

**01**

**COMMITTEE  
ON EXTERNAL AFFAIRS  
(2019-20)**

**SEVENTEENTH LOK SABHA**

**MINISTRY OF EXTERNAL AFFAIRS**

**DEMANDS FOR GRANTS  
(2019-20)**

**FIRST REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

***DECEMBER, 2019/AGRAHAYANA, 1941 (Saka)***

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**COMMITTEE ON**  
**EXTERNAL AFFAIRS**  
**(2019-20)**

**(SEVENTEENTH LOK SABHA)**

**MINISTRY OF EXTERNAL AFFAIRS**  
**DEMANDS FOR GRANTS**  
**(2019-20)**

**Presented to Lok Sabha on 12 December, 2019**

**Laid on the Table of Rajya Sabha on 12 December, 2019**



**LOK SABHA SECRETARIAT**  
**NEW DELHI**

***DECEMBER, 2019/AGRAHAYANA, 1941 (Saka)***

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<b>CONTENTS</b>	<b>PAGE</b>
<b>COMPOSITION OF THE COMMITTEE ON EXTERNAL AFFAIRS (2019-20)</b>	(i)
<b>INTRODUCTION</b>	(ii)
<b>REPORT</b>	
<b>CHAPTER I REVIEW OF PAST PERFORMANCE</b>	1
A. Projections and allocation	2
B. Utilization of Budgetary Allocation (2018-19)	3
<b>CHAPTER II ANALYSIS OF DEMANDS FOR GRANTS</b>	14
A. Analysis of Demands for Grants	14
B. Classification of budget into 'Scheme' and 'Non Scheme'	15
C. Allocations for Revenue/Capital heads	19
<b>CHAPTER III OTHER ALLOCATIONS</b>	29
A. Embassies and Missions	29
B. Passport and Emigration	33
C. Entertainment Charges	43
<b>CHAPTER IV ASSISTANCE TO AUTONOMOUS BODIES AND INSTITUTIONS</b>	46
A. Indian Council of Cultural Relations (ICCR)	46
B. Indian Council of World Affairs (ICWA)	52
C. Research and Information System for Developing Countries (RIS)	55
<b>CHAPTER V TECHNICAL AND ECONOMIC COOPERATION WITH OTHER COUNTRIES</b>	57
A. Aid to Bangladesh	62
B. Aid to Bhutan	65
C. Aid to Maldives	68
D. Aid to Myanmar	71
E. Aid to African Countries	74
F. Aid to Sri Lanka	80
<b>CHAPTER VI SCHEMES/INITIATIVES FOR OVERSEAS INDIANS</b>	85
A. Pravasi Kaushal Vikas Yojana (PKVY)	90
B. Know India Programme (KIP)	93
<b>CHAPTER VII INTERNATIONAL COOPERATION</b>	97
A. South Asian University	97
B. Nalanda University	103
<b>CHAPTER VIII MISCELLANEOUS ISSUES</b>	108
Draft Emigration Bill	108
<b>APPENDICES</b>	
I. Minutes of the Third Sitting of the Committee held on 4.11.2019	110
II. Minutes of the Seventh Sitting of the Committee held on 10.12.2019	113

## COMPOSITION OF THE COMMITTEE ON EXTERNAL AFFAIRS (2019-20)

### 1. Shri P.P. Chaudhary, Chairperson

#### Lok Sabha

2. Shri Abhishek Banerjee
3. Shri Margani Bharat
4. Kunwar Pushpendra Singh Chandel
5. Shri Jayadev Galla
6. Shri Dileshwar Kamait
7. Smt. Preneet Kaur
8. Shri Pakauri Lal Kol
9. Smt. Meenakashi Lekhi
10. Smt. Poonam Mahajan
11. Shri P. C. Mohan
12. Shri Borlakunta Venkatesh Netha
13. Shri Ritesh Pandey
14. Dr. K. C. Patel
15. Shri Soyam Babu Rao
16. Shri Achyutananda Samanta
17. Shri Ram Swaroop Sharma
18. Shri Ravindra Shyamnarayan Shukla *alias* Ravi Kishan
19. Shri Manoj Tiwari
20. Shri Rebati Tripura
21. Shri N.K. Premachandran\*

#### Rajya Sabha

22. Shri K. J. Alphons
23. Smt. Jaya Bachchan
24. Smt. Misha Bharti
25. Shri P. Chidambaram
26. Shri Swapan Dasgupta
27. Shri Chunibhai Kanjibhai Gohel
28. Shri Sharad Pawar
29. Shri Neeraj Shekhar
30. Shri Kapil Sibal
31. Shri Abdul Wahab

#### Secretariat

- |    |                            |   |                 |
|----|----------------------------|---|-----------------|
| 1. | Shri P.C.Koul              | - | Joint Secretary |
| 2. | Dr. Ram Raj Rai            | - | Director        |
| 3. | Smt. Jyochnamayi Sinha-    |   | Director        |
| 4. | Shri Maneesh Mohan Kamble- |   | Under Secretary |

\* Shri N.K. Premachandran got nominated to the Committee on External Affairs *vide* Bulletin Part-II dated 14 November, 2019.

## INTRODUCTION

I, the Chairperson of the Committee on External Affairs having been authorized by the Committee to present the Report on their behalf, present this First Report of the Committee on External Affairs (2019-20) on Demands for Grants (2019-20) of the Ministry of External Affairs.

2. The Committee heard the views of the representatives of the Ministry of External Affairs at their Second Sitting held on 4 November, 2019.

3. The Committee wish to express their gratitude to the officers of the Ministry of External Affairs for placing before them the material and information that the Committee desired and also appearing before the Committee for placing their considered views before them in connection with the examination of Demands for Grants (2019-20).

4. The Report was considered and adopted by the Committee at their Seventh Sitting held on 10 December, 2019.

5. The Minutes of the Sitzings of the Committee held on 4 November, 2019 and 10 December, 2019 are given in Appendix-I and II to the Report.

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

**NEW DELHI**  
**10 December, 2019**  
**19 Agrahayana, 1941 (Saka)**

**P.P. CHAUDHARY**  
**Chairperson,**  
**Committee on External Affairs**

## **CHAPTER-I**

### **Review of Past Performance**

The Ministry of External Affairs (MEA) formulates and conducts India's foreign policy within the framework of our values and principles of fostering international peace and cooperation with the overall objective of meeting India's strategic aims and aspirations as well as to secure our national interests. In pursuance of its mandated objectives, the MEA headquarters in New Delhi is assisted by more than 180 Missions and Posts abroad; its Branch Secretariats and Passport Offices in India; and Autonomous Bodies funded by it. The Ministry is also supported by other Ministries and State Governments who also contribute to India's international engagement in consultation and coordination with MEA.

### **Overall Budgetary Proposals And Allocations**

1.1 During the 2018-19 Ministry of External Affairs continued its pragmatic and outcome oriented engagements, to enhance India's security, uphold its territorial integrity and promoting as well as facilitating India's economic transformation. This was done through strengthened bilateral, regional and multilateral partnerships and, by seeking to build influence in key global forums. The pace of our outreach efforts with the Indian diaspora also continued, with characteristic vigour and innovative mechanisms.

1.2 During the course of the oral evidence on 4 November, 2019 the Principal witness further clarified:

“Engaging the Diaspora and ensuring the welfare of the Overseas Indians is another significant aspect of the Ministry's functioning. In pursuance of the Committee's recommendation in the previous DFG Report, the Ministry has sought to streamline and rationalize the budgetary heads pertaining to this aspect by removing „Engagement with Indian Diaspora“ and „Welfare of Overseas Indians“ from the budget head „Other Expenditure”.

1.3 The largest allocation in the Ministry's Budget was for Technical and Economic Cooperation (TEC) with foreign countries through assistance as grants and loans. In FY 2018-19, of the total budget of Rs. 15011 Crores, the TEC outlay was 41.53% or Rs 6235.05 Crores of which Rs. 5398.55 Crores (35.96%) was for grant programmes and Rs. 836.50 Crores (5.57%) was for loans.

Sector		Allocation (in Rs. Crores)
Technical and Economic Cooperation (TEC) with foreign countries	Grants	5398.55
	Loans	836.50
	<b>Total TEC</b>	<b>6235.05</b>
Indian Missions and Posts abroad		2701.00
Special Diplomatic Expenditure		2400.01
Passport and Emigration		1058.75
Contributions to International Organizations		912.10
Capital Outlay on Public Works and Housing		550.00
MEA Secretariat		440.64
Grants-in-Aid to Institutions		288.27
Others		425.18
<b>Total BE for FY 2018-19</b>		<b>15011.00</b>

(AR 2018-19 P.376)

## A. PROJECTIONS AND BUDGET ALLOCATION

1.4 The total budgetary allocation sought by MEA from Ministry of Finance at BE and RE stages; the total budgetary allocation made by Ministry of Finance at the BE and RE stages, and the total actual expenditure, for the last three financial years, is as follows:

(Rs. in Crores)

FY	BE Demand	BE Allocation	RE Demand	RE Allocation	Actuals
2016-17	22966.89	14662.66	17317.29	13426.00	12772.62
2017-18	23830.95	14798.55	17693.78	13690.00	13749.73
2018-19	20873.40	15011.00	19762.73	15582.00	15527.70

From the above Table, it is clearly seen that there has been a gap between the projections and allocations at BE and RE since the year 2016-17 to 2018-19.

1.5 During the course of the oral evidence on 4 November, 2019 the Foreign Secretary deposited before the Committee:

“In the five financial years between the year 2014-15 and 2018-19, the total Budget of the Ministry of External Affairs showed a modest increase from Rs. 14,730 crore to Rs. 15,582 crore. The spread and scale of activities that the Ministry undertakes, requires additional funds to ensure that the Ministry fulfils its international commitments. The Finance Ministry in the current Financial Year has granted an overall budget allocation of Rs.17,825 crore to the Ministry of External Affairs which is somewhat short of the projected expenditure, but is still an important increase of 20 per cent vis-à-vis RE 2018-19 of Rs. 15582.00; and will substantially enable the Ministry to fulfill many of its obligations”.



1.6 When asked, whether the issue of reduced allocation of funds as compared to the requirements of funds over the years has been vigorously taken up with the Ministry of Finance at the various levels and effect of such efforts, the Ministry in its written reply stated that the issue of provision of adequate allocation of funds has been taken up with the Ministry of Finance at various levels. Ministry's concerted efforts and engagement with the Ministry of Finance at the level of Minister, Secretary and Financial Advisor, apart from regular interaction at other levels has resulted in increase in Ministry's BE 2019-20 allocation from Rs. 16,061.78 crore in Interim Budget to Rs. 17,884.78 crore in the Regular 2019-20 Budget. The response of the Ministry of Finance has been positive and constructive, as also indicated by the higher allocation for MEA in BE 2019-20. The Ministry will continue to engage with the MoF in this regard.

## **B. UTILIZATION OF BUDGETARY ALLOCATION (2018-19)**

1.7 The allocations at BE, RE actual expenditure and shortfall/excess in utilization of RE during the past five years and BE 2019-20 is reproduced in the Table below:

*(Rs. in crore)*

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual Expenditure</b>	<b>Difference between BE and RE</b>
<b>2014-15</b>	14730.39	12620.00	12148.82	-2110.39
<b>2015-16</b>	14966.83	14966.83	14540.63	NIL
<b>2016-17</b>	14662.66	13426.00	12772.62	-1236.66
<b>2017-18</b>	14798.55	13690.00	13749.73	-1108.55
<b>2018-19</b>	15011.00	15582.00	15527.70	+571
<b>2019-20</b>	17884.78			

1.8 From the above Table it is discerned that MEA's budget allocation at Budget Estimates (BE) 2018-19 stage was Rs.15011 crore. The allocation at Revised Estimates (RE) 2018-19 stage is Rs. 15582 crore. While looking at the spending pattern i.e. actual expenditure it is seen that from 2014-15 to 2016-17, the Ministry was spending less as compared to the allocations given at RE stage. Only during the year 2017-18, the Ministry could spend more than the allocations given at RE stage. In comparison to the allocations given at BE stage, there was reduction of allocations at RE stage from 2014-15 to 2017-18. Only during year 2018-19 the allocations at BE i.e Rs. 15011 crore has been increased to Rs. 15582 crore at RE stage. The increase is Rs. 571 crore.

1.9 The details of budgetary allocations and actual expenditure incurred on various Schemes of the Ministry of External Affairs during the last three years and the current year is placed below:

	<b>2016-17</b>		<b>2017-18</b>		<b>2018-19</b>		<b>2019-20</b>	
	<i>(Rs. In crore)</i>		<i>(Rs. In crore)</i>		<i>(Rs. In crore)</i>		<i>(Rs. In crore)</i>	
<b>Name of Scheme</b>	<b>Revised Estimate</b>	<b>Actuals</b>	<b>Revised Estimate</b>	<b>Actuals</b>	<b>Revised Estimate</b>	<b>Actuals</b>	<b>Budget Estimate</b>	<b>Actuals*</b>
Aid to Nepal	320.00	332.72	375.00	376.61	750.00	763.39	1050.00	878.11
Aid to Bhutan (Other Projects)	1200.00	1198.74	1240.00	1250.82	1757.00	1728.44	1519.79	971.69
Punatsangchuu-I	893.70	695.50	260.00	260.00	100.00	251.00	350.00	243.11
Mangdechhu	334.10	334.10	568.24	568.24	379.00	228.00	136.00	60.00
Punatsangchhu-II	1402.10	1175.92	465.00	465.00	250.00	250.00	650.00	650.00
Kholongchhu	38.00	37.20	46.50	46.08	24.00	23.05	90.00	19.24
Aid to Bangladesh	75.00	82.59	65.00	78.02	120.00	131.81	175.00	49.39
Aid to Sri Lanka	155.00	99.16	75.00	77.89	165.00	168.78	250.00	142.88
Aid to Maldives	80.00	80.00	125.00	109.24	440.00	439.40	576.00	263.24
Aid to Myanmar	120.00	123.62	225.00	223.55	370.00	376.22	400.00	61.04
Aid to Other Developing Countries	110.00	113.77	100.00	122.32	125.00	124.99	150.00	78.51
Aid for Disaster Relief	25.00	23.30	15.00	15.55	20.00	19.12	20.00	10.57
Aid to African Countries	290.00	286.39	165.00	172.72	330.00	339.98	450.00	337.12
Aid to Eurasian Countries	10.00	10.73	30.00	37.02	25.00	29.52	45.00	20.88
Aid to Latin American Countries	10.00	8.77	20.00	19.95	10.00	10.02	15.00	2.84
Aid to Afghanistan	315.00	263.02	350.00	365.96	470.00	469.98	400.00	310.77
Aid to Mongolia	2.00	1.94	2.50	0.42	2.00	0.62	5.00	0.00

Chahbahar Port	100.00	100.00	0.10	0.00	0.00	0.00	45.00	0.00
Aid to Mauritius	410.00	409.97	335.00	350.39	660.00	659.81	1100.00	905.74
Aid to Seychelles	50.00	49.98	200.00	223.16	100.00	99.80	100.00	9.89
ITEC Programme	244.60	250.38	249.60	229.05	220.00	200.57	220.00	125.27
SAARC Programme	7.00	5.94	7.50	3.55	5.00	4.94	8.00	1.22
MER Programme	12.00	12.19	45.00	44.31	20.00	11.12	20.00	16.85
Investment Promotion and Publicity Programme	77.00	75.56	75.00	74.90	90.00	90.10	300.00	175.89
Energy Security	0.30	0.02	0.05	0.01	0.00	0.00	0.00	0.00
Indo-Pacific Co-operation	20.00	10.29	35.00	34.70	34.00	36.84	45.00	10.87
<b>Total</b>	<b>6300.80</b>	<b>5781.80</b>	<b>5074.49</b>	<b>5149.46</b>	<b>6466.00</b>	<b>6457.50</b>	<b>8119.79</b>	<b>5345.12</b>

\* Upto 31 October, 2019.

1.10 Pertaining to the rationale and methodology being applied for expenditure of allocated funds on schemes, programmes and projects, the Ministry submitted that it undertakes a detailed and careful assessment of requirements for the various heads in the MEA budget, in consultation with concerned Divisions and Spending Units, as per funds utilization status and implementation progress of projects, schemes and programmes, to suitably allocate funds within the budgetary ceilings conveyed by Ministry of Finance, to ensure that ongoing projects, schemes, programmes and commitments have requisite funds.

From the above Table it is observed that despite close monitoring and review meetings, there is under spending during the fiscal 2018-19 in the heads of Aid given to Bhutan, Mangedchhu, Kholongechhu, Maldives, other MER countries and Mangolia, ITEC Programme and SAARC.

1.11 While clarifying about the underspending during the period 2014-15 to 2017-18 the Foreign Secretary during the course of oral evidence on 4 November, 2019 submitted:

“On this count, I would aver that in the last six years, we have actually spent between 97 per cent and 100 per cent of our Budget. There is obviously a gap between the Budget

Estimate and the Revised Estimate. As I explained, on certain aid and construction projects, we have to take corrective action mid-stream since the Budget projection is given actually 12 months before we actually spend the money. Between the Budget Estimates and the Revised Estimates stages, there is a corrective action which we take and that results in some fluctuation. But the statistics will show that 97 per cent is the least that we have spent in the Revised Estimate's Budget in any of the last six financial years. Last year, we actually spent almost 100 per cent of the Budget. To that extent, there is a considerable focus both from the Minister's side and from the internal Finance Department to ensure that that is done. There are quarterly reviews which either I or my colleague, the Financial Adviser, holds where all divisions are called and asked to explain why they have not spent money. The External Affairs Minister takes review meetings of projects. Last week, it was Sri Lanka; tomorrow, when he returns from Bangkok, it is a review of all projects of Nepal. There also, he gives certain directions. Then of course, we have to sit and work out with the Ministry of Finance. So, there we have a rigorous monitoring system which allows us to ensure that the money we ask does not lapse and does not return to the Government because we cannot spend it on 31<sup>st</sup> of March in any particular year".

