  
AFFAIRS HELD ON 1<sup>st</sup> April, 2002**

The Committee sat from 1100 hrs. to 1600 hrs.

**Present**

Smt. Krishna Bose – Chairperson

MEMBERS

LOK SABHA

2. **Shri E. Ahamed**
3. **Shri R.L. Bhatia**
4. **Shri Satyavrat Chaturvedi**
5. **Shri Bikram Keshari Deo**
6. **Mohammad Anwarul Haque**
7. **Dr. A.D.K. Jeyaseelan**
8. **Shri P. Kumarasamy**
9. **Shri Suresh Kurup**
10. **Shri Saiduzzama**
11. **Shri Sushil Kumar Shinde**
12. **Smt. Shyama Singh**
13. **Shri Su. Thirunavukkarasar**
14. **Dr.S. Venugopal**

MEMBERS

RAJYA SABHA

15. **Shri Jayanta Bhattacharya**
16. **Smt. Sarla Maheshwari**
17. **Shri Ranganath Misra**
18. **Shri P.G. Narayanan**
19. **Shri Kuldeep Nayyar**
20. **Dr. Alladi P.Rajkumar**

**21. Dr.Karan Singh**

**22. Dr. L.M. Singhvi**

**WITNESSES (MINISTRY OF EXTERNAL AFFAIRS)**

1. Smt. Chokila Iyer - Foreign Secretary
2. Sh. J.C. Sharma - Secretary
3. Sh. P.L. Goyal - Additional Secretary
4. Sh. M.M.K. Sardana - Additional Secretary

**SECRETARIAT**

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

3. The Committee then took evidence of the representatives of the Ministry of External Affairs on the various points arising out of the Demands for Grants of the Ministry for the year 2002-2003. A copy of the verbatim proceedings of the evidence has been kept on record.

The Committee then adjourned.

**APPENDIX II**

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE  
ON EXTERNAL AFFAIRS HELD ON 17<sup>th</sup> April, 2002**

**The Committee sat from 1530 hrs. to 1630 hrs. on 17<sup>th</sup> April 2002 in Committee Room No. 62, Parliament House, New Delhi.**

**Present**

**Smt. Krishna Bose – Chairperson**

**Members**

**Lok Sabha**

2. Shri R.L. Bhatia

3. Shri Satyavrat Chaturvedi
4. Shri Bikram Keshari Deo
5. Shri Adv. George Eden
6. Shri Zora Singh Mann
7. Shri P.A. Sangma
8. Shri Sushil Kumar Shinde
9. Dr. S. Venugopal

### **Rajya Sabha**

10. Shri T.N. Chaturvedi
11. Shri R.P. Goenka
12. Smt. Sarla Maheshwari
13. Shri Ranganath Mishra
14. Shri P.G. Narayanan
15. Shri Fali S. Nariman
16. Dr. L.M. Singhvi

### **Secretariat**

1. Shri K.V. Rao – Joint Secretary
2. Shri P.K. Grover – Director
3. Shri R.K. Saxena – Under Secretary

**At the outset, the Committee took up for consideration the draft Report on the Demands for Grants of Ministry of External Affairs for the year 2002-2003. The Chairperson invited Members to offer their suggestions for incorporation in the Draft Report.**

**3. The Members suggested certain additions/modifications/ amendments and desired that those be suitably incorporated into the body of the Report.**

**4. The Committee then authorized the Chairperson to finalise the Report in the light of verbal and consequential changes arising out of factual verification, if any, and thereafter to present the Report to Parliament. The draft Report was then adopted.**

