

STANDING COMMITTEE ON EXTERNAL AFFAIRS

(1999-2000)

FIRST REPORT

(THIRTEENTH LOK SABHA)

MINISTRY OF EXTERNAL AFFAIRS

[Action Taken on the recommendations contained in the 4th Report of the Committee (12th Lok Sabha) on Demands for Grants of the Ministry of External Affairs for 1999-2000]

Presented to Lok Sabha on 15.3.2000

Laid in Rajya Sabha on 15.3.2000

LOK SABHA SECRETARIAT

NEW DELHI

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COMPOSITION OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS (1999-2000)

Shrimati Krishna Bose — *Chairperson*

MEMBERS

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3. Shri R.L. Bhatia
4. Shri Satyavrat Chaturvedi
5. Shri Bhim Dahal
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21. Shri Sushil Kumar Shinde
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24. Shri Dinesh Chandra Yadav
25. Shri Saleem Iqbal Sherwani
26. Vacant
27. Vacant
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29. Vacant
30. Vacant

Rajya Sabha

31. Shri Ranganath Misra
32. Shri Bhuvnesh Chaturvedi

33. Ms. **Mabel Rebello**
34. Dr. Mahesh Chandra Sharma
35. Shri Triloki Nath Chaturvedi
36. Dr. L. M. Singhvi
37. Shriinati Saria Maheswari
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42. Shri Jayant Kumar Malhoutra
43. Dr. Arun Kumar Sarma
44. Shri Pritish Nandi
45. Dr. Karan Singh

SECRETARIAT

1. Dr. Ashok Kumar Pandey *Additional Secretariat*
2. Shri Harnam Singh *Joint Secretary*
3. Shri A.K. Singh *Deputy Secretary*
4. Shri R.K. Saxena *Under Secretary*
5. Smt. Anita B. Panda *Executive Officer*

INTRODUCTION

1. I, the Chairman, Standing Committee on External Affairs having been authorised by the Committee to submit the report on their behalf, present this First Report on Action Taken by Government on the Recommendations contained in the Fourth Report (Twelfth Lok Sabha) of the Committee on the "Demands for Grants of the Ministry of External Affairs for 1999-2000".

2. The Fourth Report was presented to both the Houses of Parliament on 22nd April, 1999. The Government furnished their replies indicating Action Taken on the Recommendations contained in the Report.

3. The Draft Report on the basis of Action Taken Notes was considered and adopted by the Standing Committee on External Affairs (1999-2000) at their sittings held on 3rd and 10th March, 2000. Minutes of the Sittings of the Committee have been reproduced as Appendix-1 & H to the Report.

4. An Analysis of Action Taken by Government on the Recommendations contained in the Fourth Report of the Standing Committee on External Affairs (Twelfth Lok Sabha) is given in Appendix-111.

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-IV.

NEW DELHI;

14 March, 2000

24 Phalguna, 1921 (Saka)

Krishna Bose,

Chairperson,

Standing Committee on External Affairs.

CHAPTER I

REPORT

1. The report of the Committee deals with the Action Taken, by the Government on the observations/recommendations contained in the 4th report of the Standing Committee on External Affairs on Demands for Grants for the year 1999-2000 in respect of the Ministry of External Affairs. The 4th report of the Committee was presented to Lok Sabha on 22nd April, 1999.

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

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

Para Nos. 18, 19, 20, 21, 33, 35, 36, 37, 40, 51, 52, 54, 62, 71,

72, 73, 77, 78, 79, 88

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

Para Nos. 32, 34, 53, 61, 63

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

Para No. 89

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

Para Nos. Nil

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

Embassies & Missions

(Para No. 33)

4. The Committee were convinced of the necessity of full scale endeavours to promote India's strategic, political; economic, consular and other interests, all over the world. However, the Committee had felt that these interests Keep on changing in the context of fast changing international scenario and shift in balance of political and economic equations. It was further felt that the overall resource crunch being faced by a developing country like ours, also needed to be taken into consideration for continued existence of about 160 Missions/Posts abroad. Thus, the Committee had desired that, in the present day would, there is need to concentrate on focal points instead of thinly spreading scarce resources all over the world. The Committee were not convinced about the efficacy of the routine kind of review being carried out in the Ministry in assessing the desirability of maintaining such a large number of Missions in proper prospective. The Committee, therefore, had recommended that an Expert Group may be set up to examine the matter in depth in all its aspects.

5. In the reply, the Ministry have stated that a close watch is kept on the constantly evolving international scenario and the changes taking place in the focal points and priority areas of our foreign policy. Moreover, the creation or continuation of Missions and Posts are carefully fine-tuned to address our priorities. The Ministry have further stated that the spread of our Missions/Posts are done to have an optimum presence in a cost effective manner. It is further pointed out that taking into account the presence of countries who have considerable stature and stake in the international arena, the present spread of Missions could be considered appropriate. However, accepting the recommendation of the Committee, the Ministry have informed that a special expert group is being set up to examine the whole question of the number and distribution of Missions/Posts abroad in all its aspects and have stated that an overall review could be taken after receipt of the report of the Special Expert Group.

6. The Committee note that the Government is keeping close watch on the constantly evolving international scenario and changes taking place in the focal points and priority areas of India's foreign policy. The Committee further note that in the view of the Government, the spread of Missions/Posts are fine-tuned to address our priorities. Although the Ministry have justified the present spread of Missions/Posts as appropriate, the Committee appreciate that as per their recommendation, a Special Expert Group is being set up by the Ministry to examine the question of the number and distribution of Missions/Posts abroad and an overall review will be taken on the basis of the report of the Expert Group. The Committee hope that experts from outside the Ministry, *e.g.*, retired diplomats, representatives of academic institutions and other non-Governmental organisations, strategic experts etc. would also be given due representation in the said Special Expert Group who could advise the Government in examining the present spread of our Missions/Posts abroad. The Committee desire that the Expert Group being set up by the Ministry may submit its report within a period of six months in order to prevent any delay due to unavoidable reasons.

Advertising and Publicity

(Para No. 52)

7. The Committee has desired that with the increased funds, under the head Advertising & Publicity, both at headquarters and missions level, vigorous efforts should be made in a time bound manner to ensure that our external publicity campaign became more focussed, effective and result oriented.

8. The Ministry in their reply have expressed complete accordance with the Committee's observations on vigorous efforts in a time bound manner both at headquarters and missions level. According to them, this is being done in a concerted manner through all the means at their disposal *inter alia* use of E-mail, CD-ROMS, Internet, Audio-visual and Print publicity material. Satellite television, advertising and lobbying activities, briefings, press conferences, press releases, interaction with opinion markers, decision takers, intellectuals, media persons, business communities, non-resident Indians and other influential circles, as well as a public relations effort. Action plans have also been worked out in this regard bearing in mind the local environment and the need to tailor our effort appropriately.

9. The Committee note that the Government share their concern about making stringent efforts towards strengthening our external publicity campaign through several means which include the use of sophisticated information technology, lobbying, press briefings and interaction with influential circles etc. The Ministry also claim to have worked out action plans in this direction bearing in mind the local environment. However, the Committee feel that the reply of the Ministry could have been more specific in providing details about the actual expenditure incurred on each of the measures undertaken to provide more teeth to our external publicity campaign, which may include expenditure on audio-visual and print-publicity material, maintenance of web-sites etc. The Committee would like to be apprised of the response received by the recently created regional web-sites, *e.g.*, Buenos Aires for Latin America and Cairo for Arab speaking countries. The Committee further feel that the Ministry could also have provided details about various action plans which have been worked out to project India in the best possible manner. The Committee do not feel satisfied with the efforts of the Ministry in this direction and, therefore, would counsel the Government to provide detailed information on our preparedness to enlarge areas of positive perception about our country while attempting to build greater awareness and understanding of its policies and values.