1.12 Quarterly allocation and utilization in the last three FYs is given below (*figures in Rs. crore*):

**FY 2016-17**

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total (BE)</b>
<b>Allocation</b>	3562.95	3562.95	3602.13	3934.60	14662.66
<b>Utilization</b>	2882.85	3345.67	2721.51	3822.59	12772.62

**FY 2017-18**

<b>2017-18</b>	<b>1<sup>st</sup> Quarter</b>	<b>2<sup>nd</sup> Quarter</b>	<b>3<sup>rd</sup> Quarter</b>	<b>4<sup>th</sup> Quarter</b>	<b>Total (BE)</b>
<b>Allocation</b>	3305.01	3305.01	3305.01	4883.52	14798.55
<b>Utilization</b>	3897.14	2734.53	2227.65	4890.41	13749.73

**FY 2018-19**

<b>2018-19</b>	<b>1<sup>st</sup> Quarter</b>	<b>2<sup>nd</sup> Quarter</b>	<b>3<sup>rd</sup> Quarter</b>	<b>4<sup>th</sup> Quarter</b>	<b>Total (BE)</b>
<b>Allocation</b>	3352.45	3352.45	3352.45	4953.65	15011.00
<b>Utilization</b>	4860.58	3493.12	3008.05	4164.57	15527.70

1.13 As regards steps taken/being taken by the Ministry for balanced expenditure during each quarter of the financial year, year wise and the outcome thereof, the Ministry in its written reply

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

1.14 it is observed that in the budgetary information furnished to the Committee, the Ministry had provided variable figures for quarterly allocation and utilization for the Financial Year 2016-17, 2017-18 and 2018-19. After this error was brought to the notice of the Ministry, it rectified the error and reconciled figures were furnished to the Committee at the report drafting stage i.e. on 5 December, 2019.

1.15 When asked to furnish the economy measures followed in budget utilization over these years and the mechanism to ensure optimal utilization of budgetary resources during each quarter of the year and about its review from time to time, the Ministry in its written reply submitted that all instructions contained in various Circulars of Ministry of Finance towards economy measures, rationalization of expenditure, etc., are scrupulously followed by the Ministry. The number of personnel sent on visits to foreign countries is limited to the bare essential. Creation of posts is avoided, and where functionally necessary, is done with the approval of Ministry of Finance. All expenditure is closely monitored and fund releases are made in line with physical and financial progress of projects to ensure that there is no parking of funds with implementing agencies. To ensure optimal utilization of budgetary resources during each quarter of the financial year, expenditure is closely and regularly monitored by the Financial Advisor in consultation with Divisional Heads, including through quarterly expenditure review meetings. During the quarterly expenditure review meetings, the expenditure plans of the Ministry's various Divisions and Spending Units are discussed and the importance of ensuring balanced expenditure during each quarter of the financial year is emphasized. Divisions/Spending Units accordingly make all efforts to ensure evenly paced expenditure, within the constraints of a majority of the spending being in foreign countries where diverse local conditions and varying

project development and implementation schedules pose a challenge for alignment of expenditure to the Ministry own budget cycle.

1.16 It is also observed that on the one side the Ministry has always got inadequate allocation in BE including BE 2018-19. However, they did not put any demand of fund in first and third supplementary stages in 2018-19. In this regard, when asked to justify such approach of MEA by not asking any fund at first and third supplementary stage during 2018-19, the Ministry has submitted that during the first supplementary in 2018-19, no demand for additional funds was made in keeping with Ministry of Finance's Budget Circular. However, the Ministry sought the Technical Supplementary of Rs. 250 crore for transfer of funds from the Capital section to the Revenue section, for increase of funds under Aid to Afghanistan and Aid to Mauritius and a Token Supplementary of Rs. 71 cr in the Capital Section for ATS project and Rs. 87 crore for Mangdechhu HEP under Aid to Bhutan in the Revenue Section was sought.

1.17 Elaborating further the Ministry stated that the second supplementary in 2018-19, a Cash Supplementary of Rs. 571 crore (191 cr for Maintenance cost of aircraft of Air India and 125 crore for Aid to Maldives) and a Token supplementary of Rs. 441 cr for SDE, Mauritius and Nepal was sought. As far as the third supplementary is concerned, the Ministry of Finance usually conveys the same during the end of the Financial Year and therefore, seeking appropriate approvals and utilization of the additional funds during the short period in hand becomes a challenge.

1.18 On the issue of asking for supplementary grants during 2019-20 the Ministry sated that the first supplementary in 2019-20, no demand for additional funds is being made in keeping with Ministry of Finance's Budget Circular which clearly specified that "Since, full budget is available with Ministries/Departments w.e.f. April 2019 onwards, cash supplementary should not be proposed in this batch. Such requests shall be summarily rejected". However, the Ministry is seeking the following supplementary: Token Supplementary of Rs. 181.55 cr for transfer of funds from Capital Section to other heads in the Capital Section – Rs. 45 lakhs to Loans to Govt. of Maldives, Rs. 44.63 crore to Mangdechhu HEP, Rs. 106.19 crore to Punatsangchhu II, Rs. 30.28 crore to Other Projects (ATS). Token Supplementary of Rs. 5.02 crore for transfer from

Revenue Section ICCR Grant-in-aid (General) to Revenue Section under ICCR Grant-in-aid (Salaries)”.

1.19 During the course of oral evidence on 4 November, 2019 on being enquired about the reasons for no demand of funds during 1<sup>st</sup> Supplementary, the Secretary of Ministry of External Affairs replied:

“In the first supplementary, we normally do not raise it because the Budget has just been approved and we want to make sure that we are spending the funds....”

Clarifying further the Principal witness explained:

“...the Budget demand as I explained was made in September last year. We have had to review certain projects. For instance, in the project in Myanmar, because of the Rohingya problem, the expenditure has come to Rs. 0. These are problems where our Budget projection in the September of the previous year would have to be adjusted in the Revised Estimate stage 12 months down the road to factor in what our actual expenditure capability is. Wherever we need to have an additionality, we seek a supplementary. We are waiting to see what Revised Estimate the Ministry of Finance gives this time. We have projected a higher amount. If they do not give that to us, we would seek a supplementary”.

**1.20 While observing the pattern of demand, allocation and expenditure in the Ministry of External Affairs from the year 2014-15 to 2017-18, the Committee have noted that there has been a continuous mismatch between budgetary demand by MEA and actual allocation by MoF, reduction in allocation at RE stage and lesser actual expenditure in comparison to the allocations given at RE stage as well as uneven quarterly expenditure. The Committee in their various Reports on Demands for Grants and Action Taken Reports have been emphasizing upon the Ministry for working out a formal budgetary mechanism with regular monitoring and evaluation of each Unit at the highest level, and constantly engaging with the Ministry of Finance at all possible levels to convince them about the need**

**for providing substantial budgetary allocations to match with the broad frame work of Foreign Policy goals and to secure our national interest abroad.**

**The Committee further observe that the Ministry has been taking up the issue of the gap between the projected amount and the actual allocation with the Ministry of Finance at all levels. This has shown the results and the gap has gradually reduced with a modest increase in the period under consideration. The Committee, however, feel that the spread and scale of MEA activities still requires additional funds to ensure that the Ministry fulfils its international commitments. The Committee, therefore, desire that the Ministry should project the actual requirement of funds and strongly impress upon the Ministry of Finance to enhance the budgetary allocation in future by closely monitoring the expenditure pattern and fund releases in line with physical and financial progress of projects.**

**(Recommendation No. 1)**

**1.21 The Committee observe that due to continuous persuasion by the Committee and with regular quarterly reviews of the projects, the Ministry has been successful in striking a balance in the spending during each quarter of 2018-19. Through close monitoring of expenditure and fund release in line with physical and financial progress of projects, the Ministry could spend more than the allocations made in the 1<sup>st</sup> and 2<sup>nd</sup> quarter and in the 3<sup>rd</sup> quarter against the allocation of Rs. 3352.45 crore the expenditure was Rs. 3008.05**



crore. In the 4<sup>th</sup> quarter against the allocation of Rs. 4953.65 crore the expenditure was Rs. 4164.57 crore which is about 27% of the total allocations and thus within 33% of allocations as per the instructions of the Ministry of Finance. While on this aspect, the Committee would also like to point out a serious shortcoming in the outlay information that has been furnished to the Committee. Varying figures were provided in writing to the Committee by MEA in regards to BE 2016-17, 2017-18 and 2018-19 in replies to their queries. It was only at the Report drafting stage when these disparities were pointed out to the Ministry that reconciled figures were furnished only/as late as on 5 December, 2019. While disapproving this casual approach of the Ministry in financial matters, the Committee desire that extreme caution should be exercised by the Ministry while submitting information to the Committee.

In the last quarter of the year, within the constraints of majority of the spending being in foreign countries which are conditioned by the local regulations, the Ministry could spend the allocations allocated to it in all the quarters of the Financial year. The Committee appreciate the optimal utilization of budgetary resources and are hopeful that the good work will continue during 2019-20 and ahead and that the monitoring mechanism will be further strengthened. Further, the Committee desire that the Ministry should anticipate the country/region-specific challenges they face abroad while implementing various projects and take appropriate steps in a timely manner to overcome them. The Committee may be apprised of the steps taken on these lines and the impact thereof.

**(Recommendation No. 2)**

**1.22 The Committee observe that on one side the Ministry has always got inadequate allocation in Budget Estimates including BE 2018-19, and on the other side they did not put forth any demand of funds in the First and Third supplementary Demands for Grants in 2018-19. The Committee are not convinced with the fact that no supplementary demand was made in the first supplementary demands in keeping with the Budget circular of Ministry of Finance, and in the third supplementary due to it being the end of the year, besides being unable to face the challenge of spending the fund during the short period in hand. The Committee desire that the Ministry should continuously pursue the genuine fund requirements in each supplementary Demand if those are not allocated at BE stage and stress upon the Ministry of Finance to provide the same, it being necessary to fulfill the commitments relating to the projects in friendly countries, the Circular of Ministry of Finance notwithstanding.**

**(Recommendation No. 3)**

**1.23 The Committee note that pertaining to the rationale and methodology of ceiling being laid down for expenditure of allocated funds on schemes, programmes and projects, the Ministry submitted that it undertakes a detailed and careful assessment of requirements for the various heads in the MEA budget. This is done in consultation with**

concerned Divisions and Spending Units as per funds utilization status and implementation progress of projects, schemes and programmes to suitably allocate funds within the budgetary ceilings conveyed by Ministry of Finance to ensure that Ministry's ongoing projects, schemes, programmes and commitments have requisite funds. The Committee, however, observe that despite close monitoring and review meetings, there was under-spending in several important heads like Aid given to Bhutan, Mangedchhu, Kholongechhu, Maldives, Mangolia, ITEC Programme and MER. The Committee feel that there is a need for the Ministry to develop a focused and well defined budgetary planning process so as to ensure feasible targets for the projects. Therefore, the Committee strongly recommend that the Ministry take stringent steps to address this issue without any further delay so that under utilization of funds does not continue in the financial year of 2019-20. The Committee would like to be apprised of the Ministry's efforts and endeavours in this regard and the outcome achieved therefrom.

**(Recommendation No. 4)**

## **CHAPTER-II**

### **ANALYSIS OF DEMANDS FOR GRANTS 2019-20**

#### **A. ANALYSIS OF DEMANDS FOR GRANTS 2019-20**

Under the Constitution of India [Article 113 (2)], estimates of expenditure are submitted to Lok Sabha in the form of Demands for Grants. Generally, one Demand for Grant is presented in respect of each Ministry or Department. The Demands for Grants of the Ministry of External Affairs (Demand No. 26) was presented on 17 July, 2019.

2.1 As per the submissions made by the Ministry of External Affairs the percentage of MEA's budget allocation, as a percentage of the overall GoI budget, is given below:

*(Rs. in Crore)*

	<b>BE 2018-19</b>	<b>RE 2018-19</b>	<b>BE 2019-20</b>
<b>MEA</b>	15011.00	15582.00	17884.78
<b>GOI</b>	2442213.00	2457235.00	2786349.00
<b>% OF GOI</b>	0.61	0.63	0.64

2.2 During the course of oral evidence on 4 November, 2019 the Foreign Secretary informed the Committee:

“The budgetary allocation of the Ministry of External Affairs has been pegged at Rs. 17,884.78 crore during BE 2019-20, which is 19.4% more than BE 2018-19 allocation and 14.78% more than RE 2018-19. As per the Ministry's submission the budgetary allocation has been enhanced in tandem with India's expanding global footprint and outreach. Notwithstanding this fact, the percentage of budgetary allocation to Ministry of External Affairs remains 0.64% of the overall budgetary allocation of the Government of India”.

2.3 On being asked to state the reasons for such a small increase in MEA budget in percentage terms and how the Ministry will be able to fulfil its mandate with this marginal increase in the current budgetary allocations, the Ministry in its written reply has stated that the Ministry of Finance has not specified any reason regarding small percentage increase in Ministry's allocation while conveying budget figures for FY 2019-20. Ministry is cognizant of

its budget allocation as a percentage of the overall budget of the Government of India. The same has been taken up at various levels with the Ministry of Finance.

Within the overall budgetary ceiling provided by the Ministry of Finance, allocation is made to various heads based on Ministry's priorities and realistic requirement of funds during the budgetary period.

Further, Ministry has been making constant endeavours to project its requirement of funds in a given year based on realistic and need-based estimation of schemes and projects so that our demand for funds is earnestly considered by the Ministry of Finance. These efforts have borne fruit and the gap between demand and allocation of budget has decreased over the years. For instance, in the past 3 years, difference between MEA's BE demand and allocation has reduced from 36.16% to 28.09%."

2.4 On being asked to enumerate in detail the activities for which an enhanced allocation has been made for this year the Ministry in a written reply stated that the enhanced allocation (vis-a-vis BE 2018-19) have been made for: Secretariat Establishment, Press & Media Relations, Hostels & Residential complexes, Training, Protector General of Emigrants, Embassies and Missions, SDE, Entertainment Charges, Other International Organisations, United Nations Organisations, Central Passport Organisation, Nalanda University, Mansarover Pilgrimage, Aid to Bhutan, Aid to Nepal, Aid to Sri Lanka, Aid to Maldives, Aid to Myanmar, Aid to Other Developing Countries, Aid to African Countries, Investment Promotion and Publicity Programme, Aid to Eurasian Countries, Aid to Afghanistan, Aid to Mauritius, Loans to Govt. of Maldives.

2.5 During the course of oral evidence the Foreign Secretary further elaborated on this issue as:

"I am pleased to report to the Committee that in the current financial year, in response to our request, the Finance Ministry has granted an overall budget allocation of Rs.17,825 crore. While this is still somewhat short of our projected expenditure, it is still an important increase of 20 per cent; and will substantially enable this Ministry to fulfil many of its obligations".

**(B) CLASSIFICATION OF BUDGET INTO SCHEME & NON-SCHEME:**

2.6 The following table indicates budgetary allocation as per Scheme/Non-Scheme Sections during 2018-19 and 2019-20.

*(In Rs. Crore)*

Section	BE 2018-19	RE 2018-19	BE 2019-20
Scheme	5985.05	6466.00	8175.79

Non-Scheme	9025.95	9116.00	9708.99
<b>Total</b>	<b>15011.00</b>	<b>15582.00</b>	<b>17884.78</b>

2.7 During the course of oral evidence on 4 November, 2019 the Foreign Secretary deposed before the Committee as:

“The Committee had commented on the imbalance between the expenditures on the scheme and non-scheme sides in their Fifteenth Report(16<sup>th</sup>Lok Sabha). In the last financial year, the ratio of scheme to non-scheme was 40:60. This year, the Ministry has made efforts to somewhat correct this imbalance in distribution terms about Rs.8,100 crores or 46 per cent of the Budget is on the scheme side and about Rs. 9,700 crores or 54 per cent is on the non-scheme side”.

2.8 An amount of Rs. 8175.79 crore and Rs. 9708.99 crore has been earmarked for Scheme and Non-Scheme sections respectively. When asked to furnish the rationale for an increased allocation at BE 2019-20 Stage *vis-à-vis* BE 2018-19 under Scheme head from Rs. 6466.00 crore to Rs. 8175.79 crore, the Ministry in its written reply has submitted that the Ministry undertakes a detailed and careful assessment of funds requirements for the various heads in the MEA budget, in consultation with concerned Divisions and Spending Units, as per funds utilization status and implementation progress of projects, schemes and programmes, to suitably allocate funds within the RE 2018-19 and BE 2019-20 ceilings conveyed by Ministry of Finance, to ensure that Ministry’s ongoing projects, schemes, programmes and commitments have requisite funds. The Scheme section of the MEA budget comprises Grants and Loans to foreign countries, where it is to be ensured that expenditure is in line with physical progress of projects to ensure that there is no parking of funds with concerned implementing agencies. Identified savings in areas where there is slow spending are therefore suitably re-appropriated at the RE stage and provided to heads which require more funds, to ensure that all of Government’s projects and commitments, international and domestic, are provided with requisite funds. The increased allocation under the Scheme Head for BE 2019-20 *vis-à-vis* BE 2018-19, was mainly on account of required expenditure in respect of MEA’s assistance projects under Aid to Bhutan, Aid to Nepal, Aid to Sri Lanka, Aid to Maldives, Aid to Myanmar, Aid to Other Developing countries, Aid to African Countries, Investment Promotion and Publicity Programme, Aid to Eurasian Countries, Aid to Afghanistan and Loans to Govt. of Maldives, to ensure that India’s projects abroad and other international commitments were not adversely affected due to lack of funds.