*The Committee then adjourned.*

## STATEMENT OF OBSERVATIONS AND RECOMMENDATIONS

Sl. No.	Para No.	Ministry	Observations/Recommendations
1	2	3	4
1.	14	External Affairs	<p>From the overall examination by the Committee of the Demands for Grants of the Ministry of External Affairs, the Committee have observed instances of large scale variations in expenditure. What disturbs the Committee more is the fact that the Ministry have been making inaccurate assumptions under different Heads even at the RE stage without ensuring proper and full utilisation of funds.</p> <p>While additional funds were being obtained at the RE stage, the actual utilisation has always been less than even the BE. Thus against BE of Rs. 2209.47 crore and RE of Rs. 2249.43 crore, the actual expenditure incurred in 1999-2000 was only Rs. 2133.16 crore. Again in 2000-2001 against BE of Rs. 2625.72 crore and RE of Rs. 2720.71 crore, the actual expenditure incurred was Rs. 2488.83 crore. The under-utilisation of funds which was Rs. 71.50 core in 1996-97 has risen to as high a level as Rs. 231.84 crore in 2000-2001. Undoubtedly, this is an alarming trend clearly indicating a serious flaw in the budgetary process of the Ministry which needs to be remedied immediately. The Committee, therefore, recommend that the budgetary exercise in the Ministry should be taken up with all the seriousness it deserves taking into consideration the necessary indicators like the past trends of expenditure, the stage of formulation/implementation of various schemes for which funds are sought, etc.</p>
2.	20	- do -	<p>The Committee are concerned to observe that BE of Foreign Travel Expenses under the Head "Secretariat" has risen from Rs.14.25 crore in 1998-99 to Rs. 22.50 crore in 2002-2003 while it has gone up from Rs.59.13 crore to Rs. 83.21 crore under the Head "External Affairs – Embassies &amp; Missions" during the same period. The Budget Estimates during this period have thus shown approximately 44% rise under these Heads. Besides, the actual expenditure during each of the years 1998-99 to 2000-01 has been higher than the budget Estimates. The growing trend of expenditure under these Heads belies the Ministry's claims that austerity measures were enforced in these areas. While observing that the Ministry's efforts for rationalising the outgo on account of foreign travel, streamlining the procedure and implementing the austerity measures are steps in the right direction, the Committee are of the firm opinion that these measures alone will not be able to achieve the desired goal of bringing down substantially the</p>

			<p>level of expenditure on this count unless the Ministry devise a suitable policy under which the foreign travels are resorted to only in unavoidable cases. All other matters should be disposed of with the optimum use of the present day cyber/hi-tech information technology available with the Ministry, which, as admitted by the Foreign Secretary herself, has enhanced connectivity thereby greatly facilitating communications between the Head quarters and Missions abroad. This would not only save the precious national resources which could be utilised in other vital sectors of the economy but also eliminate the wastage of the precious man-hours lost on such trips.</p>
3.	21	- do -	<p>The Committee express their dissatisfaction over the fact that no separate accounts are being maintained in respect of expenditure being incurred on foreign travels of different categories of officials and dignitaries under these Heads. They feel that availability of such data is the basic input for the Ministry to identify the cases or class of cases/areas where foreign travels could be curtailed/reduced by them on the basis of the requirement of the situation and the amount of expenditure involved. The Committee therefore recommend that the Ministry should maintain a comprehensive account of expenditure on foreign travels separately in respect of each category of officials/dignitaries under these Heads from financial year 2002-2003 onwards.</p>
4.	28	- do -	<p>The Committee observe that actual expenditure on account of "Rents, Rates, Taxes" under all the three heads 'Secretariat', 'External Affairs (Embassies and Missions)' and 'External Affairs (Passport and Emigration)' has been less than REs from the year 1999-2000 onwards. Rising cost of property, municipal tax, electricity, maintenance, escalation of rents etc. are the reasons, cited by the Ministry for projecting higher REs. The Committee feel that despite being well aware of the reasons guiding the trend of expenditure during the year, the Ministry have failed in accurate estimation of requirement of funds even at the RE stage. The Committee recommend that the Ministry should take concrete steps to avoid such variation in future while preparing the revised estimates (REs) on the basis of actual trend of expenditure.</p>
5.	29	-do-	<p>The Committee wish to point out that the Budget Estimates (BE) of Rs. 210.89 crore for the year 2002-03 under "Rents, Rates, Taxes" is approximately 6.5 per cent of the total budget of the Ministry under Demand No. 25. In fact, the rental outgo of the Ministry has been ballooning year after year as a direct result of apparently little progress made by the Ministry in regard to acquiring their own properties in India and abroad which is evident from the fact that as many as 1944 buildings have been taken on rent by Indian Missions abroad. On the other hand, Ministry's construction/purchase</p>