Grant to Institutions

(Para No. 71)

10. The Committee had been informed that the proposals of providing financial assistance to various organisations/institutions were thoroughly scrutinised and that the existing system had sufficient checks and balances. Nevertheless, the Committee had felt that in order to ensure strict compliance of the guidelines and the procedure in that regard and to avoid any possible lapse or arbitrariness, setting up of a Committee appeared desirable.

II. The Ministry have replied that a Committee has now been set up comprising Secretary (West), Joint Secretary (PP) and Director (Fin.), who will examine all proposals/requests received for financial assistance to ensure strict compliance of the guidelines/procedures and to avoid any possible lapse as desired by the Committee. It is further informed that this Committee will examine all such cases in

consultation with the Heads of the Territorial Divisions concerned to ensure that the Ministry derives maximum benefits and inputs from such proposed seminars, conferences, studies etc. in terms of the subject matters, participants or credentials of the organisers/institutions.

12. The Committee are happy to note that a Committee comprising three high-ranking officers from the Ministry of External Affairs has been set up for examining requests/proposals received for financial assistance from various institutions/organisations to ensure strict compliance of the guidelines and to avoid any lapse/arbitrariness. The Committee would, however, like to suggest that such a committee may also utilize the expertise available in the country by inviting views/suggestions of academicians, economists and legal experts from outside agencies to bring further objectivity in the overall assessment of a particular proposal/requests. The Committee also desire that the Ministry must ensure that the work done by various institutions/NGOs to whom financial assistance is given, is commensurate with the funds sanctioned for those by the Government and the deliberations/ dialogues/ studies/publications/research papers/articles/seminar papers etc. of such Institutions/NGOs provide valuable inputs for our foreign policy formulation.

(Para No. 73)

13. The Committee had expressed agreement over the financial constraints in providing assistance to large number of Institutions/NGOs for promoting research/studies in the political and economic spheres and presenting Indian viewpoint in proper perspective before the world community. Therefore, the Committee had desired that the Ministry might examine the possibility of setting up an India Foundation, *i.e.*, a semi/non-official organisation on the lines of foundations established by countries like Japan and Germany, for better appreciation of Indian policy in the political and economic spheres.

14. The Ministry in their reply have informed that our missions in Japan and Germany have been contacted for details of foundations with semi/non-official status to enable them examine the possibility of setting up a similar foundation on similar lines in India. Information in this connection is currently being compiled and a concrete proposal will shortly be put up for examination and further processing by the concerned authorities.

15. The Committee note that the Government have contacted the Indian Missions in Japan and Germany to obtain details about Foundations with semi/non-official status to examine the possibility of setting up a similar foundation and a proposal to this effect will

be put up shortly. The Committee are sanguine that utmost priority would be accorded in early finalisation of the proposal for setting up of India foundations with convincing credibility for presenting the Indian viewpoint in its right perspective before the world community.

(Para No. 89)

16. The Committee had expressed deep concern over the current state of affairs in so far as the Singapore project and the project on residence of Permanent Representative (PR) in New York were concerned. "The Committee had felt that there had been no progress whatsoever in respect of Singapore, except working out of an action plan during the last five years. The project on hiring or requisitioning of the residence of our PR had also been lingering on for years. The Committee had felt that the Ministry have furnished very unsatisfactory reply on these two points. Thus, the Committee had desired that a detailed report indicating the progress in the matter should be furnished to the Committee within three months. The Committee had also recommended a special audit of all expenditure incurred in the last five years on various constructions, purchases and renovation projects,

particularly those in New York and Singapore with a view to ascertaining the magnitude of time and cost overrun. The Committee had further asked the Ministry to fix the responsibility for additional expenditure incurred on these projects as the very purpose of acquiring the properties for substantial rental savings had been defeated.

17. The Ministry in their reply have merely stated that the property which was recommended by the PR for his residence in New York was a pent house costing over US \$ 7 million which was much higher than the economic cost. Monthly condominium charges were very high hence the property was not considered economically viable. The PR thereafter opted to stay in the present rented premises. About the HC's residence in Singapore, the Ministry have stated that architects were shortlisted for renovation/refurbishment of the HC's residence and they had submitted their designs. Thereafter M/Shing Ate Lier & Co. was selected to submit design brief after which tenders would be floated.

18. The Committee are informed that because the property in New York was not considered economically viable, the PR has opted to stay in the present rented premises. Regarding HC's residence in Singapore, the Ministry have merely informed that one architect firm *viz.* M/s Shing Ate Lier & Co. has been selected for renovating/refurbishing the property, which is yet to submit design brief.

The Committee find that the reply of the Ministry in respect of various construction/renovation projects is highly unsatisfactory as well as devoid of the details asked for by the Committee. The Committee deplore the situation in which the projects are practically heading nowhere in the present scenario. It is felt that the Ministry have completely ignored the desire of the Committee to have a detailed report, within three months, indicating the progress in so far as the above mentioned two properties are concerned. Similarly, the Ministry have failed to get a special audit done of all expenditure on their projects in the last five years. The Committee are also surprised that the Ministry have not fixed the responsibility as yet for time and cost overruns on these projects. The Committee would like to have final reply in respect of this recommendation within three months of the presentation of this report. The Committee also expect that henceforth the Government would take utmost care to prepare perspective action plan before making projections for construction/renovation project so as to ensure meaningful utilisation of scarce resources. The Committee would further like the Ministry to re-prioritise the construction/renovation works in hand and in pipeline, subject to periodic achievement audits.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 18)

The Committee note that Budget Estimates for the Financial Year 1998-99 was Rs. 2120.72 crores. At the RE stage it was augmented to Rs. 2236.17 crores. The total additionality between RE 1998-99 and BE 1998-99 was Rs. 115.45 crores. The Committee were informed that following a review of requirements in February 1999, the matter was reassessed and it was felt that additionality of Rs. 152.44 crores was in fact not required. The Committee also note that the proposed budget allocation of Rs. 2209.47 crores under BE 1999-2000 shows decline of 1.19% over RE 1998-99. The Committee were informed that the Ministry had projected a requirement of Rs. 2573.75 crores to the Ministry of Finance at BE stage. However, the Ministry of Finance reduced this to Rs. 2209 crores suggesting that augmentation would be made at RE stage if necessary. During the evidence it was further pointed out by Foreign Secretary that if the need arises for additional funds the Ministry will ask for the additionality at RE stage or by reappropriating some savings. In the past also, the Ministry has been relying on augmentation at RE stage.

Reply of the Government

The Ministry has noted the observations of the Hon'ble Committee. At the time of consideration of Budget Estimates, Ministry of Finance applies some cuts in projections and advises the Ministry concerned to take up the matter again at RE stage so that necessary augmentation can be considered based, on actual utilisation and requirements. Budget Estimates are framed in October/November of the previous financial year and while all possible efforts are made to make a realistic assessment, it is desirable to have a review at the RE stage to take into account the overall financial and budget situation and make necessary adjustments.