2.9 On being enquired about the details of allocations for each purpose under the heads of Scheme and Non-Scheme matching the total (Rs. 8175.79 crore and Rs 9708.99 crore) for the year 2019-20. Details of allocation for Scheme and Non-Schemes Sections in BE 2019-20 were furnished as follows:

*(Rs. in Crores)*

<b>Schemes</b>	<b>BE 2019-20</b>
Bhutan	
Grants	2135.79
Loans	666.00
Afghanistan	400.00
Aid to Bangladesh	175.00
Aid to Nepal	1050.00
Aid to Sri Lanka	250.00
Aid to Maldives	
Grants	400.00
Loans	176.00
Myanmar	400.00
Aid to Mongolia	5.00
Aid to African Countries	450.00
Eurasian Countries	45.00
Aid to Latin American Countries	15.00
Aid to Other Developing Countries	150.00
Aid for Disaster Relief	20.00
Chahbahar Port	45.00
Aid to Mauritius	1100.00
Aid to Seychelles	100.00
ITEC-Programme	220.00
SAARC Programme	8.00
Multilateral Economic Relation (MER) Programme	20.00

Indo-Pacific Co-operation (ASEAN Multilateral)	45.00
Investment Promotion and Publicity Programme	300.00
<b>Total Schemes</b>	<b>8175.79</b>

<b>Non-Scheme</b>	<b>BE 2019-20</b>
Secretariat-General Services	459.94
Embassies & Missions	2748.06
Passport & Emigration	1620.95
International Conferences/ Meetings	0.50
Entertainment Charges	367.75
Other Scheme	8.51
Public Works	381.55
Housing	150.00
Special Diplomatic Expenditure	2663.01
International Cooperation	986.19
Nalanda University	220.00
South Asian University	317.50
Demarcation of Boundaries	3.00
Expenditure relating to Pilgrimages abroad	13.00
Loss by exchange	0.01
Other Institutions	3.72
Training	25.30
Indian Council of Cultural Relations	250.00
Indian Council of World Affairs	15.00
Research and Information System for Developing Countries	12.00
India Centre for Migration	0.50
<b>Total Non-Scheme</b>	<b>9708.99</b>
<b>GRAND TOTAL</b>	<b>17884.78</b>



2.10 During the course of oral evidence, the Foreign Secretary further elaborated on this topic:

“In the past, this Committee commented on the imbalance between the expenditures on the scheme and non-scheme sides. In the last financial year, the ratio of scheme to non-scheme was 40:60. This year, we have made efforts to somewhat correct this imbalance in distribution terms about Rs.8,100 crores or 46 per cent of the Budget is on the scheme side and about Rs. 9,700 crores or 54 per cent is on the non-scheme side. I wish to assure the Committee that the greater allocation to the non-scheme side is not caused by any slowdown on the scheme side but it is also due to increased spending on the non-scheme side in several important areas. These include the Passport Sewa Project providing citizen-centric services, the financial strengthening of our missions abroad and the opening of 18 new missions, the Nalanda and South Asian Universities, programmes for overseas Indians and capital expenditure on construction and acquisition of diplomatic properties”.

2.11 On the issue monitoring mechanism followed for keeping a check on expenditure under the aegis of the new categorization of expenditure under „Scheme“ and „Non-Scheme“ Heads the Ministry in written note informed that all expenditure is closely monitored and fund releases are made in line with implementation progress of projects, programmes and schemes, including through quarterly expenditure review meetings. However, due to reasons mentioned in the reply to Point 9(i) before, there has been more intensive monitoring and review of the technical aid and development assistance projects in the past three years, including at the level of the External Affairs Minister and Foreign Secretary. These reviews have identified the way forward for many stalled projects. Further, due to the regular review and monitoring of MEA’s scheme section at high levels, several new initiatives and projects have been identified in consultation with the concerned beneficiary host governments in the past two years, which would be getting finalized and operationalized in FY 2019-20.

### 2.12 III. REVENUE AND CAPITAL HEADS

**Allocations for Revenue/Capital heads are given here under:**

*(Rs. In Crore)*

Section	BE 2018-19	RE 2018-19	BE 2019-20
Revenue	13374.50	14636.50	16511.23
Capital	1636.50	945.50	1373.55
<b>Total</b>	<b>15011.00</b>	<b>15582.00</b>	<b>17884.78</b>

In comparison to BE 2018-19, an increase in allocation at RE 2018-19 and increase in allocation at BE stage for 2019-20 can be discerned under the Revenue Section. In this regard and justifying the increase in allocation, the Ministry informed that the Increased allocation is mainly in Secretariat Establishment, Training, SDE, Passport & Emigration, Other International Organisations, United Nations Organisations, Special Activities of Missions, Other Schemes, celebration of Pravasi Bharatiya Divas, MEA Hostel & Residential complex, Maintenance cost of Aircrafts of Air India for VVIP travels, Aid to Other Developing Countries, Investment Promotion and Publicity Programme etc. In the ongoing year of Increased allocation is mainly in Secretariat Establishment, Press & Media Relations, Hostels & Residential complexes, Training, Protector General of Emigrants, Embassies and Missions, SDE, Entertainment Charges etc.

2.13 The Committee wanted to know the reasons for the reductions made at RE 2018-19 *vis-à-vis* BE 2018-19 under Capital Head from Rs. 1636.50 crore to Rs. 945.50 crore and the schemes/projects/activities that got affected due to such reduced allocation. The Ministry in a written note submitted that capital Outlay on Public Works, Housing and Loans to Government of Bhutan were affected due to reduced allocations. BE 2018-19 allocation was kept at a higher level due to the minimum capital allocation specified by Ministry of Finance. Reduction at RE and BE 2019-20 was on account of realistic assessment of project implementation cycles and physical progress of ongoing projects. Ongoing projects are as follows:

Head	BE 2018-19	RE 2018-19	Remarks
Capital Outlay on Public Works	600.00	300.00	The primary reason was non-suitability of the property proposed to be acquired for use as Chancery in Stockholm. The estimated cost of acquisition was Rs. 210 Crore. The acquisition in Mexico City also could not be concluded due to restrictions in local regulations. In addition, due to geo-political situations in Pakistan and Sudan, the expenditure for the residence construction project at Islamabad and Chancery-cum-residence construction project in Khartoum was below desired level. Due to financial stress, the main contractor in the Chancery-cum-residence
Capital Outlay on Housing	200.00	150.00	

			construction project in Wellington went to receivership, resulting in decrease in expenditure. Considering all these, there has been a decrease in allocation at RE 2018–19.
Loans to Govt. of Bhutan	836.50	495.50	Reduction in allocation was due to slowdown in implementation progress owing to continuing geological challenges encountered by some projects.
<b>Total</b>	<b>1636.50</b>	<b>945.50</b>	

<b>Head</b>	<b>BE 2018-19</b>	<b>BE 2019-20</b>	<b>Remarks</b>
Capital Outlay on Public Works	600.00	381.55	Rs. 531.55 Crore has been provisioned for BE 2019-20. This has been done after realistic assessment of the ongoing projects and their requirement for funds. In addition, fund requirements for upcoming constructions, renovations and acquisitions have also been taken into consideration.
Capital Outlay on Housing	200.00	150.00	
Loans to Govt. of Bhutan	836.50	666.00	Some reduction in allocation was due to the Mangdechhu HEP nearing completion.
Loans to Govt. of Maldives	0.00	176.00	Last tranche of 25 million dollar Standby Credit Facility.
<b>Total</b>	<b>1636.50</b>	<b>1373.55</b>	

2.14 About the corrective measures contemplated in this regard, the Ministry in its written reply has submitted that wherever delays are noticed through the Project Monitoring mechanism, special attention is given to resolve the hindrances. While Ministry does its best to remove the hindrance which are within its control, hindrances arising out of geo-political situation or political unrest in the host country are beyond control of the Ministry as well as the concerned Mission/Post.

Punatsangchhu-I and II Hydroelectric Projects have been delayed due to severe geological challenges encountered at the project site. Technical experts from both the countries are devising strengthening measures to counter the geological challenges. These issues are discussed in respective Project Authorities, which has representatives from MEA, Ministry of Power, Central Electricity Authority, Central Water Commission from the Indian side and their counterparts from the Bhutanese side, in a transparent manner. The last Project Authority meetings have been held in September 2019 in New Delhi. Apart from this regular Technical

Coordination Committee meetings of the Projects have been held over the year to discuss and finalize remedial measures to counter the geological issues.

With significant technical efforts, Puna-II HEP is by and large back on track and project management is implementing remedial measures based on technical recommendations. CWC/WAPCOS have recently concluded an assessment of the right bank slope stability issues at Puna-I and submitted a report on the „holistic approach“on 1<sup>st</sup> October 2019, which has been shared with the Bhutanese side.

## **Zero Based Budgeting**

2.15 On the Committee’s query about the concept of zero based budgeting while drawing budgetary demands for financial year 2019-20, the Ministry in a written note have submitted that the allocations for Aid heads are made after undertaking a realistic spending assessment based on project implementation cycles, local conditions and physical progress for on-going projects, schemes and programmes; and based on project implementation timelines and cost estimates for planned projects, schemes and programmes. The Ministry has developed a rigorous mechanism of Quarterly Budget Management Meeting, which is chaired by Foreign Secretary/Financial Advisor. These budget management meetings are detailed exercise for head-wise evaluation of projects and evolving needs under various heads of Technical & Economic Cooperation as well as on the Non-Scheme head. For ongoing projects under the aid programs, the budgetary requirements are gauged based on inputs from the primary Divisions/Spending units which are collated and compared with the past utilization, work progress and pace of expenditure of the project. Aided by these budget management meetings as well as deliberations with various spending units at the RE and BE, realistic budgetary estimates are drawn by the Ministry. For new projects, budgetary provisions are made as per estimates determined by project implementation timelines and cost estimates in their Detailed Project Reports. Allocations are then made to the extent of funds available within the overall budgetary provision made by Ministry of Finance. The selection of the projects to be undertaken under the Aid heads is an administrative decision which is taken by the Territorial Divisions and DPA in view of the political relations with the respective countries. The overarching principle of zero-based budgeting guides the continuous evaluation and assessment of budgetary allocation as against funds utilization in Ministry’s budget management. The Ministry is making sincere efforts towards realistic budgetary demands by the Ministry’s spending units. The Ministry will make

more efforts in this direction to realize credible budgetary demands justified by past efficient utilization of funds and objective assessment of anticipated expenditures based on implementation progress.

2.16 The Ministry has further stated that the overarching principle of zero-based budgeting guides the continuous evolution and assessment of budgetary allocation and that it will make more efforts in this direction to realise credible budgetary demand. The Ministry in a written note have identified the specific steps taken and stated that the Ministry holds periodic Quarterly Budget Management Meetings, chaired by Foreign Secretary/Financial Advisor. During the Quarterly Budget Management Meetings, a comprehensive review of ongoing projects and new schemes/projects is undertaken to realistically assess the requirement of funds in each quarter under various budgetary heads. Accordingly, allocation under various heads is modified through Supplementary demand for grants and after obtaining approval of re-appropriation proposals.

**2.17 The Committee note that during the ongoing Fiscal, against the demand of Rs. 19965.57 crore the Ministry has been allocated Rs. 17884.78 crore at BE 2019-20 stage. This is 19.14% more than the allocations given at BE 2018-19 and 14.78% more than the allocations at RE 2018-19. However, in percentage terms, there has been only 0.01% increase in the budget of the Ministry of External Affairs in comparison to the overall budget of Government of India. Allocation is made to various heads based on Ministry's priorities and realistic requirement of funds during the budgetary period. The Committee have been further apprised that the Ministry has been making constant endeavours to project its requirement of funds in a given year based on realistic and need based estimation of schemes and projects. During the oral evidence Foreign Secretary admitted**

that while the allocation is still short of the projected expenditure, it will substantially enable the Ministry to fulfill many of its obligations.

The Committee trust that the Ministry would ensure an optimum utilization of the budgetary allocations during each quarter of the year after finalizing the new initiatives in consultation with the concerned beneficiary governments and operationalizing the same at the earliest.

**(Recommendation No. 5)**

2.18 The Committee observe that out of the total allocations of Rs. 17884.78 crore at BE 2019-20, Rs. 16511.23 crore has been allocated under Revenue Section and Rs. 1373.55 crore under Capital Section. In comparison to the allocations for Revenue Section at the BE 2018-19 i.e.13374.50 crore the RE allocation is Rs. 14636.50 crore. This shows an increasing trend. The allocations under Capital Section at BE 2018-19 i.e Rs. 1636.50 crore has been reduced to Rs. 945.50 crore at RE stage. In comparison to BE 2018-19 and 2019-20, there is a reduction of Rs. 262.95 crore. Capital outlays on public works, Housing and Loans to Government of Bhutan were affected due to reduced allocations. At BE 2018-19 allocations were kept at a higher level due to the minimum capital allocation specified by the Ministry of Finance. Reduction at RE and BE 2019-20 on account of capital budget was due to a realistic assessment of project implementation cycles and physical progress of ongoing projects. In addition, fund requirements for upcoming constructions, renovations and acquisitions have also been considered. The Committee are further apprised that the Ministry is taking corrective steps to resolve the problems related to delay in

implementation of various projects through project monitoring mechanism but the hindrances arising out of geo-political situation or political unrest in the host countries are beyond the control of the Ministry as well as the concerned Mission/Post.

While acknowledging the above reasons put forth by the Ministry, the Committee are still apprehensive of the adequacy of the current allocations under Capital Section. Therefore, the Committee strongly desire that the Ministry should monitor the project implementation at every stage and after regular calculation of the anticipated expenditure, it should impress upon the Ministry of Finance to allocate judicious funds at RE stage.

(Recommendation No. 6)

2.19 The Ministry has furnished a plethora of reasons for non-acquisition of Chanceries and residential properties in foreign States of Stockholm, Mexico, Pakistan and Sudan. The reasons elaborated for non-acquisition are non-suitability of property, local regulations, geo-political situations etc. The Committee desire that the Ministry should examine local rules and regulations as well as whether the properties are lease based ownerships before acquiring them so that the construction and acquisition of diplomatic properties is a smooth process. The Committee also recommend the Ministry to closely assess and examine the factors due to which these delay causing hurdles and barriers are arising and find a way to overcome them. The Committee also desire that a status note in this regard may be furnished to them within three months.

The Ministry has stated financial stress as the reason for the main contractor in the construction project in Wellington going into receivership, resulting in a decrease in expenditure. The Committee desire and strongly recommend the Ministry to exercise due

diligence before awarding contracts of construction so as to avoid stalling of projects because of bankruptcy of the contractor. Such hurdles lead to time and cost overruns which are unaffordable and inexcusable. The Committee recall that in their previous Reports they had advised the Ministry to make changes to improve contract management in view of the adverse comments by the C&AG in its report about property management of the Ministry of External Affairs. The Committee also desire the Ministry to apprise the Committee of steps taken in this regard.

(Recommendation No. 7)

2.20 The Committee note that the allocations for Scheme side was Rs. 5985.05 crore at BE 2018-19 stage which was increased to Rs. 6466.00 crore at RE stage. During 2019-20 the allocation of Rs. 8175.79 crore with an increase of Rs. 2190.74 crore in BE allocation vis-à-vis BE 2018-19 and further an increase of Rs. 1709.79 crore in RE allocation of 2018-19 was noted. Similarly, in the Non-Scheme side the BE allocation for 2018-19 was Rs. 9025.59 crore which was increased to Rs. 9116.00 crore at RE stage. The BE allocation during 2019-20 is Rs. 9708.99 crore which is an increase of Rs. 683.04 crore from BE 2018-19 and Rs. 592.99 crore from RE 2018-19 stage. This enhanced allocation under the Scheme Head was mainly on account of required expenditure in respect of MEA's assistance projects under Aid to Bhutan, Aid to Nepal, Aid to Sri Lanka, Aid to Maldives,



**Aid to Myanmar, Aid to Other Developing countries, Aid to African Countries, Investment Promotion and Publicity Programme, Aid to Eurasian Countries, Aid to Afghanistan and Loans to Govt. of Maldives, to ensure that India's projects abroad and other international commitments were not adversely affected due to lack of funds.**

**The Committee welcome the increase in allocations under both Scheme and Non-Scheme needs during 2019-20 and also the Ministry's commitment towards assistance for projects under Aid to Foreign countries. The Committee desire that the Ministry should monitor the implementation of the projects closely and take corrective measures to complete them within a specified timeline. The Committee may be apprised about the physical and financial progress made in each of these projects.**

**(Recommendation No.8)**

**2.21 The Committee note with dismay that the Ministry has not shown any determination in following the overarching principle of zero based budgeting through continuous evaluation and assessment of budgetary allocation as against funds utilization in the Ministry's budget management. Ministry only explains the procedures followed by it like periodic quarterly meetings, review of ongoing projects, supplementary demands to be made etc. The Committee feel that some concrete steps should be taken by the Ministry towards the overarching principle of zero based budgeting which guides the evaluation and assessment of budgetary allocation with a view to improve its management of finances in a more business like manner. Furthermore, the Ministry should take pre-emptive measures to seek all the necessary**

clearances before seeking funds for international Aid projects. On another note, and notwithstanding the satisfaction expressed by the Principal witness regarding the adequacy of allocation at BE 2019-20 stage, the Committee would like to inform the Ministry that post globalization and opening of the economy, the foreign policy of countries has acquired a deeper meaning than even before. Foreign policy now influences a country's economic policy in a major way too. The committee, therefore, feel that MEA should explore new dimensions and hitherto, unexplored vistas with a view to secure India's interest in the increasingly globalised matrix. The Committee expect the Government to ensure that there is no shortage of funds for Ministry of External Affairs in its pursuits.