			<p>proposals reflect projects and renovation only at 17 places and purchase of properties only at 18 places during the period of 4 years from 2001-02 to 2004-05. What is intriguing to the Committee is that while allocations for these 4 years have been shown by the Ministry as Rs. 394 crore, the proposed expenditure has been shown as Rs. 533.30 crore. They fail to understand how and in what manner, the additional funds are proposed to be arranged. Taking into account the fact that a large number of buildings have been hired by the Ministry in India and abroad, the Committee wonder as to how the Ministry would be able to reduce the rental liability in a substantial way with such limited plan of construction/acquisition. While deploring the slow pace and apathetic attitude with which the Ministry are moving towards acquisition of properties/construction of buildings, the Committee strongly recommend the Ministry to draw a comprehensive long term policy to gradually accommodate all their offices, Missions, residences in their own buildings to be acquired/constructed in a time bound manner with adequate budgetary support and regular monitoring. The Committee are of the strong conviction that this will not only save huge rental outgo in the short run but also create assets for the country in the long run with the advantage of capital gains.</p>
6.	30	- do -	<p>The Committee are shocked to note from C&amp;AG Report No. 2 of 2001 that the Ministry of External Affairs did not take any decision for more than three decades in constructing the Embassy complex on the plot gifted by the Government of Brazil in 1965. Astonishingly, even after wasting a long period of 37 years, the Ministry are still at the stage of assessing economic viability of the project. The Committee do not agree with the Ministry's contention that it is better to have a rented building than investing money on construction in Brazil as the rentals there are very low. As already emphasised, rather than hiring buildings, Government should make every attempt to own properties abroad even though it may not be economically viable in the short term. The Committee are also not convinced of the reasons advanced by the Ministry such as Bangladesh war, oil crisis, Gulf war, etc. for not taking up this project since all these factors were temporary phases. They are of the firm opinion that no logical reason could stall the project for such a long period, particularly when the gifted land was free from all encumbrances. The Committee, therefore, strongly deplore the inaction on the part of the Government which has resulted in escalation of costs from an estimated US \$ 3.37 lakh in 1971 to an estimated US \$ 20 lakh in June 2000. They would like to be apprised of the rental outgo on leased buildings by Indian Missions/Posts in Brazil from 1965 till date. The Committee now strongly recommend the Ministry to prepare within three months a schedule of different stages involved in construction of Embassy building on this plot of land, initiate all</p>

			necessary steps to complete the project on priority basis without any further loss of time and keep the Committee apprised of the progress made in this regard from time to time.
7.	40	- do -	<p>The Committee observe that actual expenditure under the Heads “Secretariat” and “External Affairs –Embassies &amp; Missions” has been substantially lower than the BE and RE during the past years with a sole exception for the year 2000-2001 when the actual expenditure under the Head “Secretariat” has been more than RE but still less than BE. The justifications given by the Ministry for less expenditure on advertising and publicity under the Head “Secretariat” viz. happenings of Kargil and hijacking of IC-814 requiring diversion of the activities are not acceptable to the Committee for the simple reason that such contingencies require all the more aggressive advertising and publicity in an extensive and intensive manner to solicit world opinion in our favour which would definitely require additional funds instead of under-utilisation of the allocated funds as has actually happened. Similarly, the reasons given for less expenditure under the Head “Embassies &amp; Missions” are not of the nature which could not have been anticipated well in advance. In the opinion of the Committee, under-utilisation of funds under these Heads clearly reflects lack of concrete programmes and policies of the Ministry for advertising and publicity. The Committee need hardly emphasise that projection of India’s image and also its viewpoint in proper perspective in the cross sections of the society throughout the world is the need of the day particularly when maligning campaigns to distort the image of the country is vigorously launched by one of our neighbouring countries. They, therefore, recommend the Ministry to streamline the activities of advertising and publicity and ensure full utilisation of the budgetary allocations in future. The Committee are also of the view that NRIs and Persons of Indian Origin (PIOs) could be involved actively by our Missions in enhancing their publicity efforts more effectively as in many places they are having vast potential to influence public opinion in our favour.</p>
8.	41	- do -	<p>The efforts made by the lobbying firm engaged in USA for the purpose of presenting India’s viewpoint have been lauded by the Ministry and it has also been emphasised by them that there is no factual basis to the notion that the lobbying firms hired by Pakistan are more influential and effective than those hired by India. While the Committee do not completely disagree that efforts were made by the lobbying firm in USA and some positive results were also achieved, they are nevertheless of the opinion that the Government have somehow not been able to garner the desired level of support either financially or politically. The Committee, therefore, recommend the Ministry to look into the reasons therefor and devise a suitable strategy to counter</p>