Taking note of the observations of the Hon'ble Committee, this Ministry will endeavour to justify in greater detail to the Ministry of Finance its projections so that future differences between BE and RE projections are kept to the minimum. There are however, a number of factors outside the control of the Ministry which necessitate review of BE projections at a subsequent stage. These factors include variation in exchange rates, inflation, developments in the international situation necessitating higher or lower expenditure on different heads, including *inter alia* Special Diplomatic Expenditure. While review in adjustments at the RE and subsequent stages would, therefore, require continuance, the Ministry will endeavour to see that changes made to the approved Budget Estimates are kept to the minimum and confined to those factors which could not have been anticipated earlier and are otherwise necessitated by our national interests.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 19)

The Committee are constrained to note that the Ministry of External Affairs could not justify their projected requirements of Rs. 2573 crores to the Ministry of Finance. As a result, the amount of Rs. 2573 crores proposed in the BE 1999-2000 was reduced to Rs. 2209 crores by the Ministry of Finance. The Committee are also not happy at the tendency of the Ministry to place greater reliance on augmentation of resources at RE stage almost every year. The fact that even the resources allocated at RE stage in the year 1998-99 were not required on reassessment made, as late as in February, 1999 shows the flaws in the budgetary planning and the exercise related thereto in the Ministry.

Reply of the Government

The Ministry has noted the observation of the Hon'ble Committee. At the time of examination of budget estimates, Ministry of Finance applies some cuts at the time of consideration of Budget Estimates while advising the concerned Ministry to take up the matter at the RE stage so that necessary augmentation can be considered, based on actual utilisation and requirements.

Taking note of the observations of the Hon'ble Committee, this Ministry will endeavour to justify its projections to the Ministry of Finance in greater detail so that differences between BE and RE projections are kept to the minimum in the future. However, a number of factors outside the control of the Ministry, such as exchange rate variation, inflation, developments in the international situation etc. which necessitate review of BE projections at a subsequent stage. While review in adjustments at the RE and

subsequent stages would, therefore, require continuance, the Ministry will endeavour that changes to the approved Budget Estimates are kept to the minimum and confined to those factors which could not have been anticipated earlier and are otherwise necessitated by our national interests.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 20)

The Committee are of the strong view that as the increases effected at RE stage is generally not scrutinised by the Committee, Ministry of External Affairs should frame their requirements in proper perspective at BE stage itself so as to avoid substantial enhancement of fund allocation at RE stage. The Committee further observe that this tendency on the part of the Ministry to request for enhanced allocation at RE stage, barring in exceptional circumstances, needs to be curbed to dispel the impression that the Ministry is deliberately avoiding the scrutiny of their Budgetary Estimates by the Standing Committee.

Reply of the Government

The Ministry has noted the observations of the Hon'ble Committee for compliance. The Ministry will endeavour to justify in greater detail to the Ministry of Finance its projections so that future differences between BE and RE prelections are kept to the minimum. However, a number of factors outside the control of the Ministry necessitates review of BE projections at a subsequent stage. These factors include variation in exchange rates, inflation, developments in the international situation necessitating higher of lower expenditure on different heads etc. The Ministry will endeavour to see that enhanced allocation at RE stage would be kept to the minimum and confined to those factors which could not have been anticipated earlier and are otherwise necessitated by our national interest.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 21)

The Committee note that the BE 1990-2000 of Rs. 2209.47 crores shows a decline of 1.19% over RE 1998-99 of Rs. 2236.17 crores, though there is an increase of 4.18% *vis-a-vis* BE 1998-99 of Rs. 2120 crores. Keeping in view inflationary trends and also usual increases in expenditure on salaries and allowances. Special Diplomatic Expenditure and Technical and Economic Cooperation with other countries, the Committee find that there has been an actual decline in the funds available to the Ministry to carry out their normal activities and promoting India's Foreign Policy objectives. The Committee desire that the Ministry should make all possible efforts so that none of the areas of our Foreign Policy's interest are affected because of decline in the overall budgetary allocation. This can be done by resorting to cost-efficient practices ensuring that functional capabilities are enhanced and not compromised. The Committee would like to be apprised of measures taken in this regard.

Reply of the Government

The Ministry is grateful to the Hon'ble Committee for its guidance and would carefully monitor the budget allocations and expenditure on a regular basis. The Ministry would ensure that functional capabilities are not compromised due to budgetary constraints under any circumstances. The devise of suitable cost efficient practices would be monitored regularly. The following are some of the measures which are currently under implementation/consideration:

- (i) Greater use of e-mail in inter-office communications.
- (ii) Computerisation of visa and passport issue functions in Posts abroad.
- (iii) Establishment of local language websites in selected Missions. This would supplement existing external publicity efforts but over time reduce expenditure on publicity through the print medium.
- (iv) Acquisition/construction of properties abroad to reduce outlay on rent. Such acquisition/construction is usually undertaken after a cost benefit analysis *vis-a-vis* continued renting.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 33)

The Committee are fully convinced of the necessity of the full scale endeavours to promote India's strategic, political, economic, consular and other interests all over the world. The Committee, however, feel that these interests keep on changing in the context of fast changing international scenario and shift in balance of political and economic equations. The overall resource crunch being faced by a developing country like ours also needs to be taken into consideration for continued existence of about 158 Missions and Posts abroad. The Committee feel that in the present day world, there is need to concentrate on focal points instead of thinly spreading scarce resources all over the world. The Committee are not convinced about efficacy of the routine kind of review being carried out in the Ministry in assessing the desirability of maintaining such a large number of Missions in proper perspective. The Committee therefore, recommend that an expert group may be set up to examine the matter in depth in all its aspects.

Reply of the Government

Ministry is aware of the focal points and priority areas of our foreign policy. In a constantly evolving international scenario, these focal points also keep changing and Ministry keeps a close watch on such changes. The creation or continuation of missions and posts are carefully fine-tuned to address our priorities. The spread of our missions and posts are done to have an optimum presence and in a cost effective manner. Taking into account the presence of countries who have comparable stature and stake in the international arena, the present spread of missions could be considered appropriate.

As recommended by the Committee, a special expert group is being set up to examine the whole question of the number and distribution of missions/posts abroad in all its aspects. An overall review could be taken after receipt of the report of the special expert group.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 35)

The Committee is in full agreement with the observations of the Public Accounts Committee (1998-99) of Lok Sabha made in their Sixth report on infructuous expenditure of Rs. 29 crores—Communications Network, that in an atmosphere of non-accountability, the Ministry failed to implement the High Frequency Radio Communication (HFRC) Network Project and that the inept handling of the project by MEA has rendered the expenditure of over Rs. 29 crores questionable and the basic objectives of providing reliable communication network between New Delhi and 27 Missions unattainable in the foreseeable future. The Committee hope that now the Ministry would make earnest efforts to take corrective action and institutionalise the mechanism to monitor further progress on the project so that the system is made operational without further delay.

Reply of the Government

The Ministry of External Affairs (MEA) has already initiated a number of measures to make the project fully functional. As already reported to PAC and reiterated by them also in their report, fifty per cent of the HFRC stations abroad are functional on voice mode.

These are: Accra, Harare, Kampala, Windhoek, Abu Dhabi, Riyadh, Lusaka, Khartoum, Cairo, Kuwait and Nairobi.