**(Recommendation No. 9)**

## **CHAPTER-III**

### **OTHER ALLOCATIONS**

#### **A. EMBASSIES AND MISSIONS (MINOR HEAD)**

3.1 The Ministry submitted the details of projections, allocations at BE , RE and from 2016-17 to 2018-19 and projections and allocations at BE and RE during the year 2019-20 for Embassies and Missions as follows:

*(Rs. in Crores)*

Financial Year	Projection		Allocation		Actual Expenditure
	BE	RE	BE	RE	
2016-17	2817.48	2823.71	2460.58	2514.01	2486.94
2017-18	3046.78	2778.21	2528.56	2631.47	2469.27
2018-19	2800.01	3053.62	2701.00	2678.81	2737.69
2019-20	3243.22	3060.07	2748.06	-	1486.36*

\* Upto September 2019.

3.2 The Ministry in a written note submitted that the rationale behind minor decrease in allocation at RE stage for 2018-19 and also increase in BE for 2019-20 was that

The reduction under the head, “Embassies & Missions” in RE 2018-19 was primarily due to lesser provisioning under Overtime Allowances, Office Expenses, Minor Works, Other Charges, IT(OE) etc. due to constraints of adhering to the overall RE ceiling provided by MoF. However, the allocation under this head was increased to Rs. 2725.53 at the FE stage, thereby resulting in an overall increase of Rs. 24.53 crores for the FY 2018-19.

3.3 Regarding constraints faced by the Ministry while adhering to the overall RE ceiling and the action taken by MEA, the Ministry in written note stated that the Ministry reassessed its requirement of funds towards „Embassies and Missions“ head after Ministry of Finance conveyed overall RE ceiling. Accordingly, Allocation was reduced under heads such as Wages, Overtime Allowance, Medical Treatment, Foreign Travel Expenses, Office Expenses, Minor Works, and Information Technology whereas it was enhanced under Salaries, „Advertisement and Publicity“

and „Rent, Rates and Taxes“ head. Ministry made concerted efforts to fulfil its priorities, commitments and immediate requirement of funds within these constraints.

3.4 Elaborating further the Ministry in a subsequent reply stated that it continues to engage with Ministry of Finance at various levels to provide adequate allocation of funds to minimize such constraints. Ministry's concerted efforts and engagement with the Ministry of Finance at the level of Minister, Secretary and Financial Advisor, apart from regular interaction at other levels has resulted in increase in Ministry's BE 2019-20 allocation from 16,061.78 crore in Interim Budget to Rs. 17,884.78 crore in the Regular 2019-20 Budget. The response of the Ministry of Finance has been positive and constructive, as also indicated by the higher allocation for MEA in BE 2019-20.

3.5 Further elaborating on the criteria which determine the decision for establishment of Embassies/Missions abroad, the Ministry stated that the decision for opening of new Missions and Posts abroad are taken on the basis of considerations including assessment of India's geo-political priorities, level of bilateral ties, regional factor, Diaspora connections, commercial, developmental, cultural interests and reciprocal arrangement with the country concerned, on a case to case basis. These priorities change over time and are evaluated at senior most levels in the Ministry from time to time. As India's global outreach and influence has increased in the last two decades which requires expanding India's global footprint and reorienting diplomatic footprint abroad, Ministry has commenced opening new Missions in countries where there is no resident Indian Mission, starting with Africa.

3.6 The Union Cabinet, in March 2018, approved the opening of eighteen Missions in Africa in a phased manner over a period of four years from 2018-2021. Of these, Missions in the following 9 countries have already been operationalized: Republic of Guinea (Conakry), Equatorial Guinea (Malabo), Burkina Faso (Ouagadougou), Rwanda (Kigali), Djibouti (Djibouti), Republic of Congo (Brazzaville), Kingdom of Eswatini (Mbabane), Eritrea (Asmara) and Cameroon (Youande). Three more Missions are in the preparatory stage to be opened in the next 3-4 months.

3.7 On the present status of framing the policy of construction of foreign Embassies and Missions the Ministry in a written note has stated that:

- (a) On the principle of reciprocity, Diplomatic Missions in India are permitted to acquire immovable property, other than agricultural land/plantation property/farm house, for

housing the Chancery, Embassy Residence and residential accommodation for its home-based personnel. Acquisition of the immovable property in India shall be paid out of funds remitted from abroad through banking channels. Proposals for acquiring immovable property should be addressed to Protocol Division for processing and grant of approval.

- (b) For construction of Embassies, Ministry of Housing and Urban Affairs is the nodal Ministries that allots the land to Embassies concerned after recommendation/clearances from MEA.
- (c) Once Land is allotted to a Mission, the Missions approach MEA seeking facilitation for no objection from L&DO and NDMC and approval of construction plans and time period in which construction should be completed.
- (d) L&DO give its no objection for construction alongwith the time period in which the construction should be completed. Thereafter NDMC approves the construction plans as per Master Plan 2021 and issue all other necessary no objections subject to the law of the land.
- (e) MEA merely facilitates the request from Embassies and takes up the matter with L&DO and NDMC. Further, MEA also facilitates exemption of Stamp Duty, registration tax and other taxes for foreign Missions on reciprocal basis.
- (f) A new Diplomatic enclave is proposed to be established in Dwarka and we have received several requests from different Embassies for requirement of land. However, acquisition of a small part of new Diplomatic Enclave is subjudice, hence land allotment is put on hold.

3.8 The Committee in their 21<sup>st</sup> Report on Demands for Grants (2018-19) had desired that centralized monitoring mechanism is established to ensure an efficient and timely delivery of services in the Indian Missions/Posts abroad. In its Action Taken Reply, the Ministry had stated that the Performance Evaluation and Monitoring System (PEMS) was currently being modified to put in place an annual appraisal system by which a dynamic two way interface between Ministry and Missions/Posts can take place. The Ministry in its Action Taken Reply had also stated that the portal is being revamped and the newly modified portal was being expected to be launched soon. In regards with the work completed on the newly modified portal on performance appraisal of Missions/Posts abroad, the Ministry in a written note informed the Committee about the completion of work on the portal and submitted that on the recommendation of Parliamentary Standing Committee and in order to streamline the system of inspection in this Ministry and to properly systemize and integrate them, the Directorate General of Inspections (DGI) was set-up in 2014 with the main objective of evaluating the activities/services and functioning of Indian Missions/Posts abroad. It was felt that there would be a comprehensive model and coordinated approach for such inspections. To identify the

Missions/Posts for inspection, a web-portal namely Performance Evaluation and Monitoring System (PEMS) was launched in 2016 to review the selection criteria for on-site inspection. Under PEMS, a set of 60 binary questions was put up on the portal and Missions/Posts' responses were evaluated at Headquarters by Divisions concerned and accordingly a score was awarded and Missions/Posts were ranked. It was a one-off exercise and was completed by January 2017. Missions/Posts which scored less on PEMS were endeavoured for inspection and are since being inspected.

3.9 Elaborating further on the issue of Inspection the Ministry stated that the Inspection Unit is in the process of revamping PEMS portal and proposes to make this evaluation an annual exercise. It would be similar to the annual appraisal of an individual and will assist in identifying under-performing Missions/Posts. The endeavour is to impress upon the Missions/Posts that their performance is under regular vigil and is being monitored at Headquarters. This exercise will not only result in corrective/remedial action but also motivate Missions/Posts to improve their score in the next appraisal/evaluation year, and also avoid on-site inspection of the Mission/Posts which will save time and expenditure. To achieve this objective, a proposal is under process to launch revamped PEMS with a new set of questions. Missions/Posts will be given a time-frame of three/four weeks to upload their responses to the questions on portal. Thereafter, their responses will be evaluated in the Ministry. Inspection Unit along with Divisions concerned will verify the responses uploaded by Missions/Posts and NIC will develop the portal so that their scores/grades are reflected in terms of percentage. The newly modified portal is in the final stage and is expected to be ready by December 31, 2019.

**3.10 The Committee note that that the budgetary allocation under the Head „Embassies and Missions“ at BE during year 2018-19 was Rs. 2701.00 crore. At RE stage this has been reduced to Rs. 2678.81 crore with actual expenditure being Rs. 2737.69 crore. During the year 2019-20, against the projection of Rs. 3243.22 crore, the allocation at BE stage is Rs. 2748.06 crore, which is a paltry increase over last years' spending. As India's global outreach and influence has increased over the years and based on assessment of India's**

geo-political priorities, level of bilateral ties, regional factor diaspora connections, commercial developmental, cultural interests and reciprocal arrangement with the concerned country, the Ministry has commenced opening new Missions in countries where there is no resident Indian Mission, starting with Africa. The Union Cabinet in March, 2018 approved the opening of 18 Missions in Africa in a phased manner. 9 Missions have already been operationized and 3 more Missions will be operationalised in next 3-4 months. In view of the increased budgetary allocations, the Committee desire the Ministry to prepare a roadmap and adhere to the timelines in opening the remaining Missions/Posts in Africa. They also desire that the Ministry of Finance should be impressed upon simultaneously to create adequate number of posts to run the new Missions/Posts.

The Committee have been continuously reminding the Ministry for improvement in monitoring of performance and evaluation of existing Missions/Posts abroad. But the web portal namely Performance Evaluation and Monitoring System (PEMS) launched in 2016 is only being used to identify the Missions/Posts which need inspection. The Committee hope that the Ministry would adhere to the timeline of launching revamped PEMS by December, 2019 which will improve the evaluation process of Missions/Posts. The Committee may be apprised of the progress of the project and the outcome thereof, in terms of improvement in services, saving of time and expenditure.

**(Recommendation No. 10)**

## **B. PASSPORT AND EMIGRATION**

3.11 This Head provides for Expenditure on Passport Offices, printing of travel documents, lease/purchase of passport printers, payments to State Governments and Union Territories for

verifications, expenses of pre-departure orientation and skill upgradation of emigrant workers etc.

3.12 When asked about the details of revenue earnings collected through Passport/Visa services *vis-a-vis* allocation made in BE and RE during the last three years, the Ministry submitted the following details:

(In Rs. Crore)

FY	Passport Fee			Visa fee		
	BE	RE	Actuals	BE	RE	Actuals
<b>2016-17</b>	2500.00	2300.00	2285.85	1850.00	2300.00	2018.04
<b>2017-18</b>	5450.00	2450.00	2479.08	2400.00	2100.00	2152.15
<b>2018-19</b>	2500.00	2700.00	2679.86	2150.00	2200.00	2688.90

3.13 The details of the progress in the work relating to establishment of PSKs/PoPSKs and the amount allocated for each project during 2018-19 and 2019-20 the Ministry has submitted that at present, 93 Passport Seva Kendras (PSK) and 424 Post Office Passport Seva Kendras (POPSK) are functioning as extended arms of the 36 Passport Offices in the country thus providing extended reach to passport applicants. The Government has opened 16 Passport Seva Kendras (PSK) since May 2014, which includes all the States in the North East of India. With the addition of 424 POPSK, the total number of Passport Kendras operational in the country for the benefit of the citizens is 517 as on 24<sup>th</sup> October 2019.

Ministry, in association with the Department of Posts, decided in January 2017 to open Passport Seva Kendras at the Head Post Offices (HPO)/Post Offices (PO) in the country called „Post Office Passport Seva Kendra“ (POPSK). Ministry of External Affairs and the Department of Posts have decided to open a POPSK in every Lok Sabha Constituency (LSC) where there is no PSK or POPSK. This will enable the Ministry of External Affairs to take passport services further closer to the people. The Government has decided to open 491 POPSK out of which 424 have become functional till 24th October 2019. An allocation of Rs. 246 crore has been made under the Budget Head “Information Technology” in FY 2019-20. Expenditure on setting up of POPSK is met out of this Budget Head. No amount has been specifically allocated for setting up of POPSK. There were no PSK/POPSK pending due to lack of inadequate funds and have been completed in this financial year.



3.14 Regarding the new Post Office Passport Seva Kendras (POPSKs) that have been opened during the year 2018-19 and during first two quarters of 2019-20 and the number of Passport applications processed through these POPSKs the Ministry submitted as follows:

Number of Passport Seva Kendras (POPSK) opened during the year 2018-19	232
Number of Passport Seva Kendras (POPSK) opened during first quarter 2019-20	Nil
Number of Passport Seva Kendras (POPSK) opened during second quarter 2019-20:	8
Number of Passport applications processed through POPSKs during the year 2018-19:	18,11,105
Number of Passport application processed through POPSK during the first quarter of the year 2019-20:	5,44,778
Number of Passport application process through POPSK during the second quarter of the year 2019-20:	5,89,170

3.15 On being asked whether all the operational PSK and POPSK have state-of-art service facilities for issuance of passports, the Ministry in its written note has submitted that the operational PSK and POPSK have state-of –the-art facilities for issuance of passports. Applicants, who apply for their passports online through the passport portal, can schedule an appointment and then visit the designated PSK or POPSK to complete the formalities prior to the issue of the passport. The photographs, biometrics and the supporting documents are electronically captured at the PSK and POPSK. All the PSK and POPSK thus have adequate facilities to provide the requisite services for the issuance of passports.

3.16 As regards, to the number of States/Union Territories which do not have a single PSK and POPSK in the country , the Ministry has stated that all the States and Union Territories have PSK/POPSK except Andaman and Nicobar Islands. However, efforts are already underway to open a POPSK at Port Blair which is the capital of Andaman and Nicobar Island.

3.17 Explaining further on the issue of PSKs which have not been completed in this financial year the Ministry in a written note stated that there were no PSK/POPSK pending due to lack of funds and have been completed in this financial year.

3.18 Further elaborating on the topic, the Foreign Secretary while deposing before the Committee added:

“....The Passport Seva Project is one of the largest citizen-centric projects under the National e-Governance Plan. In 2018, more than 1.21 crore passport applications were received and processed. MEA’s initiative to collaborate with the Department of Post by further extending the reach and availability of passport services by utilising Head Passport Offices or Post Offices as Post Office Passport Seva Kendras has been widely appreciated. Since the inauguration of the first two POPSKs in January 2017, 424 POPSKs are now functional as on the 24th of October, 2019. Allocation for the Central Passport Organisation has consequently been increased from Rs. 949 crore last year to Rs. 1,428 crore this year”.

3.19 On being asked to enumerate the criteria for deciding the location of POPSKs, the Ministry stated that the Ministry of External Affairs in association with the Department of Posts has taken the initiative to open POPSK in all the Head Post Offices (HPO) in the country called „Post Office Passport Seva Kendra“ (POPSK) to bring passport services closer to the citizens. So far, 424 POPSK have been operationalized. These were decided on the basis of the size of the State, its population, and the non-availability of adequate number of PSK commensurate with the demand for passports. The Ministry has now planned to open one POPSK in every Lok Sabha constituency where there is no Passport Kendra as of today by opening another 55 POPSK. All the 543 Lok Sabha constituencies are likely to have one PSK or POPSK. The Ministry intends to complete the project by 31<sup>st</sup> March, 2021.

3.20 Explaining about the constraints being faced in the expansion of Passport Seva Projects the Ministry submitted that the Passport Seva Project (PSP) went live in June 2012 with the opening of 77 Passport Seva Kendras (PSK) as prescribed in the Request for Proposal (RFP)/ Master Service Agreement (MSA) between the Ministry of External Affairs and the Service Provider M/s Tata Consultancy Services (TCS). Thereafter, the Ministry has opened another 16 PSK and 424 POPSK till date functioning as the extended arms of the 36 Passport Offices in the country in rendering passport related services today. More POPSK are scheduled to be

inaugurated in the near future. The PSP has received till September 2019 nearly 7 crore passport related applications in India. The number of applications received in 2018 was more than 1.21 crore. The lack of budgetary support under the „Information Technology (IT)“ Budget Head under „Passport and Emigration“ Minor Head is the first challenge being faced in the expansion of the PSP. Funds under this Head are necessary for the procurement of IT and non-IT related equipment. The second challenge being faced by the Ministry in the expansion of the PSP is the shortage of personnel in the Central Passport Organization (CPO) particularly those at the Superintendent level to function as the Granting Officers (PGO). There is also shortage of Assistant Superintendents, Senior Passport Assistants (SPA), and Junior Passport Assistant (JPA) who function as Verification Officers (VO).