			<p>the anti-India propaganda abroad on one side and projection of India's potential strength on the other side. The Committee also desire that the Ministry should regularly and closely monitor the performance of the lobbying firm and ensure that lobbying efforts are utilised to the fullest satisfaction in projecting India's foreign policy objectives in the right perspective.</p>
9.	46	- do -	<p>The Committee are informed that professional services availed under both the heads of expenditure are in the form of legal advice, writing memorial and oral presentation of the cases in various Indian and International Courts/Tribunals. The Committee find that fee paid to Central Government Standing Counsels during the year 2000-2001 was Rs. 1,20,552 which was a small fraction of the huge expenditure of Rs. 54.05 lakh under the Head "Secretariat" and Rs. 181.65 lakh under the Head "External Affairs-Passport and Emigration" incurred in the same year. They, therefore desired, to be furnished with details of professionals/experts/agencies whose services were availed and also the fee/remuneration paid to them for such services. However, regrettably the Ministry failed to furnish this information. The Committee need hardly emphasise that lack of full information on any matter acts as a hindrance in consideration of that matter in the right perspective. They, therefore, desire that the details of professionals/experts/ agencies whose services were utilised, be furnished to them soon. Besides, the Ministry should in future ensure that any information asked for by the Committee is furnished to them fully and promptly.</p>
10.	47	- do -	<p>The matter regarding formation of a separate panel of advocates for court cases, particularly extradition proceedings, is stated to have been taken up by the Ministry of External Affairs with the Ministry of Law, Justice and Company Affairs. The Committee recommend that the Ministry of Law, Justice and Company Affairs should be asked to expedite the formation of panel of advocates. The Committee stress that the extradition cases have wider ramifications on country's international relations and, therefore, the extradition proceedings both in India and abroad should not be treated at par with other general legal matters. The Committee would, therefore, strongly recommend that the best counsels of proven professional competence and also having expertise in local criminal laws of foreign countries should be included in the panel to be formed.</p>
11.	52	- do -	<p>In view of the availability of faster and accurate modes of communications, including cyber technology the Committee suggest that the Ministry should make a thorough review of administrative expenses to explore the areas of activities where such expenses could be curtailed. As a part of such</p>