Out of these, data link has been achieved in respect of Riyadh & Khartoum. High level meetings have been held in the Ministry on 29-4-1999, 07-05-1999, 11-08-1999 & 17-08-1999 to chalk out a future course of action. These include determination of the nature of faults, carrying out necessary repairs and arrangements for maintenance & operation of the system in future with the help of appropriate Government technical organisations. Support of M/s Telecommunications Consultants India Ltd. (TCIL), the Consultants to the project, would also continue. With a view to operationalise the mission stations, discussions have been held with Cabinet Secretariat who have considerable expertise in radio communication systems. Cabinet Secretariat is already conducting a study of the system and an action plan will be developed for take over of the equipment in a phased manner, starting with a few selected missions. The HFRC system would be gradually integrated into the wireless network being operated by the Cabinet Secretariat.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 36)

With regard to the Computerised Visa system installed in the Embassy of India, Washington, the Committee deplore the fact that the Ministry has shown lack of proper prospective by installing an already outdated computer equipment which lost its economic viability within four years of installation. Curiously enough, the Ministry have attempted to show an optimistic attitude by suggesting that the system has been modified. However, the Committee emphasise that this does not absolve -the Ministry of their responsibility. It is therefore, recommended that modernisation of various facilities provided by Indian Missions/Posts abroad, should be carried out taking into account not only the technicalities but also anticipated advancements in the field of information technology. The Committee would also like the Ministry to further expand the Computerised Visa facility in the prominent Indian Missions/Posts abroad. The Committee also desire that certain arrangements may be made in Islamabad to facilitate Visa services to the people coming from Lahore and Karachi.

Reply of the Government

The Ministry agrees with the Hon'ble Committee's recommendations that modernisation of various facilities provided by Indian Missions/Posts abroad should be carried out taking into account not only the technicalities but also anticipated advances in the field of information technology. The recommendation has been noted for compliance.

The grant of visas by India and Pakistan to each others nationals is Governed by the India-Pakistan Visa Agreement signed on 14th September, 1974. Government have taken several unilateral measures since 1997 to ease issuance of visa to Pakistani nationals to promote people-to-people contact between the two countries as indicated below:

(A) The External Affairs Minister made a *suo motto* statement in both Houses of Parliament on 20.3.97 announcing major relaxation of visa regime for Pak nationals. The details are as under:

- (i) Young (upto 12 years of age) and elderly (of the age of 70 years and above) Pakistani visitors exempted from police reporting.
- (ii) Bonafide Pak businessmen reconimended by the SAARC Chamber of Commerce of Pakistan allowed multiple entry visa for a period upto one year and those arriving by air at Delhi and Mumbai allowed to exit from either of these airports
- (iii) Expansion of cultural contacts between the two countries would be encouraged through exchanges of cultural groups, artists, poets and writers. Visits by students and journalists would also be encouraged.
- (iv) Visa fee for senior Pakistani citizens (above 70 years of age) and for cultural groups, artists, poets, writers, students and journalists waived.
- (v) Visit of Pakistani nationals in groups for tourism purposes permitted.

(B) Grant of visa to Pak nationals was further liberalised in June, 1997 as indicated below:

- (i) Elderly Pakistani visitors (of an age of 70 years and above) permitted to visit India without restriction on the number of places (subject to usual restrictions for visiting J&K, Punjab, Cantonment areas and other places under RAP and PAP regime).
- (ii) For other Pak nationals, maximum number of places for which they may be granted visas increased from 8 to 12.
- (iii) International airport at Chennai opened for arrival and departure of Pak nationals.
- (iv) Reputed Pakistani artists (actors, musicians etc.) desirous of visiting India for giving commercial performances on remuneration basis permitted grant of visitors visa with special endorsement "Commercial Performance Permitted"
- (v) Grant of "Business Visa" to Pakistani businessmen visiting India for business purpose introduced.

(C) With effect from 1.4.99, visa regime for certain categories of Paldstani nationals has been liberalised further as indicated below:

- (i) The following categories of Pakistani nationals has been allowed multiple entry visa upto one year with EPR facility for visit to India without any restriction on the places of visit (except Restricted/Protected areas, places in Punjab, J&K and Kerala).
- (a) Judges of the Supreme Court of Pakistan and the High Courts.
 - (b) Attorney General, Solicitor General and chairperson of the Supreme Court Bar Association.
 - (c) Editors-in-Chief of national news papers and owner/principal functionaries of Trust or Collective Management of National Newspapers.
 - (d) Members of national cricket and hockey teams, only during the visit of the Team to India and restricted to the India (as such this categories will not be eligible for one year period).
 - (e) Members of the national assembly and the Senate, leader and deputy leader of provincial assemblies and leader and deputy leader of opposition in provincial assemblies.
 - (f) Vice Chancellors of recognised/approved universities.
 - (g) Serving Secretaries/Secretary rank officers of the federal Government of Pakistan.
 - (h) Spouse, dependent children, *i.e.* son upto 18 years of age and unmarried daughters of persons in above-mentioned categories.
- (ii) The above categories of Pak nationals permitted to enter into and exit from India through any of the five permitted immigration checkpoints, *i.e.* Delhi, Mumbai, Chennai (all airports), Wagha (land) and Attari (Rail) checkpoints.
- (iii) In the case of group tourist visa for Pak nationals, police reporting through tour operator sponsoring the group tour of Pakistani nationals permitted.

Recommendation (Para No. 37)

The Committee note that SAARC Visa Exemption Scheme was initiated in 1988 to promote closer and more frequent contact among peoples of SAARC Region. The Scheme became operational from March 1, 1992. The Scheme was further expanded on the basis of recommendations of an expert group and now 22 categories of dignitaries are covered in the exemption list. The Committee however, feel that the Scheme has so far remained confined to the elite group alone and basic objectives of promoting closer and more frequent contact among the people of SAARC Region has remained a farfetched dream.

The Committee hope that the Ministry would contemplate specific measures to achieve the basic objectives for which the scheme was initiated way back in 1988.

Reply of the Government

The Ministry has noted the Committee's observation that the SAARC Visa Exemption Scheme should promote closer and more frequent contact among the people of the SAARC Region and that the Ministry should undertake specific measures to achieve the basic objective of the Scheme.

The Ministry will keep this in mind while working towards further expansion of the Scheme. It may be noted, however, that all decisions in SAARC are taken by consensus. Any expansion of the Scheme, therefore, cannot be done by the Government of India on its own but would need the concurrence of all Member States.

The Government of India have, separately, taken several measures for facilitating travel and popular interaction with individual SAARC countries. India already has a visa free regime with Nepal, Bhutan and the Maldives.