3.21 Enlightening the Committee on the quantitative and qualitative improvements in the delivery of passport services in the country during 2018-19, the Ministry submitted that as quantitative improvement, 240 POPSKs have been added into the Passport Seva Programme (PSP) to provide greater reach to the citizens at their doorsteps for convenience and ease of Passport related services. In addition, the Passport Seva Programme has been extended to Indian Missions/Posts abroad in order to provide better and smoother service delivery experience to Indian Diaspora living abroad. As on date, 35 Indian Missions/Posts have been integrated into PSP and integration in several other Missions/Posts is in progress as regards qualitative improvements and enhancements like Electronic Exit letter and Token Issuance at PSKs providing paperless environment and promoting green initiatives of GOI, Centralised granting facility for better resource management ensuring greater productivity, Improvements in Police Verification (PV) Process thus increasing the turnaround time for PV and have been undertaken to improve service levels.

3.22 On the significant improvements in service delivery of passports in terms of normal and tatkaal passports to applicants, the Ministry specified the end to end time taken for both types of passports during 2018-19.

<b>Type of Passport</b>	<b>2017-18 (in Days)</b>	<b>2018-19 (in Days)</b>
Normal	6	2
Tatkaal	9	5
Police Verification Time	23	18

3.23 Apprising the Committee about the steps taken to organize Passport Seva Camps in far flung areas to deliver the passport delivery services to the door steps of citizens, the Ministry in a written note stated that with an aim to cater to the ever increasing demand for passports and in order to reach out to the people located far away from PSK, Passport Seva camps were being organized at multiple locations. 292 such camps have been organized till December 2018 at various locations across the country to reach people. More than one lakh applications had been processed at these Camps during the above period. However, with the establishment of 517 Passport Seva Kendras (including 424 POPSK) across the country including the North Eastern region, the number of camps organized has been declining.

3.24 On being enquired about the outreach of passport services catering to far flung areas of North East and other hilly terrains, the Ministry submitted that it has been the endeavour of the Ministry to set up PSKs/POPSKs in the hilly and far flung areas of northern India including North East. As many as 15 POPSKs have been established in the North Eastern States of Arunachal Pradesh, Meghalaya, Manipur, Tripura and Assam during the year 2018-19. These are in addition to 8 PSKs already functional in North Eastern region. One POPSK has been established in the State of Uttarakhand during the above period. Two PSKs in Jammu & Kashmir, one each in Himachal Pradesh and Uttarakhand have already been working in addition to the above offices.

3.25 During the course of oral evidence, on being asked about the possibility of reducing the time period taken for Police Verification, the Foreign Secretary informed:

“In fact, verification is increasingly done digitally. The MEA itself has given Tablets to police in certain States to speed up that process. But ultimately, Sir, again, we are dependent on the State Government in this regard; and we have varying experience with different States. But this is a high priority for us. The view of the MEA is that we must speed up the whole process from application to delivery. This is a major priority for the MEA”.

3.26 Elaborating further on the topic of reducing time period for Police Verifications the Ministry in a written note stated that as per the Annual Report, the Ministry has launched the „mPassport Police“ app for speedy submission of Police Verification Report (PVR) to bring

down the time limit of verification to twenty one days . In this regard, it further stated that the mPassport Police App launched by the Ministry for all State/UTs has helped in bringing down the time taken by the police authorities for submission of PVRs and also paperless flow of end-to-end police verification (PV) process. The Ministry has not only achieved the PVR submission time within 21 days by police authorities and has reduced the timeline of PVR submission to further 18 days in the year 2018-19. The State/UT where mPassport Police App has been launched, the average PVR submission time has reduced to 8-9 working days.

3.27 Regarding the Grievance Redressal Mechanism in place for passport services the Ministry in a written note stated that Under the Passport Seva Project, MEA has put in place a strengthened Grievance Redressal system whereby a multilingual National Call Centre with a toll free number (1800-258-1800), operating in 17 languages and on 24X7 basis, has been set up to cater to dissemination of information about various passport-related services, including handling of grievances and citizen feedback, which at present works on a central system platform. The Passport portal has also an email-based helpdesk, where suggestions and grievances can be logged. Citizens can also monitor the status of their passport application/grievance online through this portal.

3.28 The Ministry in a written note further elaborated on the issue stating that a Public Grievance Redressal Cell (PGRC) has been established in the PSP Division of the Ministry of External Affairs for Centralized Public Grievance Redress and Monitoring System (CPGRAMS). It deals with grievances received through telephone, e-mail and post directly from general public and also references from various Government offices. There is a Public Grievance redressal mechanism in all POs to enquire into and redress any complaints from citizens in a timeframe. Under CPGRAMS, 10,672 grievances were received during the current year till 22 October, 2019 (inclusive of pending 632 of 2018) out of which 10,072 grievances have been disposed off, registering over 98% redressal rate, within an average disposal time of 16 days. The latest position on their application, along with directions for further action, is posted on the website, which can be accessed by the public.

3.29 As per the Action Taken note on the Observations/Recommendations contained in the 21<sup>st</sup> Report (16<sup>th</sup> Lok Sabha) of the Committee the Ministry had stated that the total sanctioned

strength of the CPO Cadre is 2697 against which the working strength is 1996 as on 10 May, 2018. The Ministry is facing difficulties in filling up of the vacant Posts attributed to the recruitment Rules. The Ministry has decided to undertake a cadre review of CPO cadre. Notifying the Committee on the progress made in this regard the Ministry in its reply submitted that to ensure that the Cadre Strength of Central Passport Organisation (CPO) remains commensurate with the present day workload of Passport Offices/PSK/POPSK, PSP Division in February 2018, with the approval of the competent authority, constituted a 4-member Cadre Review Committee (CRC) with Joint Secretary (PSP) & Chief Passport Officer as Chairman. The Committee held 09 meetings with long, detailed and inclusive deliberations, while incorporating the views of all the Passport Offices and the two recognized Staff Associations of CPO, viz. AIPEA, Delhi and AIPSA, Patna. The Committee submitted its report in February 2019, and on the directions of the competent authority, it was shared with the aforesaid Staff Associations in May 2019 and their views sought. In response, both the Staff Associations raised their strong objections to the CRC report. They rejected the CRC report. In view of the strong objections raised by the two recognized Staff Associations, the competent authority has decided not to accept the report of the CRC and has approved the Physical Inspection and Staffing Study of the Central Passport Organisation by the Staff Inspection Unit, Department of Expenditure, Minister of Finance, which has been entrusted to ensure economy in the staffing of Government organizations, consistent with the administrative efficiency and evolving performance standards and work norms in government organizations. Ministry is requesting the Department of Expenditure, Ministry of Finance, to undertake the said physical inspection and staffing study of the Central Passport Organisation (CPO), Ministry of External Affairs.

**3.30 The Committee observe that an allocation of Rs. 246.00 crore has been made under the budget head “Information Technology” in the financial year 2019-20 which included an expenditure on setting up of POPSKs. The Ministry has apprised the Committee that as the budgetary provision under this head is being channelized for setting up of POPSKs, there was no fund constraint for opening up of PSK/POPSKs, and the necessary procurement of IT and non IT related equipment for each Kendra during 2018-19. The Committee note**

that there is a plan to open more PSKs/POPSKs during the current year also. The Committee are of the strong view that only the opening up of PSK/POPSK will not serve the purpose until they are provided with proper and adequate IT related infrastructure. Therefore, the Committee desire that the Ministry should take up this issue with the Ministry of Finance for allocation of adequate funds for opening of Kendras and for procurement of all necessary IT infrastructure in the proposed new PSKs/POPSKs. The Committee also desire that in the future, channelizing the allocation for the purpose of IT related infrastructure should be avoided.

**(Recommendation No. 11)**

**3.31** The second challenge being faced by the Ministry in the expansion of the Passport Sewa Project is the shortage of personnel in the Central Passport Organization (CPO), particularly those at the superintendent level to function as the granting officers (PGO). There is also a shortage of Assistant Superintendent, Senior Passport Assistant (SPA) and Junior Passport Assistant (JPA) who function as Verifications Officers (VO). The total sanctioned strength of the CPO Cadre is 2697 against which the working strength is 1996 as on 10 May, 2018. The Ministry is facing the difficulties in filling up of the vacant Posts, the reasons being attributed to the recruitment Rules. The Report of the 4 Member cadre Review Committee for CPO cadre has been rejected and now the Ministry has approved the physical inspection and staffing study of the CPO by the Staff Inspection Unit, Department of Expenditure, Ministry of Finance. In view of the tardy progress of work relating to filling up of the vacancies and opening up of 424 POPSK in all the Parliamentary constituencies and other parts of the country, the Committee are of the strong view that the man power constraints will further aggravate. Therefore, they strongly desire the Ministry to impress upon the Ministry of Finance, Department of Expenditure to complete the staffing study of CPO at the earliest so that the vacant posts are filled up by DOPT within a fixed time framework.

**(Recommendation No. 12)**

**3.32 The Committee observe that the aim of opening Post Office Passport Seva Kendras (POPSKs) was to make timely and efficient delivery of passport services in all parts of the country. However, the Committee note with grave concern that there is no improvement in the situation faced during implementation of the Project and the citizens face a tough time in seeking basic information, getting appointments, and tracking their application in the POPSKs established in different parts of the country. The previous system of providing guidance or support to the passport seekers has been suddenly withdrawn, leaving them in jeopardy. The Committee, therefore, desire that the Ministry should adopt urgent measures to resolve the problems arising at the POPSKs. Moreover, if we compare the number of POPSKs opened during 1<sup>st</sup> & 2<sup>nd</sup> quarter of 2019-20 with the figures of 2018-19 we find that only 8 new centres have been opened during first six months of the current year against 232 POPSKs in 2018-19. Therefore, the Committee are apprehensive about the achievement of the Ministry's ambitious target of having one POPSK in each of 543 Parliamentary constituency by 2021. Moreover, the Committee feel that only opening a PSK or POPSK in all 543 constituencies is not beneficial until and unless it is fully equipped with fully modernized infrastructure and adequate skilled man power. The Committee, therefore, recommend the Ministry to take necessary steps to achieve the target of opening of POPSKs during 2019-20 equipped with adequate skilled manpower and modern infrastructure.**

**(Recommendation No. 13)**

**3.33 The Committee observe that the PSKs and POPSKs are projects initiated by the Ministry to bring about qualitative and quantitative improvement in Passport Services to citizens of India. One of the objectives of opening more centres is to reduce the time period**



for Police Verification process. The Committee find that in several states the period has reduced but in many states it requires improvement. Therefore, the Committee desire that the Ministry should sincerely follow up this issue with all the State Governments and Police Authorities and impress upon them to reduce the Police Verification period to the minimum by using online connectivity between PSKs/POPSKs and Police authorities. The Committee should also be apprised of the status of linking the Police Verification process with the database being prepared by the Ministry of Home Affairs.

(Recommendation No. 14)

### C. ENTERTAINMENT CHARGES

3.34 The BE, RE and actual expenditure for the last three and for this financial year 2019-20 have been provided by the Ministry as follows:

(Rs. in crore)

	BE 2017-18	RE 2017-18	Actual 2017-18	BE 2018-19	RE 2018-19	Actual 2018-19	BE 2019-20
	70.50	60.50	50.11	70.50	46.00	45.82	367.75
BE to RE Difference		-10.00			-24.50		
RE to Actual Difference			-10.39			-0.18	
C/Y and P/Y BE Difference	25.11			0.00			297.25
% Difference	55.32%	-14.18%	-14.74%	0.00%	-48.89%	-0.39%	646.20%

(Subhead „High level Delegation“ has been opened under this minor head for incurring expenditure on „Maintenance cost of Aircrafts of Air India“ and „Vice President Visits Abroad“ by shifting them from below „Other Expenditure“)

3.35 This head provides for the expenditure incurred on extending hospitality to dignitaries including chartering aircraft for visiting VVIP delegations, maintenance of Hyderabad House etc. Enhanced allocation in BE 2019-20 in comparison of FY 2018-19 is towards allocation for Maintenance cost of Aircrafts of Air India and expenditure on Vice President visits abroad. As per the information furnished by the Ministry, the recommendation of the Committee for rationalization of sub-heads under „Other Expenditure“, a new Subhead „High Level Delegation“

under which expenditure towards „Maintenance Cost of Aircrafts of Air India for VVIP Travel“, „Vice Presidents Visits abroad“ and „Other Special Delegations“ have been opened. Therefore, allocation of Rs 367.75 crore has been made under „Entertainment Charges“ minor head.

3.36 Elaborating further on the topic, the Ministry stated that the maintenance cost of aircraft of Air India and expenditure on Vice President visits abroad is covered under the “High level delegation”, the expenditures for the same are as mentioned in the table below:

*(In Rs. Crore)*

<b>Expenditure Item</b>	<b>Actuals 2016-17</b>	<b>Actuals 2017-18</b>	<b>Actuals 2018-19</b>
<b>Maintenance Costs of Aircrafts of Air India for VVIP Travel)</b>	100.0	214.85	420
<b>Vice President visits abroad)</b>	7.54	158.27	48.23

3.37 When asked to furnish the number of bills and received/settled amount involved in these transactions during the last three years the Ministry has stated that the number of bills accruing annually due to the foreign visits of dignitaries run into several hundreds. Compilation of this information therefore requires considerable time. The Division is in the process of compiling the data which will be provided in due course.

**3.38 The Committee note the budgetary allocation under the minor head, “Entertainment Charges”, the allocation of which at BE 2018-19 was Rs. 70.50 crore. This was reduced to Rs. 46.00 crore at RE stage. The actual expenditure was Rs. 45.82 crore. The allocation at BE 2019-20 is Rs. 367.75 crore. The enhanced allocation in the 2019-20 is towards allocation for maintenance of aircraft of Air India and expenditure on Vice President’s visits abroad. In view of the rationalization of the sub heads under other expenditure, a new sub head „high level delegation“ under which expenditure towards maintenance cost of Air craft of Air India for VVIP travel, Vice President visit and other special delegation have been opened. Therefore, there is a rise in the allocation at BE 2019-20. Further, pertaining to the bills received/settled and amount involved in the above**

mentioned travels during the last three years, the Ministry has informed the Committee that the concerned division is in the process of compiling the data because the bills accruing annually due to foreign visits of dignitaries run into several hundreds. The Committee deplore the lackadaisical approach of the Ministry in furnishing the complete information about expenditure made under this head despite continuous emphasis by the Committee upon the timely submission of bills relating to the visits of dignitaries in order to manage fiscal discipline and prudence in the Ministry.

**(Recommendation No.15)**

## **CHAPTER-IV**

### **ASSISTANCE TO AUTONOMOUS BODIES AND INSTITUTIONS**

A new minor head opened *w.e.f.* FY 2019-20 to cater for grants-in-aid by MEA to autonomous bodies and various other institutions by shifting these heads from „Other Expenditure“. The budgetary allocation for these organizations during last 2 years and this year are as follows:

*(Rs. in crore)*

Sl. No.	Institution	BE 2017-18	RE 2017-18	BE 2018-19	RE 2018-19	BE 2019-20
1.	ICCR	233.14	233.14	255.00	235.00	250.00
2.	ICWA	14.66	14.66	16.70	11.87	15.00
3.	RIS	8.65	8.65	12.00	12.00	12.00

#### **A. INDIAN COUNCIL OF CULTURAL RELATIONS (ICCR)**

4.2 During the year 2018-19, ICCR undertook a wide range of activities to promote better understanding abroad of India. As part of its academic and intellectual activities, the Indian Council for Cultural Relations (ICCR) offered 3,940 scholarship slots to foreign nationals for studying in India under its various scholarship schemes. With the launch of Admission to Alumni (A2A) portal, ICCR for the first time executed the admission process through an online portal. ICCR is in the process of opening three new Cultural Centres in Tel Aviv (Israel), Paris (France) and Washington (USA) for quite a long time. The establishment of a new Cultural Centre is dependent on various factors, such as allocation of additional funds for establishment/running costs, identification of suitable premises, creation of posts to man the Cultural Centre, etc.

4.3 Further elaborating on the plan of ICCR for opening of new Cultural Centres abroad and its sustainability, the Ministry in a written note submitted that Indian Cultural Centres abroad are one of the important instruments for enhancing India's soft power. ICCR would ensure sustainability of the new Cultural Centres as well as the existing Cultural Centres with commensurate strengthening of its financial and human resources.

4.4 On the being enquired about the issue of an objective and criterion for setting up of new cultural centres including Vivekanad centres and also to elaborate upon the procedure for opening of these centres abroad and the appointments made thereon, the Ministry in a written note submitted that the objective for setting up of new Indian Cultural Centres abroad is to expand India's cultural horizon globally. Cultural Centres promote India through various cultural and academic activities thereby creating goodwill for India among local population. Bilateral commitments, local sentiments and support of the local government are the basis on which the Government of India decides to set-up Cultural Centre in a particular country. Centres are established in coordination with ICCR, concerned Indian Mission abroad and concerned Territorial Division in MEA. The procedure include seeking local permissions, identification of a suitable premises (rented/owned), financial allocation for establishment/running costs, creation of India-based and local posts, creation of infrastructure for the Centre, appointment of India-based and local staff as per prescribed guidelines. Appointments for the Centres are made as per the prescribed guidelines. Ministry of External Affairs has a major role in the entire process of setting up of a Cultural Centre and the Centre functions under the supervision of the concerned Indian Mission there.