			<p>exercise, the functioning of the Missions in particular is needed to be reviewed periodically with a view to deciding their continuation or changing their pattern of functioning. The Committee, therefore, recommend that a thorough study may now be undertaken by the Ministry to rationalise the requirement of Indian Missions abroad and to evolve the concept of joint missions for two or more countries. The Committee also desire that all other necessary measures may be initiated by the Ministry to reduce the administrative expenses in these areas as far as possible.</p>
12.	64	- do -	<p>The likely actual expenditure under the Head "Passport &amp; Emigration" for the year 2001-2002 is Rs. 94.42 crore against the BE and RE of Rs. 98.48 crore and Rs. 99.64 crore respectively. The reason cited by the Ministry for less expenditure incurred is that some of the projects could not start during the financial year. The Committee feel that apparently, the requirement of funds even at RE stages was not assessed properly leading to under-utilisation of the funds not only in the year 2001-2002 but also in the past so many years. While emphasising the need for accurate estimation of funds at every stage of the budgetary exercise, the Committee trust that the enhanced BE of Rs. 101.23 crore for the year 2002-2003 will be fully utilised.</p>
13.	65	- do -	<p>Delay in issuance of passports to the applicants has been a matter of serious concern to the Committee for quite a long time. The Ministry have given late or incomplete receipt of police report as the reason for delay in the issue of passports. The Committee do not find this reason justified since the Ministry themselves had taken a decision that police verification report was to be sent to the Passport Offices within 3 weeks and a Passport was to be issued after 4 weeks time even if the police verification report was not received within 3 weeks. The Committee reiterate their desire that all steps are needed to be taken by the Ministry to remove all the bottlenecks so that the target of issuance of passports within the prescribed time limit is achieved effectively in the near future.</p>
14.	66	- do -	<p>The Committee observe that the Ministry have announced substantial hike in the passport fee to be effective from 1<sup>st</sup> April 2002. While the Committee would not like to go into the merits of this hike in their present Report, they would like the Ministry to ensure that the quality of services being rendered by Passport Offices are correspondingly enhanced and the passports are issued to the applicants without any impediments. The Committee further desire that the Ministry should initiate making arrangements to extend the Machine-readable passport writing machine as well as the facility of on-line registration of passport applications to all the Passport Offices in the country.</p>

15.	67	- do -	While the Committee appreciate the efforts made by the Ministry to decentralize and bring the passport services closer to the people, they desire that the proposal to authorize/set up passport cells in Speed Post Centres and the offices of the District Magistrate/Superintendent of Police in all the district headquarters of the country may be operationalised in a time bound manner. They also desire that availability of this facility should be given wide publicity so that the prospective applicants residing even in rural or remote areas of the States become aware of the scheme.
16.	68	- do -	The Committee express their concern over the fact that 19 out of 28 Passport Offices are functioning from rental premises. They recommend that the Ministry must chalk out a comprehensive plan to either acquire or construct their own buildings for all the remaining passport offices in the near future.
17.	69	- do -	The Committee appreciate that facilitation counters manned by Ex-servicemen to assist/guide illiterate/semi-literate passport applicants have commenced in ten passport offices. The Committee, however, find that the Ministry have not prescribed the fee to be charged by the Ex-servicemen for various services rendered by them resulting in variation in the fees at different Passport Offices for similar services. The Committee, therefore, desire the Ministry to address this issue immediately and prescribe a uniform fee structure in respect of different kinds of services rendered by ex-servicemen in all the Passport Offices. Thereafter, this service should be extended to all Passport Offices after making an appraisal of the feed- back received about this scheme.
18.	80	- do -	The role of Cultural diplomacy in today's world cannot be over-emphasised since it facilitates direct people to people contact. It is in this context that the role of Indian Council for Cultural Relations in promoting India's cultural heritage abroad has become increasingly important. But unfortunately, the ICCR seems to have been stuck in a sort of routine activities without much creative thinking. The Committee wish to stress that ICCR has to expand its activities considerably to create a favourable atmosphere in the international arena for better understanding of India's viewpoint. While expanding its activities, the ICCR should ensure that its basic objectives of projecting multi-cultural, multi-ethnic and multi-lingual heritage of the country, are fulfilled by an effective representation of all sections in the various troupes being deputed abroad for such purposes. For this, ICCR needs sufficient funds at their disposal. In the opinion of the Committee, the mere enhancement of Rs. 0.81 crore proposed in BE 2002-2003 for ICCR over the last year is grossly inadequate. Admittedly, the ICCR has been able to meet about one-third of the total number of requests received for outgoing cultural delegations. Besides, the need for more