With respect to the other countries of the region *viz.* Bangladesh, Sri Lanka and Pakistan, India has streamlined the visa regime over the past few years. This policy is reflected in the progressive increase in visas granted to nationals of these countries. Visas granted to Bangladeshi nationals from our Mission in Dhaka have increased from 1,78,118 in 1990 to 2,62,580 in 1998. Similarly visas granted to Sri Lankan nationals from our Mission in Colombo have increased from 29,924 to 68,066 while those granted to Pakistani nationals by our Mission in Islamabad from 35,119 to 75,973 in the corresponding years.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 40)

The Committee are constrained to point out that the Ministry are evasive in their reply by not informing as to whether "Register of Valuables" is actually being maintained in all the Regional Passport Offices/Passport Offices. The Committee are surprised at the casual approach of the Ministry even in the matter of financial impropriety worth Rs. 6.27 lakhs by allowing RBI drafts to become time barred by RPO, Calcutta during the period from February, 1992 to December, 1995. These drafts were later on revalidated and credited to the Government account. The Committee feel that similar instances might occur in other RPOs as well in the absence of proper maintenance of the Register of Valuables. The Committee attach great importance to the observance of proper procedure and guidelines in the matter of receipt and expenditure to avoid recurrence of such lapses. The Committee, there recommend that Register of Valuables must be maintained invariably by all the passport offices immediately and the Committee be apprised of the progress within a period of three months.

Reply of the Government

The recommendation of the Committee has been noted for compliance.

All the Passport Offices were advised to maintain the Register of Valuables in the prescribed format and to observe proper procedure and guidelines in the matter of receipts and expenditure *vide* Ministry's Circular No. V. IV/745/11/96, dated the 10th September, 1997 (copy enclosed for perusal).

A confirmation regarding proper maintenance of the Register of Valuables is being obtained from all the Passport Offices and the Committee shall be apprised of the position within the prescribed period.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Government of India

Ministry of External Affairs

(CPV Division)

No. V.IV/745/11/96

New Delhi, September 10, 1997

CIRCULAR

During its inspection of the Regional Passport Office, Calcutta, the Office of the Principal Director of Audit, Central, Calcutta observed that as per the provisions of the Central Government Account (Receipts and Payments) Rules, 1983, receipts in the form of local cheques or drafts need not be entered in the Cash Book, but should be entered in the Register of Valuables in form GAR-5 and remitted into accredited bank, duly supported by challans for credit to Government account. However, it was noticed from the Passport Fee Register that during the period from February '92 to December, '95, drafts worth Rs. 6.44 lakhs had neither been entered in the Register of Valuables nor credited to Government Account in bank in time and thus, had become time-barred due to their retention by RPO beyond their dates of validity, thus resulting in non-realization of passport fees, due to non-observance of codified procedures. It was included as an audit para in the report of the C&AG for the year ended 31st March, 1996 (No. 2 of 1997).

In order to avoid recurrence of such a serious lapse, all Passport Officers are advised to observe proper procedure and guidelines in the matter of receipts and expenditure. All officers in the Passport Office, dealing with financial matters may also be suitable briefed in this regard.

The receipt of this circular may please be acknowledged.

(M.P. Singh)

ALL RPO-PO's

Under Secretary (PVA)

Recommendation (Para No. 51)

The Committee note that certain positive steps have been taken to improve the effectiveness of our external publicity efforts. The Committee were also informed that the Ministry was in the process of finalising a comprehensive publicity campaign that would project a positive image of the country worldwide. The Committee were further informed that the Ministry's policy on films would increasingly focus on Foreign Policy and that all missions were being assisted in upgrading their publicity tools. The Committee are constrained to observe several lacunae in the position stated by the Ministry. The Committee find the entire reply extremely vague and non-committal without any prospects of progress in near future. The Committee are of the opinion that each one of the measures proposed by the Ministry to project India's views and concerns seem to be at a drawing board stage and needs an intensive planning within specific time-frame. The Committee are not sure whether the Ministry would be in position to fruitfully utilise the available funds since most of the publicity measures are still at planning stage.

Reply of the Government

The Ministry has completed its interaction with reputed advertising and publicity firms in India and experts to begin implementing the campaign in 1999 after selecting the best firm for the job. Audiovisual advertising spots and fillers are expected to be completed by October-November 1999 and these will subsequently be carried on appropriate networks. The campaign will be sustained for a period of 2 or 3 months and its efficacy will be quantified through empirical means. Films on Foreign Policy subjects have been commissioned and these include a documentary series called "IN DEPTH" by Vir Sanghvi as well as a documentary film on the Lahore bus initiative and its aftermath. Films on SAARC, Central Asia, ASEAN and other foreign policy and security related subjects are on the anvil. Publicity tools comprising audiovisual equipment, print material and other aids sought by missions have been provided to enhance the quality and scope of their publicity efforts.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 52)

The Committee desire that with the increased funds under the head Advertising and Publicity, both at Headquarters and Missions level, vigorous efforts should be made in a time-bound manner to ensure that our external publicity campaign is more focussed, effective and result-oriented.

Reply of the Government

Ministry is in complete accord with the committee's observations on vigorous efforts in a time bound manner both at headquarters and Mission level to ensure that our publicity campaign is focussed, effective and result oriented. This is being done in a concerted manner through all the means at our disposal, *inter-alia*—use of a e-mail; CD-rooms; internet; audiovisual and print publicity material; satellite television; advertising and lobbying activities; briefings; press conferences; press releases; interaction with opinion makers, decision takers, intellectuals, media persons, business communities, non-resident Indians and other influential circles; as well as a public relations effort. Action plans have been worked out in this regard bearing in mind the local environment and the need to tailor our effort appropriately.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 54)

The Committee note that lobbying efforts have yielded some positive results by projecting better understanding of India's well-established principles on external relations by the US Government and its people. The Committee desire that the Ministry should continue its endeavour to ensure that lobbying efforts are utilised at optimum level for sustained projection of the Indian Foreign Policy which is based on a realistic and contemporary assessment of the regional and global issues.

Reply of the Government

The Ministry of External Affairs continued in its endeavour to ensure optimum results from the efforts of our lobbying firms. To this end, our embassy in Washington has put in place mechanisms for regular monitoring and evaluating of their performance. Weekly meetings are taken by the Deputy Chief of Mission during which the activities of the firm are not only reviewed but more tasks set out in the light of developments. The firms are also required to send bi-weekly performance reports which are reviewed

by the mission and the Ministry. The efforts of the lobbying firms have contributed to creating an atmosphere that encourages better understanding of India. This was amply evident during the recent Kargil crisis when the US Government took a position that was unprecedented in its supportiveness and understanding of India. The goodwill for India within Congress was also noticeable with the defeat of two Amendments that would have been inimical to our interests. The Goodling Amendment sought to cut foreign aid to countries that consistently vote against the United States in the UNGA less than 25 per cent of the time. Though not specifically targeted against India, its passage would have been unhelpful. Its defeat by a vote of 169 to 256 were partly due to the strong opposition by Congressmen Gary Ackerman and Frank Pallone from the India Caucus.

Similarly, the Dan Burton Amendment to Foreign Ops. Appropriation Bill for the year 2000 that sought to cap foreign aid to India due to alleged human rights violations, had to be withdrawn in the face of overwhelming opposition by the pro-India lobby.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 62)

The Committee note that the Ministry is still in the process of evaluating the properties to house the India's Cultural Centre in Washington. The Committee further note that while the Cultural Centre will be run by Embassy of India, Washington, a provision has been made to receive contributions from the Indian community to finance specific programme activities of the Centre. The Committee are inclined to take a view that there should be a greater involvement of India community, particularly Indian scholars in the implementation of projects like setting up of Cultural Centres which will not only reduce expenditure to some extent but also inculcate a sense of belonging among the Indian community. The committee, therefore, counsel the Ministry to move towards an active dissemination of information on such areas of cultural diplomacy where members of the Indian community abroad could be encouraged to participate/contribute in a more active manner also by considering setting up of advisory Committees, wherever feasible.