4.5 Explaining further, the Ministry opined that request for RE 2019-20 and BE 2020-21 was made by ICCR on 19 September, 2019. ICCR has been fully utilizing the budgetary grant provided by the Ministry. There is scope of further enhancement of budgetary grant to ICCR. However, it will also require commensurate increase in ICCR's regular staff strength to plan and execute its activities globally. Grant-in-Aid by the Ministry is major resource available with ICCR. In addition, ICCR undertakes agency work in the form of scholarships etc. on behalf of the Ministry and other Departments. ICCs abroad generate nominal revenues through fees collected from students attending courses. ICCR collaborates with State Governments/local institutions for organizing its activities in India and ICCs/Missions abroad collaborate with local sponsors for hosting visits of ICCR-sponsored performing art groups.

4.6 Further pertaining to the constraints of manpower the Ministry in its reply to SLOP has stated that the ICCR's sanctioned strength had come down from 350 in the 1990s to 206 at present. Actual working strength of ICCR as on date is 149. As many as 44 posts were

abolished in the year 2016. Since the discontinuation of practice of nomination of candidates by the Staff Selection Committee for regular appointment, ICCR has not been able to make direct recruitment on a regular basis and in absence of direct recruitment in a timely manner, the posts in ICCR's cadre meant to be filled-up through direct recruitment lapsed. Creation of new posts and recruitment against the same is a time-consuming exercise which requires approval of the Ministry of Finance. ICCR is in the process of hiring an outsourced agency to make recruitment against 32 posts available in ICCR cadre for direct recruitment. ICCR is also pursuing its proposal for creation of 200 new posts in its cadre. It will require the approval of the Ministry of Finance.

4.7 The Ministry has submitted that the establishment of new cultural centre depends on various factors such as allocation of additional funds for establishment/running cost, identification of suitable premises, creation of posts to man the cultural centre. No new Centre was opened during the last three years. Efforts will be made at all levels to expedite the process of opening of new cultural centres. There is scope of further enhancement of budgetary grant to ICCR. However, it will also require commensurate increase in ICCR's regular staff strength to plan and execute its activities globally.

4.8 Explaining further on the new Cultural Centres that are going to be opened in Financial Year 2019-20 the Ministry informed the Committee that ICCR is in the process of opening three new Cultural Centres in Tel Aviv (Israel), Paris (France) and Washington (USA) for quite a long time. The establishment of a new Cultural Centre is dependent on various factors, such as allocation of additional funds for establishment/running costs, identification of suitable premises, creation of posts to man the Cultural Centre, etc.

4.9 On being asked to throw some light for admission of Foreign National on scholarship, the Ministry in a written note state that in a step forward to modernize and use technology and new process in administering scholarship programme, ICCR has developed "Admission to Alumni (A2A) Scholarship Portal" to streamline and make the programme more transparent. The portal was launched in January 2018. With the introduction of the portal from the academic year 2018-19. Some of the noteworthy improvements portal has enabled services like successfully linking aspiring foreign students from all over the world, automatic creation of data of Alumni and making the system accountable, transparent and efficient. The growth in number of scholarship

students is based on the study of data of utilization of scholarship slots. ICCR incurred an expenditure of Rs. 125.48 Crores in FY 2018-19 which increased to Rs. 175.02 Crores in FY 2019-20. The study of past three academic years (one year manual and two years online process) reveals that ICCR registered an average increase of 15% in admission each year. With these improvements witness in using the digitized platform for two academic sessions, the portal is a way forward for delivering services in pure professional manner.

**4.10 The Committee note that in BE 2018-19 ICCR was provided with an allocation of Rs. 255.00 crore which was reduced to Rs. 235.00 crore at RE stage and was actually spent. At BE 2019-20 it has been provided with Rs. 250.00 crore. The Ministry has informed that ICCR also carries out a detailed budgetary exercise based on realistic achievable objectives in line with overall a priority of the Government for cultural diplomacy. ICCR is the only organization of the Ministry of External Affairs which promotes India's soft power abroad. ICCR activities are spread across the globe. These activities cover scholarship for organizing exhibitions and performing arts and visual arts programmes. Keeping in view the broad spectrum of the activities of ICCR, the Committee find that in view of wide ranging important activities, there is a need to enhance the budgetary allocation of ICCR as per their demand. The Committee, therefore, strongly recommend the Government to increase the budgetary allocation for ICCR at RE 2019-20 and BE 2020-21 stage. The Ministry in its candid submission has also accepted that there is further scope of enhancement of budgetary grant to ICCR. Moreover, it will also require commensurate increase in ICCR's regular staff strength to plan and execute its activities globally. The Committee, therefore, also desire that the recruitment process in ICCR should be expedited to minimize the existing manpower crunch in ICCR and future needs.**

**(Recommendation No. 16)**

4.11 The Committee note that ICCR's cultural centres abroad are the principal instrument of India's institutional cultural outreach. The Ministry has submitted that establishment of a new cultural centre is dependent on various factors such as allocation of additional funds for establishing/running cost, identification of suitable premises and creation of post to man the cultural centre. During examination of Demands for Grants of the last two years the Committee were informed that ICCR was in the process of opening three new cultural centres in Tel Aviv (Israel), Paris (France) and Washington (USA). However, there has been no progress during the last three years. In view of the mandate of ICCR to project the rich cultural diversity of India and use the soft power diplomacy abroad, the Committee strongly recommend the Ministry to take concerted steps to open the new cultural centres at the earliest. The Committee also emphasize that the new cultural centres should be equipped with credible human resources along with judicious allocation of funds to the centres to undertake their activities. The Committee may be apprised about the steps taken in this regard.

(Recommendation No. 17)

4.12 The Committee observe that ICCR's sanctioned strength has come down from 350 in the 1990s to 206 at present. Actual working strength of ICCR as on date is 149. As many as 44 posts were abolished in the year 2016. Since the discontinuation of practice of nomination of candidates by the Staff Selection Committee for regular appointment, ICCR has not been able to make direct recruitment on a regular basis and in absence of direct recruitment in a timely manner, the posts in ICCR's cadre meant to be filled-up through direct recruitment lapsed. Creation of new posts and recruitment against the same is a time-consuming exercise which requires approval of the Ministry of Finance. ICCR is in



the process of hiring an outsourced agency to make recruitment against 32 posts available in ICCR cadre for direct recruitment. ICCR is also pursuing its proposal for creation of 200 new posts in its cadre. It will require the approval of the Ministry of Finance. The Committee view the human resources crunch of ICCR very seriously. Further, the work of existing cultural centres will further deteriorate with its severe human resource crunch. Therefore, the Committee strongly recommend the Ministry to pursue this matter with the Ministry of Finance for the creation of 200 new posts in the cadre of ICCR. In the mean time, ICCR should complete the process of hiring an outsource agency to make recruitment of 32 posts available in ICCR cadre for direct recruitment. The Committee may be apprised of the steps taken in this regard.

**(Recommendation No. 18)**

4.13 The Committee were informed that ICCR had been designated as the principal coordinating organization in the country to take welfare measures for all foreign students in India. The Committee note that in order to provide better services to the scholars studying under ICCR scholarships, an e-portal by the name Admission to Alumni (A2A) has been set up for admission of foreign students/scholars. The Committee desire that a proper feedback mechanism should be established to address the grievances posed by students/scholar and ICCR should act as a guardian and facilitator to them for ensuring their security and safety. The Committee also desire that besides looking into the various aspects of welfare of foreign students, the Ministry should also consider widening of the scope of scholarships and increase the number of ICCR scholarships also.

**(Recommendation No. 19)**

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

4.14 The Indian Council for World Affairs (ICWA) continued with its research on political, economic and security development in Asia, Africa, Europe, United States, Latin America and Caribbean, and the wider geo-strategic environment. Endeavour remained to address issues that were at the top of the foreign policy agenda and make its research outputs more policy effective. The research undertaken was disseminated in the form of Sapru House Papers, Issue Briefs, Policy Briefs and Viewpoints, Discussion Papers, Shodh Lekh which were published on the ICWA website

4.15 The Ministry stated that the allocations at BE of 2018-19 was Rs. 16.70 crore. This had been reduced to Rs. 11.87 crore at RE stage. The BE 2019-20 is Rs. 15.00 crore which is less than the allocations given in 2018-19. The Ministry in a written note while explaining about the reduction in allocation at the RE stage stated that it was primarily due to the pace of expenditure and anticipated expenditure in 2018-19. Therefore, to ensure optimal utilization of funds, allocation under this head was reduced to Rs. 11.87 crore at the RE stage. In BE 2019-20 allocation was kept at Rs. 15 crore as per ICWA's requirement of funds for the year.

4.16 Explaining the reasons for low pace of expenditure of Indian Council of World Affairs at RE of 2018-19 the Ministry in a written note submitted that the low pace of expenditure was primarily on account of issues faced in the renovation work contract of the Library and Annexe Building. The renovation work contract of Library and Annexe Building awarded by CPWD was rescinded during 2018-19 owing to unsatisfactory performance. A fresh tender was called by them for the balance work which took 6 months. Hence no fund was released to CPWD during 2018-19. Therefore, out of the BE 2018-19 allocation of Rs. 16.70 crores to the Council, Rs.1.62 crores was therefore surrendered to the Ministry in the month of November 2018.

4.17 On being requested to furnish details about the conferences organized by ICWA and the tangible policy outcomes emerging out of them which were beneficial in framing foreign political agenda, the Ministry submitted that during the period 2018-2019 the Council had organized a total of 107 conferences /seminars/dialogues/panel discussions & book discussions which includes 20 international interactions in the form of Conferences and Bilateral Dialogues.

Some of the important international conferences/ seminars held were on Africa, Latin America, Central Asia, PoJK and Afghanistan. Some important bilateral dialogues held were with our MoU partners in China, Russia, Nepal, Bhutan, Iran, Hungary, New Zealand and Saudi Arabia. Explaining further, the Ministry stated that priority was given to engage a more diverse set of voices in the discussion and debates. At the national level, experts and scholars were invited from various think tanks, universities and research institutes across the country, to participate as resources person in Council's conferences and seminars. In international conferences/ seminars, particularly those with regional focus, such as the conferences on Africa, Latin America, Central Asia, the Council brought together a cross section of analysts and experts from various countries in the region, to have an engaging discussion on range of areas of mutual interest at the bilateral and regional level.

4.18 As per the information provided by the Ministry, some of the major international conferences that the Council organized during the last two years and the topics/discussed are:

	<b>Event</b>	<b>Dates &amp; Place</b>	<b>Topic Debated/Discussed</b>
1.	Conference on India's Engagement with North Africa & Horn of Africa	29-30 March, 2019	i) Political & Diplomatic Relations ii) Strategic & Security Issues iii) Strengthening Economic & Development Cooperation. iv) Enhancing people to people linkages.
2.	Latin American Conference	18 May, 2018 Brazil	i) The Conferences deliberated upon themes related to Promoting Trade and investment, ii) Sustainable Development, iii) Cooperation in Space technology, iv) Global Governance Issues, Regional Groupings, v) Environment and Climate Change, Soft power, Culture, Diaspora and Social & Financial inclusion.
3.	Fifth India-Central Asia Dialogue	13-14 Sept, 2018 Smarkand, Uzbekistan	i) Strengthening Local/Regional Political, ii) Economic, Security Initiatives, Guarding Against Security Challenges & External/Regional Rivalries, iii) Connectivity, Investment Ushering Change in Region, iv) Growing India-Central Asia Relations at bilateral and multilateral Level.

4.	Bilateral Dialogue	14-15 Nov, 2018 Sapru House, New Delhi	i) Russia's Role in Asia; Eurasia and India. ii) Opportunities and Challenges (with India's membership at the EAEU and SCO). iii) Impact of the Relationship between Russia and the US on the Arctic and the Indo-Pacific etc.
A	Russian International Affairs		
B.	MGIMO	20-21 Dec, 2018 MOSCOW Russia	
C.	CPIFA	25 Sept, 2018	i) Constructing new Asian security architecture,
D.	India-China Think Tank forum	20-21 Dec, 2018	ii) Building new type of Great Power relations, iii) Enhancing economic cooperation,  iv) Global agenda - climate change & cyber security etc.

**4.19 The Committee observe that the allocation for Indian Council of World Affairs (ICWA) at BE stage during the year 2018-19 was Rs. 16.70 crore which was reduced to Rs. 11.87 crore at RE stage. The reasons attributed by the Ministry for reduction at RE stage were primarily due to slow pace of expenditure and anticipated expenditure in the year 2018-19. This was done to ensure optimal utilization of funds. The slow pace of expenditure was primarily on account of unsatisfactory performance of CPWD which was assigned to carry out the renovation work of the library and annexe building of ICWA. During the year 2019-20 an allocation of Rs. 15.00 crore has been given as per ICWA's requirement of funds for the year. The Committee note that ICWA is endowed with the task to carry out research on political, economic and security development in Asia, Africa, Europe, United States, Latin America and Caribbean and the wider geo-strategic environment. These research works always give strong inputs while framing the foreign policy agenda of India.**

**The Committee note that during the period 2018-19 the Council had organized a total of 107 conferences /seminars/dialogues/panel discussions & book discussions which includes 20 international interactions in the form of Conferences and Bilateral Dialogues. The outcomes emerging out of these conferences and bilateral dialogues were beneficial in framing foreign policy agenda. In view of the above, the Committee strongly desire the Ministry not to look at only the slow pace of expenditure in the renovation work for lowering the budgetary allocations. ICWA should be fully supported by the Ministry by supplementing adequate budgetary allocations at the RE stage, under intimation to the Committee so that they may be able to give the best inputs to the Government in Foreign Policy matters.**

**(Recommendation No. 20)**

**C. RESEARCH AND INFORMATION SYSTEM FOR DEVELOPING COUNTRIES (RIS)**

4.20 RIS is a think tank specializing in international economic relations and development cooperation, serving as a forum for fostering effective policy dialogue among think tanks of developing countries. Research and Information System for Developing Countries (RIS) organised several important events which, among others, include the 10th edition of the Delhi Dialogue on the theme “Strengthening India-ASEAN Maritime Cooperation”. RIS has worked closely with the Department of Economic Affairs (DEA), Ministry of Finance, as the Knowledge Partner for AIIB, along with with leading industry associations of India – FICCI, CII and ASSOCHAM. RIS continues to be engaged across inter governmental processes of several regional economic cooperation initiatives. Through its intensive network of think tanks, RIS seeks to enhance policy coherence on international economic issues and the development partnership canvas.

4.21 An outlay of Rs. 12.00 crore has been earmarked under the head RIS for BE 2019-20 which was same at BE and RE stages of 2018-19. In this context, the Ministry elaborated that various conferences like Regional Consultation of 3rd EAS Conference on Maritime Security and Cooperation, Launching of RIS -DFID Initiative on Global Development on 9-1-2019 at IHC, Regional Consultation On Indian Systems of Medicines: Challenges and Best Practices on 20 March, 2019 in Bengaluru, etc. were held under the aegis of various organizations and Governments to develop Economic Relations and Cooperation of India with foreign countries.

4.22 On the issue research collaboration with foreign embassies on foreign policy the Secretary during the course of oral evidence deposed:

“The Research and Information Systems (RIS) essentially focusses on economic and commercial research with a view to extending our economic outreach. Then, there is the Indian Council for World Affairs which we took over under an Act of Parliament and which is now supported by the Ministry of External Affairs. It does political diplomatic work and then, we, of course, have the Foreign Service Institute which is a training institute for our diplomats, but where we also get a lot of foreign diplomats in for training and a certain amount of research is done there as well. So, we have three institutions which have linkages with foreign institutions on on-going conferences, seminars, production of papers and so on”.

**4.23 RIS is a think tank specializing in international economic relations and development cooperation, serving as a forum for fostering effective policy dialogue among think tanks of developing countries. An outlay of Rs. 12.00 crore has been earmarked under the head RIS at BE 2019-20 stage. The same amount was there at BE and RE stages in 2018-19. RIS continues to engage across intergovernmental processes of several regional economic cooperation initiatives. Through its intensive networks, RIS seeks to enhance policy coherence on international economic issues and the developmental partnership canvas. In view of the far reaching implications of the RIS initiatives, the Committee would recommend suitable enhancement of the budgetary allocations as per their requirement at the RE stage.**

**(Recommendation No. 21)**

## CHAPTER-V

### TECHNICAL AND ECONOMIC COOPERATION WITH OTHER COUNTRIES MAJOR HEAD 3605

This budget head caters to India's aid and assistance programmes not only in India's immediate and extended neighborhood, but also countries in South East Asia, Central Asia, Africa, Latin America and the Caribbean, and the Indo-Pacific region. It also caters for Aid for Disaster Relief and contributions to various regional funds. The BE, RE during the year 2018-19 and BE 2019 is as under:

(Rs. In Crore)

BE 2018-19	RE 2018-19	BE 2019-20
5148.55	5970.50	7333.79

From the above table it is visible that the allocations given at BE during the year 2018-19 i.e. Rs. 5148.55 crore was increased to Rs. 5970.50 crore at RE stage. The allocation has further been increased to Rs. 7333.79 crore at BE 2019-20. In comparison to BE 2018-19, there is an increase of Rs. 2185.24 crore.