			<p>cultural centres in many countries has been agreed to by the Ministry. The Committee, therefore, strongly recommend that the budgetary allocations for ICCR should be substantially enhanced so as to enable it to vigorously pursue its objectives and expand its activities in India and abroad.</p>
19.	81	- do -	<p>The Committee are surprised to note that the ICCR is yet to make optimal use of the advantage of the Information Technology in projecting India's cultural heritage abroad. A centralized e-mail facility of the ICCR or the connection of the Cultural Centres abroad with the internet and e-mail facilities are not adequate by any standard. The Committee desire that the ICCR should take the initiative to project the diverse ethnic and cultural heritage of India abroad through its website. It should also take full advantage of the electronic media for publicity as is being done by various other countries like Malaysia, Singapore, etc.</p>
20.	82	- do -	<p>The Committee regret to observe that in spite of the specific recommendation made in their 5<sup>th</sup> Report presented last year regarding the urgency to finalise the proposal regarding setting up of a Cultural Centre in Washington, the Ministry failed to take prompt action. As a result, the property which was finally recommended for purchase, has been sold to another party. The Committee cannot but deplore that instead of learning lessons from their inaction, the Ministry are again examining a concept plan received from the Mission and a final decision is yet to be taken. This is despite two property teams having already visited Washington entailing an expenditure of Rs. 21.73 lakh. In the Committee's opinion, the extremely bureaucratic, rigid and cumbersome procedures have already cost the country dearly. There is need to review such procedures and replace them with simple, and speedy ones so that opportunities do not continue to be lost like what happened in the case of the Cultural Centre in Washington. At the same time, The Committee, once again strongly urge the Ministry to initiate immediate action on the project on top priority and ensure that a Cultural Centre is opened in Washington during the current financial year.</p>
21.	83	- do -	<p>The Committee are informed that proposals have been received for setting up of cultural centres/strengthening of cultural wings from about 65 Indian Missions and Posts abroad. Out of them 20 proposals are for setting up of new cultural centres and Government level commitments have been made to open new cultural centres in Japan, Iran, USA and France. The Committee are surprised to note that the Ministry have not provided for additional requirement of funds to meet expenditure on these centres in BE 2002-2003. The Committee, therefore, desire that the Ministry should take up these proposals seriously and ensure that these proposals are pursued on top priority basis with</p>

			adequate budgetary support. They also desire that considering the large number of persons of Indian origin settled in UAE, the ICCR should open a Cultural Centre in Dubai.
22.	85	- do -	<b>The Committee are happy to learn that some of the foreign students who studied in India have come to occupy important positions in their respective countries. While emphasizing the need for maintenance and continuous updation of a comprehensive data bank containing the details of such personalities, the Committee recommend that continuous contacts should be maintained with them as far as possible by organizing appropriate functions from time to time with a view to strengthening our cultural and political contacts with them which would result in developing better understanding with their Governments.</b>
23.	92	- do -	<b>The Committee are happy to note that after the recommendations made by the Committee in their First Report (12<sup>th</sup> Lok Sabha), the Government have converted the ICWA as a body corporate by the ICWA Act 2001. They are optimistic that the re-birth of the ICWA would be able to bring substantial changes in the functioning of the Council towards promoting India's interest all over the World. However, the Committee find that the Council and the Governing body are still in the process of being formed and the appointments for the Council can only be made after the formation of the Council. In the Committee's view, the formation of Council and Governing Body of ICWA has taken too long a time and thus, the objective of making the ICWA as a body corporate, has not been achieved. They, therefore, desire that the Council and its Governing body should be formed urgently and the ICWA rejuvenated so that the infrastructure available with the ICWA could be effectively utilized for strengthening India's international diplomacy. The Committee also observe that once the Council is formed, the activities of ICWA are likely to be increased manifold and the current budgetary allocations would be insufficient. They would, therefore, recommend that the allocation to the ICWA should be stepped up considerably so that it would achieve its desired objectives.</b>
24.	99	- do -	<b>The Committee notice that the Ministry of External Affairs which have been entrusted with the responsibility of propagating and promoting Hindi abroad through the Indian Missions, have been taking various steps in this regard like providing Hindi materials, organising conferences, providing necessary help to foreign students to learn Hindi, etc. The Ministry are also reported to be proceeding towards establishing a World Hindi Secretariat at Mauritius which would act as a platform for promoting Hindi at international fora. The Committee feel that the initiative of the Ministry for</b>