Reply of the Government

The recommendation has been noted. The Indian Cultural Centres have been informed of the recommendation.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 71)

The Committee were informed that the proposals of providing financial assistance to various organizations/institutions are thoroughly scrutinized and that the existing system has sufficient checks and balances. The Committee nevertheless feel that in order to ensure strict compliance of the guidelines and the procedure in this regard and to avoid any possible lapse or arbitrariness, setting up of a Committee appears desirable.

Reply of the Government

A Committee has been set up comprising of Secretary (West), Joint Secretary (PP) and Director (Fin) who will examine all proposals/requests received for financial assistance to ensure strict compliance of the guidelines/procedures and to avoid any possible lapse or arbitrariness as desired by the Committee. This Committee will examine all such cases in consultation with the Head of the territorial division concerned to ensure that the Ministry derives maximum benefits and inputs from such proposed seminars, conferences, studies, etc. in terms of the subject matter(s), participants or credentials of the organizers/institutions.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 72)

The Committee further note that inputs provided by these institutions/NGOs are reviewed/monitored at random basis. The Committee are not satisfied with the existing arrangements involving routine approach in monitoring the work done by these institutions even though these are provided with substantial financial assistance. The Committee would like the Ministry to have an effective mechanism

to ensure regular and close monitoring at appropriate level. The Committee further desire that they may be apprised of various publications, research papers, etc. brought out by these institutions/NGOs.

Reply of the Government

In accordance with the a Committee's recommendation contained in para 71, a Committee has now been formed to examine all proposals/requests for financial assistance. This Committee will also closely monitor the work of the recipient institutions. As a part of this ongoing exercise, all institutions who had not submitted utilization certificates or accounts have been reminded to do so immediately. The reminder-letters in this connection were sent to all concerned in June, 1999 and we are again sending another reminder to submit relevant papers for financial assistance already received in the absence of which requests/proposals from the concerned institution would no longer be entertained as per Rule 151(1) read with GOI Decision (1) under Rule 159(A) of the General Financial Rules. As desired by the Committee, a list of publications, research papers, etc. brought out by these institutions as per information presently available in the Ministry may be seen at Appendix-V.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 73)

The Committee are aware of the financial constraints in providing assistance to large members of institutions/NGOs for promoting research/studies in the political and economic spheres and presenting Indian view point in proper perspective before the world community. The Committee would like the Ministry to examine the possibility of setting up an Indian foundation, a semi/ non-official organization on the lines of foundations established by countries like Japan and Germany, for better appreciation of Indian Policy in the political and economic spheres.

Reply of the Government

As desired by the Committee, we have contacted our Missions in Japan and Germany for details of Foundations with semi/non-official status to enable us examine the possibility of setting up a similar Foundation on similar lines in India. Information in this connection is currently being compiled and a concrete proposal will shortly be put up for examination and further processing by the concerned authorities.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 77)

The Committee have observed that in their Annual Report, the Ministry have presented an unsatisfactory account of one of their preliminary objectives i.e. pursuing India's Economic Interests since the impact of sanctions on India's Investment Plans has not been mentioned in detail anywhere. "The Committee further note that earlier technical assistance was provided by the developed nations like the United States and Overseas Economic Cooperation Fund for various on-going projects in India. However, not even a single project out of those which were approved two years back has been funded till recently. The Committee feel that India's power sector has suffered a setback due to non-cooperation from the developed nations and international institutions, a factor which could have been tackled through a well-targeted economic diplomacy. The Committee expresses concern over the fact that multilateral science and technology cooperation section has not been handled with the seriousness that it deserved in the Ministry. The Committee strongly feel that a vigorous and proactive economic diplomacy and other corrective measures on the part of the Ministry are urgently required.

Reply of the Government

The Government attaches high priority to the development of our economic and commercial relations with all countries. India has endeavoured to develop closer economic relations with various developed and developing nations bilaterally as also through various international/multilateral fora. This includes, *inter alia*, meaningful participation, in the activities of World Trade Organisation (WTO), various agencies of the United Nations, SAARC, G-15, G-77 etc. A special effort has been made to enhance India's economic engagement with countries of ASEAN under the ASEAN-India Full Dialogue Partnership. Participation in other regional fora such as Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) and Bangladesh- India- Myanmar- Sri Lanka-Thailand Economic Cooperation (BIMST-EC) also supports our international economic and commercial initiatives. India's economic

linkages with countries in Africa have been strengthened through bilateral dialogues as well as with their regional economic groupings.

India's interaction with the ASEAN has been making notable progress. The ongoing India-ASEAN projects under information technology and various other projects under S&T cooperation are concrete examples. Another thrust has been given to India's multilateral activity in Science and Technology sectors in the 'Group of 15'. At the Ninth G-15 Summit held in Jamaica in February 1999, India made a proposal for a new strategic sector approach for cooperation focusing in particular in areas of Information Technology, Telecom, Biotechnology and Infrastructure Development, which has been well received. This is in addition to the scientific programmes already being coordinated and implemented by India, viz.. Gene Banks for Medicinal and Aromatic Plants, Applications of Solar Energy, Computer Training Programme, Establishment of Entrepreneur and Technical Development Centre in Senegal and Small Scale Industries Cooperation with Senegal, Zimbabwe and Nigeria.

In addition, high-level bilateral visits, frequent exchange of business delegations and participation in fairs, exhibitions and seminars as well as Joint Commission meetings and other consultations provide new economic opportunities, which strengthen our ties with various countries.

India has been participating in all appropriate trade exhibitions and business events abroad to promote India's exports. For example, India has regularly been participating in the Trade Exhibitions held on the sidelines of G-15 Summits. Similarly, India has participated on a large scale in the IOR-ARC Trade Exhibition held in Oman in October, 1998, as also in the 'Made in India' Shows held abroad. Ministry of External Affairs extends financial support for participation of Indian companies in these events. This Ministry also encourages visits of foreign trade delegations to India. A recent such visit was by a delegation of COMESA (Common Market for Eastern and Southern Africa) to India. Similarly, this Ministry has ensured wide participation by other countries in the international exhibitions held in India, e.g., G-77 Trade Fair and Business Seminar in November, 1998, IOR-ARC Trade Fair and Trade Seminar in February 1999.

It would be relevant to point out that since India has launched its liberalisation programme and economic reforms, Indian diplomats have been in the forefront in projecting India's emerging economic status abroad. To do this, Indian Missions are constantly in touch with concerned Ministries/Departments of GOI, especially those pertaining to economic matters like Ministry of Finance, Ministry of Commerce, Ministry of Industry, etc. India's representatives abroad also actively interact with multilateral fora like ASEAN, G-15, G-77, OECD, etc. for projecting India's viewpoints in these bodies.

After the nuclear test by India, some countries imposed certain restrictive economic measures against India, most of which related to developmental assistance or concessional loans. Some of these countries have variously exempted assistance related to humanitarian, poverty alleviation, food and basic human needs from these measures. G-8 countries had decided not to oppose loans by international financial institutions which are meant to meet basic human needs. In July 1998, the US Congress passed an amendment, called the Agriculture Export Relief Act of 1998 which exempted financial assistance for purchase of food, medicines and other agricultural commodities from the purview of these measures. In November, 1998, the US Administration announced partial relaxation of the measures until October 21, 1999 relating to the programmes of three US institutions namely the EXIM Bank, Overseas Private Investment Corporation (OPIC) and the Trade Development Authority (TDA). The US Administration also restored lending by US Banks and resumed their International Military Education and Training Programme (IMET). Further on February 18, 1999, a World Bank loan for Andhra Pradesh Power Restructuring was approved with some G-8 countries voting for the proposal and others abstaining.