5.2 Aid programmes are influenced by the dynamics of India's national interest, diplomatic engagements and political relations. Further, pace of implementation of agreed projects are dependent on the host beneficiary government's readiness and local security and climatic factors as well. It is therefore difficult to anticipate all the requirements accurately at the BE stage. However, necessary rationalization in allocations is made in the RE stage as per pace of project implementation. Some of the major country-wise allocations are indicated below:

5.3 The table below illustrates the details of aid and loans to various countries during the year 2018-19 and 2019-20 is as under:

(Rs. in crore)				
Sl.No.	Country	BE 2018-19	RE 2018-19	BE 2019-20
1.	Bangladesh	175.00	120.00	175.00
2.	Bhutan	1813.50	2014.50	2135.79
3.	Nepal	650.0	750.00	1050.00
4.	Sri Lanka	150.00	165.00	250.00

5.	Maldives	125.00	440.00	400.00
6.	Myanmar	280.00	370.00	400.00
7.	African countries	200.00	330.00	450.00
8.	SAARC Prog	10.00	5.00	8.00
9.	Disaster Relief	20.00	20.00	20.00
10.	ITEC	280.00	220.00	220.00
11.	Afghanistan	325.00	470.00	400.00
12.	Monglia	5.00	2.00	5.00
13.	Chabahar Port	150.00	00.00	45.00
14.	Mauritius	350.00	660.00	1100.00
15.	Seychelles	300.00	100.00	100.00
16.	Investment & Promotion	75.00	90.00	300.00
17.	Other Developing Countries	115.00	125.00	150.00

5.4 From the above table, it can clearly be discerned that there has been decrease in aid to countries like Maldives (From RE 2018 to BE 2019-20) SAARC programme, ITEC, Afghanistan, Chabahar Port and Seychelles in our neighbourhood.

5.5 On being asked about the decrease in aid to various countries being contrary to India's policy of „Neighbourhood First the Ministry in the written replies informed that Budget allocation and prioritization is done in the Ministry based on overall objectives of the Ministry as also realistic assessment of physical and financial progress of the projects under various Aid heads. The Ministry gives utmost priority to Government's Neighbourhood First policy. The above table shows, particularly in respect of India's immediate neighbourhood, that enhancements have been made in BE 2019-20 over BE 2018-19 for Bhutan, Nepal, Sri Lanka, Myanmar, Maldives, Afghanistan.

5.6 Elaborating further on the issue, the Ministry sated that under our Neighbourhood First Policy, we remain committed to increasing the scale and scope of our development cooperation in Maldives, Afghanistan, and other countries and operationalizing critical projects like Chahbahar port. With respect to financial assistances allocated annually under the budget for Maldives, Afghanistan, Chahbahar port etc, it must be pointed out the budgetary allocations made each year are in accordance to the financial requirements of the projects being carried for that year, and as such, year-to-year changes do not necessarily reflect any corresponding change in the nature or quantum of commitments.



5.7 The Ministry submitted that the combined spending of ITEC, Colombo Plan and SCAAP during 2017-18 was Rs 229 Cr. After merger of these budget heads under ITEC, allocation for ITEC in BE 2018-19 was increased to Rs 280 Cr. However, due to comprehensive review and restructuring processes under ITEC, the actual expenditure in 2018-19 came down to Rs 200.24 Cr. However, during 2019-20, the restructuring process has stabilised and it is expected that the utilisation of slots, including that by neighbouring countries would increase. Taking this into account, enhanced demand for budget under ITEC has been projected in RE 2019-20 and BE 2020-21, clearly indicating an increasing trend in allocation of training slots under ITEC, including to neighbouring countries.

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

5.9 On the details of allocations provided under several heads relating to aid to various countries and information on Aids proposed to be given, the Ministry in a written note communicated that the allocations for various Aid heads are done through careful prioritization within available resources to ensure that none of our developmental work suffers any setback and all our commitments are implemented smoothly and speedily. Reallocations at RE 2019-20 stage have been effected to cater to spending needs under other heads based on physical progress by identifying savings in other Aid heads after undertaking a realistic spending assessment based on project implementation cycles, local conditions and physical progress.

**5.10 The Committee observe that as a key instrument of our foreign policy, the scope and magnitude of developmental partnership has been widened over the past few years. The Committee are happy to note that as per the Recommendations of the Committee in their earlier Reports on Demands for Grants to refrain from cuts in this head and suitable increase of allocation at RE stage, the Ministry of Finance has increased the allocations of Rs. 5148.55 crore given at BE 2018-19 to Rs. 5970.50 crore at RE stage. The increase is Rs. 821.95 crore. Further, the allocation at BE 2019-20 has also witnessed an increase with allocation of Rs. 7333.79 crore. The Committee are also happy to note that as per Government's neighbourhood first policy the allocations have been enhanced at BE 2019-20 over BE 2018-19 for Bhutan, Nepal, Sri Lanka, Myanmar, Maldives and Afghanistan.**

**The Committee have been apprised that Aid programmes are influenced by the dynamics of India's national interest, diplomatic engagements and political relations. The pace of implementation of agreed projects are dependent on the host beneficiary Government's readiness and local security and climatic factors. In this regard, the Committee in their 21<sup>st</sup> Report had recommended to undertake a thorough review of all Aid projects and prepare a roadmap for their completion. The Committee are of the opinion that since the budgetary allocations have been increased, the Ministry should make a thorough review of all Aid projects to observe the status of physical and financial progress of each project. The Committee would also like to reiterate their earlier Recommendations to explore the feasibility of setting up of an autonomous aid disbursal body along the line of USAID to monitor the progress of the projects and to avoid arbitrary cuts imposed by the Ministry of Finance and prioritise the projects within the available**

allocation. The Committee strongly feel that in this way the aid to various countries for technical and economic cooperation will play a desired role for ushering developmental diplomacy.

**(Recommendation No. 22)**

**5.11** In the context of developmental aid to various countries, the Committee note that there has been decrease in aid to countries like Maldives, Afghanistan, SAARC and ITEC Programme from BE stage to RE stage in the year 2018-19 and Chabahar Port and the Seychelles from BE to RE 2018-19 and from BE 2018-19 to BE 2019-20. The Committee further note that the progress of implementation of projects depends upon the geological and other practical challenges.

Many a time, the Ministry faces difficulties of applying Indian procurement rules in external market while constructing building abroad. As a consequences, the pace of construction activities becomes very slow. When the Ministry float tender documents based on rules and regulations made in India, companies abroad are unwilling to bid for those tenders because the Indian requirements do not match the requirement of the foreign companies. This is the hindrance both for procurement and construction works. The Committee note that the Ministry is deliberating this issue with the Ministry of Finance to gradually relax the norms for the construction activities abroad as well as on Lines of Credit or other grant projects. On this account, the Committee desire the Ministry to vigorously pursue this matter with the Ministry of Finance for an early decision.

**(Recommendation No. 23)**

## A. AID TO BANGLADESH

5.12 Under Aid to Bangladesh the BE, RE and actual expenditure for the year 2017-18 and 2018-19 and for the year 2019-20 are as under:

*(In Rs. Crore)*

	<b>BE 2017-18</b>	<b>RE 2017-18</b>	<b>Actual 2017-18</b>	<b>BE 2018-19</b>	<b>RE 2018-19</b>	<b>Actual 2018-19</b>	<b>BE 2019-20</b>
	<b>125.00</b>	<b>65.00</b>	<b>78.02</b>	<b>175.00</b>	<b>120.00</b>	<b>131.81</b>	<b>175.00</b>
BE to RE Difference		-60.00			-55.00		
RE to Actual Difference			13.02			11.81	
C/Y and P/Y BE Difference	-25.00			50.00			0.00
% Difference	-16.67%	-48.00%	10.42%	40.00%	-31.43%	6.75%	0.00%

5.13 The allocations at BE 2018-19 was Rs. 175.00 crore. The RE allocation was Rs. 120.00 crore there is a reduction of 55.00 crore. The actual expenditure during the last year is Rs. 131.81 crore. Further, enumerating the reasons for reduced allocation, the Ministry submitted that against BE 2018-19 allocation of Rs. 175.00 crore under this head, the expenditure till 30 September 2018 was Rs. 52.79 crore only. Due to slow pace of spending as a result of local and other factors, like heavy rains etc. the allocation was reduced in RE 2018-19 to Rs. 120.00 crore. In BE 2019-20, allocation of Rs 175 crore has been kept to cater to expenditure anticipated towards ongoing development projects such as the Akhaura-Agartala rail link project, India Bangladesh Friendship Pipeline and dredging of fairway on inland waterway protocol routes apart from training of Bangladesh personnel, scholarships, and small development projects etc. The work is expected to pick up pace from Nov 2019 after retreat of monsoons and mobilization of resources at the local level.

5.14 On the status of utilization of funds during 2018-19 for major projects the Ministry informed the Committee as follows:

<b>S.No.</b>	<b>Name of the project/Item of expenditure</b>	<b>Total approved cost</b>	<b>Total Funds released upto 31 Sept 2019(Rs. Cr)</b>
1	Akhaura-Agartala rail link project	392.50	85.52
2	Construction of IBF Pipeline from Siliguri to Prabatipur	285.00	2.85
3	Dredging of Rivers	245.00	0.00
4	HICDPs (formerly SDPs)	187.78	112.57
5	Scholarships/ Training/ Health Scheme/ Assistance		4.64

5.15 Informing on the Akhaura-Agartala rail link project which is an ambitious project between India and Bangladesh, the Ministry state that the Project is progressing at a slow pace owing to heavy rain and floods in Bangladesh. The pace of work is expected to pick up in November after the monsoon season. As on 30<sup>th</sup> September 2019, 13.26% of the Bangladesh portion of the Project has been completed and it is expected to be completed by mid 2020. The Akhaura-Agartala Rail Link Project is under implementation in two parts. The segment that falls in Bangladesh that is funded by MEA and under execution by Bangladesh Railways. This segment is regularly monitored by MEA together with Bangladesh Railways. The segment that falls in India that is funded by DONER and is under execution by Indian Railways/IRCON. IRCON is also Consultant for the Bangladesh portion of the project.

**5.16 The Committee observe that the budgetary allocation under Aid to Bangladesh for the year 2018-19 was Rs. 175.00 crore an increase in comparison to the budgetary allocation of Rs. 125.00 crore in BE 2017-18. However, at the RE stage of 2018-19 the allocation was reduced to Rs. 120.00 crore. The expenditure till 30<sup>th</sup> September, 2018 was Rs. 52.79 crore only. The lower allocation at RE stage and slow pace of expenditure during the year 2018-19 was attributable to the local and other factors like heavy rains, etc. The**

allocation for the year 2019-20 is Rs. 175.00 crore. The Ministry has informed that an enhanced allocation of Rs. 175.00 crore has been provisioned to cater to expenditure anticipated towards ongoing development projects such as the Akhaura-Agartala rail link project, India Bangladesh Friendship Pipeline and dredging of fairway on inland waterway protocol routes apart from training of Bangladesh personnel, scholarships, and small development projects, etc. It is expected that the work will pick up pace from November, 2019 onwards after retreat of monsoon and mobilization of resources at the local level.

While looking at status of utilization of fund up to 31<sup>st</sup> September, 2019, the Committee are pained to note that for Akhaura-Agartala rail link project, out of total approved cost of Rs. 392.50 crore the released fund is only 85.52 crore. For construction of IBF pipeline from Siliguri to Prabhatipur the release amount is only 2.85 crore against the approved cost of Rs. 285.00 crore. For dredging of rivers there is no release of funds against the approved cost of Rs. 245.00 crore. For HICDPs the released amount is Rs. 112.57 crore against the approved cost of Rs. 187.78 crore. For scholarship/training/health scheme the Ministry has released 4.64 crore. The total fund released up to 31<sup>st</sup> September, 2019 is Rs. 205.58 crore. The Committee express their disapproval of the slow pace of utilization of fund in all projects/schemes till now. In view of the tardy implementation a various projects in Bangladesh the Committee strongly urge the Ministry of External Affairs that they should make all out efforts to fully utilize the allocations and complete the

projects within the agreed timeline. The Committee also wish to reiterate their earlier Recommendations that the Government of India should use its good offices to engage with Government of Bangladesh for promptly reciprocation in furnishing proposals and complete the projects in a fixed timeframe.

**(Recommendation No. 24)**

## **B. AID TO BHUTAN**

5.17 Government of India's aid and assistance programmes in Bhutan are currently covered under both Revenue and Capital Heads with Grants coming under Revenue and Loans coming under Capital sections of the budget. The funds under the Grants head are utilized for various development projects including hydroelectric power projects, development subsidy to Bhutan, subsidy to power Grid Corporation of India for drawal of power from Chukha hydroelectric project, payment to IOC for supply of kerosene oil and liquefied petroleum gas to Bhutan at a subsidized price, excise duty refund to Bhutan, projects/schemes under Project Tied Assistance framework, scholarships to Bhutanese students in various institutions in India etc. Allocations are made keeping in view the progress of work in various schemes/projects in Bhutan.

The BE, RE and actual during the year 2018-19 and BE 2019-20 is as under:

*(Rs.in crores)*

	<b>BE 2018-19</b>	<b>RE 2018-19</b>	<b>Actual</b>	<b>BE 2019-20</b>
<b>Aid to Bhutan</b>	1813.50	2014.50	1985.87	2135.79

5.18 The aid to Bhutan during 2019-20 i.e Rs. 2135.79 crore is an increase of 17.77 Percent vis-à-vis funds allocation during 2018-19 which was BE of Rs. 1813.50 crore. The Ministry clarified in written note that the additional allocation under Aid to Bhutan at BE 2019-20 and RE 2018-19 over BE 2018-19 is on account of increase in allocation for following:

- Loan and Grant component of Mangdechhu Hydro Electrical Project (HEP), which has got commissioned in June 2019.

- Support for projects during 'Bridge' period (period after completion of 11<sup>th</sup> FYP of Bhutan in September 2018) and before commencement of our assistance for 12<sup>th</sup> FYP.
- Loan and Grant component of Associated Transmission System (ATS) for GoI assisted HEPs in Bhutan.

5.19 Furnishing the details of the status of the various ongoing hydro-electric power projects in Bhutan along with the projected completion year, the Ministry submitted as follows:

S. No.	Project/ Scheme	Approved Value	Scheduled date of completion	Current Status
1.	1 Mangdechhu (720 MW HEP)	• INR 5012.63 Cr (As approved in 3 <sup>rd</sup> RCE in March 2019, final cost of completion is pending with CEA for vetting)	Project has been commissioned. It was inaugurated in Aug 2019 by PMs of India and Bhutan.	Project has been commissioned.
2.	Punatsangchhu-I (1200 MW HEP)	• RCE of INR 9375.58 Cr (Approved in July 2015)	June 2019	Physical progress- 86.19% (as of Sep 2019); Fund released so far: INR 7872.41 Cr  <i>*The project has been delayed due to geological surprises.</i>
3	Punatsangchhu-II (1020 MW HEP)	• RCE of INR 7290.62 Cr (Approved in July 2016)	2018-19	Physical progress- 84.80% (as of Sep 2019); Fund released so far: INR 6165.375 Cr  <i>*The project has been delayed due to geological surprises.</i>
	4 Kholongchhu (600 MW HEP)	• INR 3868.870 Cr (DPR completion cost)	Pre-construction activities in progress.	INR 126.7917 Cr has been released by MEA towards DGPC's equity till date.



5.20 Opining on the adequacy of funds for completion of the projects the Ministry in a written note state that overall allocation under Aid to Bhutan budget for RE 2018-19 and BE 2019-20 is as per MEA's estimates with updated projections being reflected in the RE projections. Fund requirement for projects under 'Aid-to-Bhutan' budget head are projected after comprehensive discussion with the Royal Government of Bhutan as well as bilateral Hydro-power Project Authorities, keeping in view our long term commitments to Bhutan and progress of various projects/schemes of bilateral cooperation.