			<p>organising the 7<sup>th</sup> World Hindi Conference in the current year is certainly a step in the right direction for the promotion of Hindi. While appreciating the various steps being undertaken by the Ministry for propagation of Hindi, the Committee wish to emphasize that the place Hindi deserves to achieve on the international platform is still a distant goal and a lot needs to be done in this direction. The Committee recommend that for promoting Hindi, the Ministry should ensure that “Hindi Sammelan” is organised in different parts of the world regularly. The Committee, also recommend suitable enhancement of budgetary allocations and its effective utilisation to promote and propagate Hindi with a missionary zeal, specially through our cultural centres abroad so as to make Hindi popular across the globe.</p>
25.	106	- do -	<p>Financial assistance to Bhutan is extended under two heads viz. ‘Aid to Bhutan’ and ‘Loans to Government of Bhutan’. While the Head ‘Aid to Bhutan’ comprises both Plan and Non-Plan components to the extent of Rs. 365.60 crore and Rs. 231.45 crore respectively, the Head ‘Loans to Government of Bhutan’ is entirely Non-Plan to the tune of Rs. 234 crore at BE stage for 2002-2003. The BE for the year 2002-2003 under both these heads taken together comes to Rs. 831.05 crore which is approximately 20 per cent of the total budget of the Ministry under Demand No. 25. Since a major chunk of the Ministry’s budget is devoted to Bhutan every year, the Committee desire the Ministry to establish an effective mechanism to ensure even flow of expenditure, smooth and timely execution of projects and adherence to the schedule of different activities being undertaken with Government of India assistance in Bhutan.</p>
26.	107	- do -	<p>The Committee observe that there are three ongoing mega-projects in Bhutan which are being funded from the Plan Budget of the Ministry. The Kurichu Hydro-electric Project is expected to be completed by 2002 with the total estimated cost of Rs. 560 crore while the Tala Hydro electric Project is to be completed by 2005 with an estimated total cost of Rs. 3843.40 crore. The Committee expect the Ministry to make all out efforts to complete these projects by the target dates and within the estimated cost so as to avoid additional financial burden on account of time and cost overrun. It is a matter of concern to learn that the Dungsum Cement Project involving a total estimated cost of Rs. 400 crore, including associated infrastructure development, has been stalled due to the deteriorating security situation in South-East Bhutan thus leaving the fate of the project in doldrums. The Committee desire the Ministry to impress upon the Government of Bhutan to find ways to resolve the security situation in the affected areas and take an early decision to restart the Dungsum Cement Plant so that the funds amounting to Rs. 56.38 crore already invested in the project do not go waste.</p>



27.	109	- do -	<p>The Committee are happy to note that the Government of India have taken a sustained interest in developing the hydro-electric potential in Bhutan as the energy sector continues to be a priority sector for bilateral economic cooperation between the two countries. However, as informed to the Committee, a mere 3% of Bhutan's total hydro-power potential has so far been put to use. In the opinion of the Committee, this situation offers immense scope for collaboration between India and the Government of Bhutan in future hydro-electric projects in that country. They would, therefore, recommend the Ministry to explore how 97% of Bhutan's untapped hydro-power potential can be effectively exploited. This would not only help the socio-economic development of a neighbouring and friendly country but may also bring down substantially the demand-supply gap in the energy sector in our country after availability of surplus power from these projects. In this context, the Committee would like to point out that the Government of Bhutan have already proposed that the Mangdechu(600 MW) and Punatsangchu (800 MW) projects be developed in cooperation with India. The proposal is under consideration of the Government of India. The Committee desire the Government to take an early decision in the matter under intimation to them.</p>
28.	117	- do -	<p>The Committee note that the actual expenditure under both the major heads "4059-Capital Outlay on Public Works" and "4216-Capital Outlay on Housing" has always been substantially lower than the proposals made at BE stage. The reasons given by the Ministry for under-utilisation of funds under these heads are delay in implementation of construction projects/acquisition of properties because of delay in permission from the local Government, getting financial approval, etc. The Committee are not at all convinced of such explanations as these factors are not new and, therefore, they should have been taken into account at budgetary proposal stage itself learning from the experience of previous years. They express serious concern over such a state of affairs in the Ministry and recommend for projection of BE and RE in a more realistic manner taking into account all available inputs, procedures and processes involved, market trends and other relevant data/information to avoid recurrence of such variations year after year.</p>
29.	118	- do -	<p>What is more shocking to the Committee is the fact that the new Diplomatic Enclave for which a proposal was mooted long back in 1970 still remains a distant dream as the Ministry have not been able so far even to select/obtain suitable land for this despite a lapse of 32 years. Surprisingly, even the pending requests of 31 Diplomatic Missions from 1975 to 1998 for allotment of land in the proposed new Diplomatic Enclave have not been able to motivate the Ministry in this regard. In the Committee's opinion this is yet another instance of</p>