The Government of India is engaged in a continuous dialogue with the Governments of the countries concerned with regard to the relaxation of the restrictive economic measures.

Developing and strengthening of closer economic ties in an ongoing process, and holds a very important place in India's foreign policy objectives. The Government will continue to monitor and evaluate India's economic ties with all countries, and to explore opportunities for promoting India's trade and investment interests.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 78)

The Committee feel that with globalisation and liberalisation of economy, the servicing of our Missions by the Headquarters need to be considerably improved. This has already been pointed out by some

experts and commented upon by the media. It is learnt that as many as 36 Missions in Africa are being serviced by one Joint Secretary in the Headquarters. Similar is the case regarding Europe. The Committee would therefore, like the Ministry to undertake a review urgently to improve the situation.

Reply of the Government

Ministry constantly strives to have optimum balance between the number of officers posted abroad and at headquarters within the constraints of the total strength of the cadre and cost effectiveness. The recommendation of the Committee has been noted and is being taken up for examination. This would be linked along with the proposals for examination for a cadre review of the Indian Foreign Service.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 79)

For quite some time, various expert committees have been suggesting the need for restructuring the Foreign Service in order to develop expertise and specialisation in certain subjects and area of its concern. The Committee have not come across any evidence if this has been undertaken and would like to be informed. While doing this it is important that WTO and other international economic institutions are given more attention. It is also important to create a cadre of legal experts for this purpose. Proposals for restructuring and for cadre review of IFS are being taken up. For India, the WTO is a most important arena of economic diplomacy, since the rules set by the WTO guide and will shape all international trade. As one of the more articulate participants in the WTO, India's role in the WTO negotiations is central to safeguarding our economic interests as well as those of developing countries.

The Ministry has taken a proactive role in mustering support of other developing countries for India's stand on various issues involved in the multilateral trade. The Ministry of External Affairs, in collaboration with the Ministry of Commerce, organised a G-15 Symposium on 'Special and Differential Treatment in WTO' in December 1998. The Ministry also organised a G-15 Ministerial level meeting in Bangalore on 17-18 August in preparation for the III WTO Ministerial Meeting at Seattle.

The Ministry of External Affairs analyses various papers as well as inputs received from Indian Missions abroad regarding the positions being adopted by different countries on major WTO issues. This analysis, also made available to the Ministry of Commerce, is useful in the framing of India's strategy on WTO matters. On the question of WTO, Ministry of External Affairs is in close touch with the Ministry of Commerce and follows the issues with an integrated approach. Secretary (ER) is a member of the Special Committee on WTO matters. Action has already been taken to strengthen WTO wing at Geneva in consultation with the Ministry of Commerce. An officer at Joint Secretary level is being posted to the WTO wing, against an additional post transferred to Geneva. A Joint Secretary level officer of MEA is also to be deployed in Ministry of Commerce exclusively for WTO.

Further, a post of First Secretary (Legal) has been created in the WTO wing of PMI, Geneva, to look after WTO work and the incumbent is already in position. Efforts are also on, in consultation with MOC, to strengthen work related to WTO at headquarters.

In order to create a cadre of legal experts on WTO matters, L&T Division of the Ministry will also be involved in the legal analysis of the issues involved.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 88)

The Committee feel extremely dissatisfied over the inept handling of various ongoing projects of construction/purchase/repair and renovation of GOI properties abroad by the Ministry of External Affairs. It is felt that although the Committee have been expressing concern over the tremendous time and cost overruns under the Head Capital Outlay in their previous reports, the Ministry have resorted to repetitive and vague replies. The Committee also entirely disagree with the Ministry's reasoning on the deferring of certain projects in Gulf countries e.g. Doha and Abu Dhabi and feel that various factors cited therefore could well have been taken care of without much difficulty. While taking a serious view of the dismal performance of existing decision-making mechanism of the Government for acquiring land/properties abroad, the Committee urge the Ministry to mobilise the requisite resources within the shortest possible time and clinch the best options available before them, without further loss of time. The Committee also recommend that the Ministry must take urgent measures to streamline the procedures

laid down for selection, acquisition, repair and maintenance of GOI properties abroad, so that the projects are completed without any time and cost overruns.

Reply of the Government

The Ministry has noted the recommendations of the Hon'ble Committee for streamlining the procedures laid down for selection, acquisition, repair and maintenance of GOI properties abroad for completion of the projects without any time and cost overruns.

In order to avoid time and cost overruns fixed lump sum contracts are being awarded wherever possible. Also penalty/liquidity damages clause is inserted to provide protection against any delay. The Ministry is constantly endeavouring to fine tune its procedures and guidelines in the best interest of the Government of India. The construction for the Abu Dhabi project was started on 30th March '98 and is scheduled to be completed by October '99. The project is expected to be well within the cost stipulated by the Committee on Non-Plan Expenditure. For the construction project in Doha the Committee on Non-Plan Expenditure is being approached for according necessary financial approval for the project.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

CHAPTER III

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

Recommendation (Para No. 32)

The Committee note that the Budget allocation of Embassies and Missions in the current financial year is of the order of Rs. 617.23 crores for 158 Missions/Posts. The Committee were also informed that the justification of retaining various Missions/Posts established abroad are reviewed continuously in the context of emerging strategic, political, economic, consular and other ground realities. On the basis of such a review, seven Missions/Posts were closed down during the last ten years and three Missions were opened including reopening of the Mission in Fiji. The Committee were also informed that the basic criteria followed by all countries in setting up the Embassies/Missions abroad is more or less the same. The Committee also note that the Ministry have so far not contemplated opening joint Missions/Posts.

Recommendation (Para No. 34)

The Committee further note that in many parts of the world, Missions/Posts are required to render only consular services and no strategic angle is involved thereby presenting an ideal situation for joint Missions/Posts. The Committee are surprised that the Ministry have never examined this point which involves not only economy in expenditure but strengthening bonds of friendship and co-operation with our neighbours. The Committee recommend that the Ministry may get in touch with some neighbouring countries to examine if opening of joint Missions/Posts in certain countries of the world are feasible. Only such countries may be considered where only consular services etc. for the persons of Indian origin are required.

Reply of the Government

(for both Paras 32 and 34)

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. The example of BENELUX mentioned relates to the issue of common visas by several countries and not to Joint Missions per se. While Joint Missions are not workable, Indian Missions have provided assistance, upon request by the respective countries, to nationals from countries such as Sri Lanka, Bangladesh etc. in countries where there are disturbances and where there is no diplomatic representation from these countries.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 53)

In regard to the 25 core Missions selected by the Ministry for purposes of external publicity, the Committee do not feel satisfied with the results achieved so far since India is yet to feel the change in the attitude of many of these countries and better appreciation of India's security compulsions, its threat perceptions and Indian point of view on global issues and internal matters which attract International attention.