			<p>the highly casual and lethargic approach of the Ministry towards important matters. The Committee recommend that the matter be investigated at a high level so as to identify the persons whose negligence/ inaction resulted in the abnormal delay in such a prestigious project and take exemplary action against them. At the same time, the site for new Diplomatic Enclave should be identified without any further delay and the project should be completed in a time bound manner. The Committee desire to be apprised of the progress on both the counts regularly.</p>
30.	120	- do -	<p>Another instance of the lackadaisical approach of the Ministry is the construction of Videsh Bhawan. A plot of land was allotted to the Ministry of External Affairs in two phases in 1992 and 1994 for the purpose and the Parliamentary Committee had also desired in Para 32 of their 5<sup>th</sup> Report (13<sup>th</sup> Lok Sabha) for preparation of a detailed time frame for completion of the project with stringent monitoring of the pace of progress so as to avoid cost overrun. However, the Committee are anguished to observe that the Ministry are still at the stage of selection of an architect. After the encroachments were removed in 1997, the project should have been started in right earnest. But the Committee find that no sincere efforts seem to have been made for expeditious completion of different stages of execution of the project. The Committee apprehend that the project which has not yet been taken up, is not likely to come up in the near future. It was due to the urgency of having a suitable accomodation for the Ministry of External Affairs that the Committee had recommended in their 2<sup>nd</sup> Report(13<sup>th</sup> Lok Sabha) that the possibility to take over the Ashok Hotel in New Delhi should be explored by the Ministry. Since the prospects of the Videsh Bhawan coming up early appear very bleak, the Committee once again renew their earlier recommendation and desire that the Ashoka Hotel, New Delhi which is a magnificent and prestigious building should be taken over by the Ministry of External Affairs. This would be suitable not only from the points of view of infrastructure facilities, approach roads, security, etc. but also would be convenient for the Diplomatic Missions as well as visitors from within and outside the country. The Committee would also like to impress upon the Ministry to expedite the completion of Videsh Bhawan project in Kolkata.</p>
31.	125	- do -	<p>The Committee observe that the High Level Committee on the Indian Diaspora constituted in pursuance of their earlier recommendation in the 2<sup>nd</sup> Report (13<sup>th</sup> Lok Sabha), has submitted its Report on 8<sup>th</sup> January, 2002. They appreciate the efforts made by the High Level Committee for going into various issues relating to the Indian Diaspora and making valuable suggestions in this regard. The Committee have been assured that the Ministry of External Affairs have initiated action to operationalise that part which is within their jurisdiction and wherever the other Ministries are</p>

		<p>concerned, whenever they get their inputs, they would work on that. The Committee expect the Ministry of External Affairs to vigorously pursue the issues with all the Departments/ Ministries concerned to ensure that the suggestions/ recommendations of the High Level Committee are implemented early so as to ensure that the potential benefits from Indian Diaspora could be effectively utilised. They also desire that the Government should take a positive decision soon on the recommendation made by the High level Committee regarding dual citizenship.</p>
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