Reply of the Government

There has been a palpable change in the international community's perception and understanding of India's security concerns, priorities and aspirations. The cumulative impact of India's diplomatic initiatives coupled with a forward looking information policy was felt during the situation created by

Pakistan's aggression and occupation of territories in four sub-sectors in Kargil on the Indian side of the Line of Control (LoC).

The international community had little or no hesitation in accepting the proposition that the genesis of the problem was Pakistan's armed intrusion and that this was unacceptable.

The Ministry of External Affairs led the external publicity effort of the Government of India on the Kargil conflict. India's diplomatic efforts at all levels as well as the basic contours of its policy were spelt out with clarity, consistency and candour. A focussed effort was made through daily briefings, dissemination of material, interviews and organisation of visits to the front by journalists to get the international media to understand and reflect the ground reality of Pakistan's aggression and India's defensive military action. In the course of the publicity effort of the Ministry of External Affairs, the following points were particularly highlighted and won international acceptability in policy-making circles as well as the media:

- (a) The fact that the LoC in the State of Jammu & Kashmir flows from a bilateral agreement between India and Pakistan and is therefore inviolable. The maintenance of peace and tranquility between India and Pakistan is predicated on many factors including on respecting the sanctity and inviolability of the LoC. The compelling logic of this position was accepted by all major powers including China as well as an overwhelming section of the international community.
- (b) India was well within its rights to evict the intruders from Pakistan through an application of military force. The point that India's military action was focussed and restricted to the minimum objective at hand was particularly well received outside India. It was noted that in protecting its national interests India was acting with restraint and a sense of responsibility.
- (c) The success of India's military effort was highlighted on a daily basis which had a multi-faceted effect on mobilising public opinion in India, projecting the strength of India's armed forces abroad and giving a fillip to the morale of the troops taking part in action at the front.
- (d) The disinformation campaign of Pakistan was exposed and the inconsistency in their public pronouncements and actions was underscored.

As the conflict in Kargil inexorably swung in India's favour, it was necessary to spell out the larger vision of India's approach to Pakistan. It was highlighted through the media and public statements that India was guided by a larger purpose of improving relations with Pakistan as one of its many neighbours. The Simla Agreement as well as the Lahore Declaration were landmarks in the process of engaging Pakistan with a view to bilaterally addressing all issues between the two countries and improving bilateral ties in all sectors. It was pointed out that at India's initiative, India and Pakistan were engaged in composite dialogues process that had been interrupted by the Kargil conflict. This aggression was indeed a setback to India-Pakistan relations and a breach of trust. India, as the initiator of the dialogue, was prepared to once again resume the dialogue process with Pakistan once the armed intrusion and aggression in Kargil was vacated and *status quo ante* restored and Pakistan reaffirmed the inviolability and sanctity of the LoC. Only thereafter was it possible to consider the resumption of the dialogue process. The international community supported India's perspective as well as the point that Pakistan would need to stop its support for, and abatement to, cross-border terrorism and take tangible steps to dismantle the machinery of terrorism located on its territory and Pakistan Occupied Kashmir (POK). India's publicity effort on this issue resonated positively, particularly with countries that share an abhorrence of terrorism and have been victims of it.

India's publicity effort included daily briefings, dissemination of material, preparation of supporting documents and maps, use of information technology such as websites, direct diplomatic contacts and organisation of visits by foreign journalists to India and the site of the conflict. The effect of this effort was perceptible in Pakistan's diplomatic isolation, loss of credibility and eventual military defeat.

[MEA No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 61)

The Committee note that ICCR's programme of giving scholarships to foreign students plays a very significant role in generating considerable goodwill for India. In view of the

substantial hike in tuition fee of foreign scholars by Indian universities for which Rs. 10.10 crores have been allocated to the Council under BE 1999-2000, the Committee feel that the Ministry may, in consultation with the Department of Education (Ministry

of Human Resource Development), explore the possibility of fixing the tuition fee of foreign scholars at certain level so as to avoid the frequent increase in expenditure of Cultural Centres due to regular escalation in tuition fees.

Reply of the Government

The ICCR has, on several occasions taken up the matter of fixing of tuition fee of foreign scholars with Department of Education (Ministry of Human Resource Development), UGC and the concerned universities. The ICCR, has, however, been told by the Department of Education and UGC that the universities are autonomous organisations and it is, therefore, not possible for the Department of Education or the UGC to give any directions to them in this regard. The universities, who are also represented on the statutory bodies of the ICCR have told us that they have been asked by the Government to become as self-reliant as possible, and charging the high rates of fees from foreign scholars is one of the ways for them to raise the required revenue and get over their severe resource crunch. These universities have declined to make exceptions in the case of ICCR's scholars.

[MEA Letter No. AA/Parl/125/20/99, Dated 30.9.99]

Recommendation (Para No. 63)

With regard to 8 Regional Offices of ICCR, the Committee would like to emphasise that although these offices function under a relatively small budgetary support, it would be useful for the ICCR to have an assessment of their working and activate their Regional Offices to ensure optimum utilisation of allocated funds.

Reply of the Government

The ICCR is constantly undertaking assessments of the working of the Regional Offices. However, the ICCR would like to mention here that the Regional offices of the ICCR are small offices with limited staff and budgets. Their duties are basically to assist foreign scholars in their regions studying under ICCR's scholarships and to provide protocol and logistical support to visiting guests and incoming and outgoing cultural troupes of the ICCR as and when directed by the Headquarters of the ICCR. These Regional Offices do not primarily undertake promotional activities, which come under the purview of Regional Zonal Centres maintained by the Department of Culture. The work of the Regional Offices is constantly supervised from Headquarters to ensure optimum utilisation of resources.

[MEA Letter No. AA/Parl./125/20/99, Dated 30.9.99]

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED

Recommendation (Para No. 89)

The Committee express deep concern over the current state of affairs in so far as the Singapore project and the project on Residences of Permanent Representative in New York is concerned. The Committee feel that there has been no progress whatsoever in respect of Singapore except working out of Action Plan during the last five years. Similarly, the project on hiring or requisitioning of the residence of our Permanent Representative in New York has been lingering on for years. The Committee also feel that the Ministry have furnished very unsatisfactory reply on these two points. The Committee, therefore, desire that a detailed report indicating the progress in the matter should be furnished to the Committee within three months. The Committee also recommend a special audit of all expenditure incurred in the last five years on various constructions, purchases and renovation projects, particularly those in New York and Singapore with a view to ascertaining the magnitude of time and cost overruns. The Committee would also like the Ministry to fix the responsibility for additional expenditure incurred on these projects as the very purpose of acquiring the properties for substantial rental savings is defeated.

Reply of the Government

PR's Residence, New York

The property which was recommended by the PR for his residence was a penthouse costing over US\$ 7 million which was much higher than the economic cost. Monthly condominium charges were very high hence the property was not considered economically viable. The PR thereafter opted to stay in the present rented premises.

HC's Residence, Singapore

For renovation/refurbishment of the High Commissioner's residence architects had been shortlisted and they had submitted their designs. M/s Shing Ate Lier & Co. have been selected to submit design brief after which a tenders would be floated.

[MEA Letter No. AA/Parl./125/20/99 Dated 30.9.99]

CHAPTER V

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

-Nil-

NEW DELHI;

14 March, 2000

24 Phalgun, 1921 (Saka)

KRISHNA BOSE,

Chairperson,

Standing Committee on External Affairs.