5.21 On the aid to Bhutan, the Foreign Secretary during oral deposition before the Committee stated:

“...I am happy to inform the Committee that the Government disbursed 100 per cent of its committed assistance of Rs. 5,000 crores to Bhutan in their 11th Five Year Plan which concluded last year. The Government of India has now made a fresh commitment of Rs. 4,500 crores towards Bhutan's 12th Five Year Plan which is beginning this year and in the current Financial Year, we have allocated Rs. 2,135 crores of which 56 per cent has already been utilised. It is a matter of pride that the Mangdechhu Hydroelectric Project was jointly inaugurated by both Prime Ministers on the 17th of August. The construction of Punasanchu-I and Punasanchu-II projects are facing some geological challenges but the resolution of these issues is being worked out and India and Bhutan are also currently beginning discussions on the Sankosh Hydroelectric Project”

**5.22 The Committee observe that the Government of India has disbursed 100 percent earmarked assistance of Rs. 5000.00 crore to Bhutan committed for their 11<sup>th</sup> Five Year Plan which has concluded. The Government of India has now made a fresh commitment of Rs. 4500.00 crore during their 12<sup>th</sup> Five Year Plan. During the year 2018-19 the BE was Rs. 1813.50 crore. This has been increased to Rs. 2014.50 crore with an actual expenditure of Rs. 1985.87 crore. The allocation at BE 2019-20 is Rs. 2135.79 crore which is an increase of 17.77 percent vis-à-vis funds allocation during 2018-19. The increase in the allocation is on account of loan and Grant component of Mangdechhu Hydro Electrical Project (HEP), which has got commissioned in June**

**2019. Support for projects during 'Bridge' period (period after completion of 11<sup>th</sup> FYP of Bhutan in September 2018) and before commencement of our assistance for 12<sup>th</sup> FYP. Loan and Grant component of Associated Transmission System (ATS) for GoI assisted HEPs in Bhutan. The Committee are happy to note that Mangdechhu Hydroelectric Project was jointly inaugurated by both the Prime Ministers on 17 August, 2019. The Committee further note that the construction of Punasanchu-I and Punasanchu-II projects are facing some geological challenges but the resolution of these issues is being worked out and India and Bhutan are also currently beginning discussions on the Sankosh Hydroelectric Project. The Committee hope that both the Government will come to an early conclusion and complete all the projects in a fixed timeframe by utilizing 100 percent fund allocation maintaining the earlier track record.**

**(Recommendation No. 25)**

### **C. AID TO MALDIVES**

5.23 The BE, RE and actual expenditure for the last three and for this financial year 2019-20 provided by the Ministry under aid to Maldives is as follows:

*(In Rs. Crore)*

	<b>BE 2017-18</b>	<b>RE 2017-18</b>	<b>Actual 2017-18</b>	<b>BE 2018-19</b>	<b>RE 2018-19</b>	<b>Actual 2018-19</b>	<b>BE 2019-20</b>
	<b>75.00</b>	<b>125.00</b>	<b>109.24</b>	<b>125.00</b>	<b>440.00</b>	<b>439.40</b>	<b>400.00</b>
BE to RE Difference		50.00			315.00		
RE to Actual Difference			-15.76			-0.60	
C/Y and P/Y BE Difference	35.00			50.00			275.00
% Difference	87.50%	66.67%	-21.01%	66.67%	252.00%	-0.48%	220.00%

5.24 RE 2018-19 allocation and BE 2019-20 allocation has been significantly enhanced to meet the requirement of funds towards budgetary support of US \$ 200 million to Government of Maldives in addition to the ongoing Projects such as construction of a MOD building, Police Academy, CTC, ISLES, supply of equipment and construction material, assistance in the digital mapping of the Maldives Islands, Defence/Police/Civil training etc.

5.25 „Under Aid to Maldives“ the Ministry stated that BE 2019-20 allocation has been significantly enhanced to meet the requirement of funds towards budgetary support of US \$ 200 million to Government of Maldives in addition to the ongoing Projects such as construction of a MOD building, Police Academy, CTC, ISLEs, supply of equipment and construction material, assistance in the digital mapping of the Maldives Islands, Defence/Police/Civil training etc.

5.26 The allocation has been increased from Rs. 125.00 crore in BE 2018-19 to Rs. 440.00 crore during RE 2018-19 as well as in BE 2019-20. In this regard the Ministry explained that after political developments in Maldives in November 2018, there has been an exponential expansion of developmental partnership between the two countries and various stalled projects have been restarted. In addition, Government of India had announced total budgetary support of US \$ 200 million to government of Maldives. Hence, there has been an increase in allocation for Aid to Maldives.

5.27 DPAlII has two projects under execution which are:

<b>Project name</b>	<b>Approved cost</b>	<b>Budgetary expenditure so far (Rs Crore)</b>	<b>Budgetary projection in 2019-20 (Rs Crore)</b>	<b>Status</b>
Police Academy (Institute of Security and Law Enforcement Studies)	222.98	107.42 (14.08 in 2018-19)	64.08	61% physical progress. Scheduled for completion in July 2020.
Ministry of Defence building	33.60	Nil	15.00	Government of Maldives has indicated the start of demolition of the existing coast guard building in

				mid November. Work for construction of new Ministry of Defence building is expected to be awarded in early 2020.
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5.28 On the progress of the Construction work of Police Academy and its status, the Ministry in written note stated that the Government of India is providing assistance to the Government of Maldives in setting up the Institute for Security and Law Enforcement Studies (ISLES) [formerly National Police Academy] in Maldives. Presently around 60% of the project has been completed and work is progressing smoothly after resolution of issue of Visa. The total cost of ISLES is Rs 195.50 Crore and expected completion is in first half of 2020.

5.29 On the issue of fulfilling the targets set for completion of construction of work in foreign countries, the Foreign Secretary during the course of oral evidence stated:

“...the Police Training Academy in Maldives will all be completed and delivered in the coming months. While we make every effort to fulfil our targets, we also wish to apprise the Committee of practical challenges that we face in executing projects abroad”.

5.30 Elaborating further on the incompleting projects in Maldives the foreign Secretary on the current situation in Maldives opined as follows before the Committee:

“..in the Maldives, allocations have been increased recently with the return of political stability after the democratic elections in November, 2018 and our renewed focus is on completing the on-going projects which were stalled by the previous Government and undertaking new projects of mutual interest. We, therefore, hope to complete construction of the Institute for Security and Law Enforcement Studies and the Ministry of Defence building by mid-2020. We have also given assistance for the rest of cultural sites for the building of a new cricket stadium and a new harbour. At the request of the new Government, we have also given the budgetary support spanning both, last fiscal year and this year, of about Rs. 1,400 crores in order to avoid a serious financial crisis due to mismanagement by the previous Government”.

**5.31** The Committee note that the allocations given under Aid to Maldives was at BE 2018-19 was Rs. 125.00 crore was increased to Rs. 440.00 crore at RE stage and the amount of Rs. 439.40 crore was spent during that period. The allocations for the year 2019-20 is Rs. 400.00 crore. The allocation has kept at the same level to meet the requirement of funds towards budgetary support of US \$ 200 million to Government of Maldives in addition to the ongoing Projects such as construction of a MOD building, Police Academy, CTC, ISLES, supply of equipment and construction material, assistance in the digital mapping of the Maldives Islands, Defence/Police/Civil training etc. The allocation have been increased with the return of political stability in November, 2018. The Committee have been apprised that now the Ministry has renewed its focus on completing the ongoing project which were stall by the previous Government of Maldives and they are also undertaking new projects of mutual interest. The Foreign Secretary also expressed hope to complete the construction of the Institute of Security and Law Enforcement Studies and the Ministry of Defence building by mid 2020. The Committee trust that all the projects of Maldives will be completed in the scheduled time with 100 percent fund utilization thereof. The Committee may be apprised about the financial and physical achievement made in this regard.

**(Recommendation No. 26)**

#### **D. AID TO MYANMAR**

**5.32** The BE, RE and actual expenditure for the last three and for this financial year 2019-20 under aid to Myanmar is as under:

(In Rs. Crore)

	<b>BE 2017-18</b>	<b>RE 2017-18</b>	<b>Actual 2017-18</b>	<b>BE 2018-19</b>	<b>RE 2018-19</b>	<b>Actual 2018-19</b>	<b>BE 2019-20</b>
	<b>225.00</b>	<b>225.00</b>	<b>223.55</b>	<b>280.00</b>	<b>370.00</b>	<b>376.23</b>	<b>400.00</b>
BE to RE Difference		0.00			90.00		
RE to Actual Difference			-1.45			6.23	
C/Y and P/Y BE Difference	-175.00			55.00			120.00
% Difference	-43.75%	0.00%	-0.64%	24.44%	32.14%	2.23%	42.86%

GoI-assisted projects in Myanmar include construction/up gradation of highways and bridges, establishment of MIIT, Agricultural research institute (ACARE), and Kaladan Multi-Modal Project. Enhanced allocation in RE 2018-19 and BE 2019-20 has been made based on anticipated progress in Kaladan project and construction of bridges project.

5.33 The Aid to Myanmar under BE 2018-19 was Rs. 280.00 crore and the same was increased at RE Stage to Rs. 370.00 crore. For BE 2019-20 the allocation has been pegged at Rs. 400.00 crore. Enhanced allocation in RE 2018-19 and BE 2019-20 has been made based on anticipated progress in Kaladan project and construction of bridges project. The Ministry elaborated on GoI-assisted projects in Myanmar include construction/up gradation of highways and bridges, establishment of MIIT, Agricultural research institute (ACARE), and Kaladan Multi-Modal Project.

5.34 The Ministry further stated that the main infrastructure projects that require significant funding in BE 2019-20 are the Kaladan Multimodal Transport Project, Trilateral Highway linking India, Myanmar and Thailand, Coastal Surveillance System for Myanmar on its Bay of Bengal coast and the Andaman Sea; a Women's Police Training College; an ongoing project to support the Myanmar Institute for Information and Technology (MIIT),

5.35 On being asked about whether the Ministry is satisfied with the allocation of Rs. 400.00 crore when China has already made a strategic inroads into Myanmar, the Ministry informed the

Committee that India is already undertaking major infrastructure and capacity-building projects in Myanmar, all of which will require concentrated effort by Indian and Myanmar agencies to satisfactorily complete. Based on assessment of Myanmar's current capacity to absorb projects, the stage at which our existing menu of projects has currently reached, and the capacity to work with Myanmar's specific rules and regulations, Ministry believes that the allocation currently sought is sufficient to secure India's fundamental strategic interests in Myanmar. The current very positive trajectory of India-Myanmar relations suggests that the Government's assessment of the balance of needs, capacities and ambition is quite accurate.

“In Myanmar, despite the difficult political and security situations in areas where our projects are located, we have successfully completed and handed over 250 housing units under the Rakhine State Development Programme. In the Kaladan Multi-Modal Project, the waterways component comprising the Sittwe Port, the island water transport terminals at Sittwe and Paletwa, the navigation channel and six 300 tonne vessels have been completed. Tendering for appointment of the port operator has been concluded and the process of awarding the contract is underway in consultation with the Government of Myanmar. Work on the Kaladan Multi-Model Road component, which was awarded in March, 2017, has regrettably suffered a setback due both to the worsening security situation as a result of the Rohingya issue and also to the consequent financial insolvency of the contractor. The non-accessibility to the project area from the Indian side is also a matter of concern”.

**5.36 The Committee observe that the aid to Myanmar under BE 2018-19 was Rs. 280.00 crore and the same was increased to Rs. 370.00 crore at RE stage. The allocation for BE 2019-20 has further increased to Rs. 400.00 crore. The Committee have been apprised that the main infrastructure projects that require significant funding in BE 2019-20 are the Kaladan Multimodal Transport Project, Trilateral Highway linking India, Myanmar and Thailand, Coastal Surveillance System for Myanmar on its Bay of Bengal coast and the Andaman Sea; a Women's Police Training College; an ongoing project to support the Myanmar Institute for Information and Technology (MIIT). The Committee, further, note that based on assessment of Myanmar's current capacity to absorb projects, the stage**

at which the existing menu of projects has currently reached, and the capacity to work with Myanmar's specific rules and regulations, the Ministry believes that the allocation currently sought is sufficient to secure India's fundamental strategic interests in Myanmar. The Committee are happy to note that the Ministry has successfully completed and handed over to 250 housing units under the Rakhine State Development Programme. In the Kaladan Multi-Modal Project, the waterways component comprising the Sittwe Port, the island water transport terminals at Sittwe and Paletwa, the navigation channel and six 300 tonne vessels have been completed. However, the Committee are constrained to note the long delay in completing the work on the Kaladan-Multi Modal road component which was accorded in March 2017. The Committee note the reasons attributable to the delay are the worsening security situation as a result of Rohingya issues and financial insolvency of the contractors. In this regard, the Committee wish to suggest to the Ministry to make sincere efforts to ensure that at the tendering stage, the Ministry, along with the line Ministries, to examine the credibility of the contractors through a proper tendering process and they should regularly follow the examination so that the scarce resources of the Government of India do not get blocked or wasted due to the financial insolvency of the contractors. The Committee may be apprised of the steps taken in this regard. The Committee further desire that the Ministry in consultation with Myanmar Government to draw a road map for completion of the Kaladan-Multi Modal road component to ensure smooth and timely completion of the transport corridor.

**(Recommendation No. 27)**

## **E. AID TO AFRICAN COUNTRIES**

5.37 The BE, RE and actual expenditure for the last three and for this financial year 2019-20 relating to Aid to African countries is as under



(In Rs. Crore)

	<b>BE 2017-18</b>	<b>RE 2017-18</b>	<b>Actual 2017-18</b>	<b>BE 2018-19</b>	<b>RE 2018-19</b>	<b>Actual 2018-19</b>	<b>BE 2019-20</b>
	<b>330.00</b>	<b>165.00</b>	<b>172.72</b>	<b>200.00</b>	<b>330.00</b>	<b>339.98</b>	<b>450.00</b>
BE to RE Difference		-165.00			130.00		
RE to Actual Difference			7.72			9.98	
C/Y and P/Y BE Difference	40.00			-130.00			250.00
% Difference	13.79%	-50.00%	2.34%	-39.39%	65.00%	4.99%	125.00%

This head is for expenditure on various programmes/projects by India in African countries. Several commitments were announced at the highest political level in IAFS-III. Enhanced allocation has been made in RE 2018-19 and BE 2019-20 to fulfill the commitments made during IAFS-III and are based on the anticipated expenditure in FY 2019-20. As per the Brief furnished by the Ministry, under the Head 'Aid to African Countries', the BE 2018-19 was Rs. 200.00 crore which was increased to Rs. 330.00 crore during RE 2018-19 stage. During BE 2019-20, the budgetary allocation has been further increased to Rs. 450.00 The allocation at BE is Rs. 450.00 crore.

5.38 Explaining the reasons for quantum jump of allocations under this head, the Ministry in a written note informed that several commitments were announced at highest political level in IAFS-III. Explaining further the manner in which the Ministry adheres to such commitments with slash budget the Ministry submitted that during IAFS-III, no new projects were announced involving financial commitment. Doubling of scholarship to 50,000 for African nationals and an additional offer of USD 10 billion as concessional credit over the period of five years (2015-2020) was announced along with the grant of 600 USD. In respect of the commitment regarding offer of USD 10 billion worth of GoI Lines of Credit (LoC) to African countries for development projects under IAFS-III, the budgetary implications of the same in terms of Interest Equalization Support (IES) is borne by Department of Expenditure, and therefore the same is not affected by MEA's budget allocations.

5.39 Explaining on the issue of the comprehensive review of all the projects announced so far under India-Africa Summit I and II being completed in consultation with all the concerned Ministries/Departments and outcome of this review the Ministry in a written note submitted that

all projects were reviewed in October 2015 during the IAFS-III summit held in New Delhi. Progress in the projects is reviewed regularly in consultation with all concerned Ministries. A regular and high level review of projects undertaken under various IAFS is carried out in consultation with all concerned stakeholders and policy decisions are taken accordingly. For example, to respond to capacity constraints faced by several African countries in developing a proper project proposal, a Project Preparation Facility has recently been set up to assist the requesting countries with preparation of project proposals.

5.40 Furnishing the reasons for delay in setting up of projects committed under IAFS-I, II & III and the remedial steps taken up by the Government of India, the Ministry submitted that Considerable challenges were faced in the implementation of the proposals to set up institutions in Africa. These include: Long delays in decision making on choice of locations to host institutions (by the African Union, the Regional Economic Communities or the countries selected); wrong choice of locations in several cases; lack of interest in several designated host countries; lack of funds with the host countries (mostly LDCs) to provide land/building/running costs as per the terms and conditions of the partnership model; lack of adequate funds and manpower on the Indian side in certain cases to implement the projects offered under IAFS mechanism. Despite these challenges, we have established a total number of 8 Vocational Training Centers (VTCs) in Africa. We have also established 6 IT Centers, a CGARD Center and upgraded a Technology Center. As part of grant assistance, India has also provided medicines, medical equipment, ambulances, NCERT books, vehicles and food grains etc. Over US \$ 700 million has been incurred on various grant projects, since IAFS III. As regards LoCs, projects worth US \$ 6.4 billion have been approved/implemented in various African countries since IAFS-III.

5.41 Elaborating on the mechanism in the Ministry or at the level of the African Union to oversee the quality and pace of implementation of Projects the Ministry in a written note stated that both sides have gained some experience in institutionalizing and implementing the various forms of development partnership. The experience has revealed the areas of unqualified success (various forms of specialized training and higher education scholarships which are actively sought after by the African countries), others where considerable progress is being achieved

(project execution in areas of interest to Africa, especially Power generation and distribution, water supply and irrigation, agriculture, light manufacturing, renewable energy, construction of infrastructure etc. by Indian companies funded by concessional credit; these are also actively sought after by the African countries) and some others where progress is limited due to various reasons (in setting up of institutions). The lessons learnt on the basis of challenges faced (difficulties of delayed decision making and incorrect choice of institutions and their locations by the African Union, lack of funds with the African countries to provide land/building/running costs, inadequate funds available under Aid to African countries budget, among others) have been factored as we plan for next phase of cooperation under IAFS-III.

A Review Meeting of the Strategic Cooperation Framework of Africa-India Forum Summit III took place in New Delhi, India in September, 2019. Both sides evaluated the progress made in achieving various targets set out by the leaders during IAFS-III. The meeting welcomed the tremendous enhancement of overall engagement between India and Africa. The AU Delegation acknowledged the progress made by the Indian side on the status of implementation of various commitments made under IAFS-III through Lines of Credit, Grants and capacity building initiatives. The Meeting welcomed the status of implementation provided by Indian side, particularly more than US\$ 6.4 billion under the Indian Lines of Credit have been committed/ongoing out of the overall IAFS-III commitment of US\$ 10 billion, an amount of more than US\$ 700 million has already been committed/ongoing as grant assistance thereby exceeding the target of US\$ 600 million set out in IAFS-III for grant assistance, and the completion of more than 40,000 slots for training, scholarship and capacity building out of the total commitment of 50,000 slots in IAFS-III.

5.42 Furnishing a status note on Pan Africa e-network Project along with the allocation and 'Actuals' for the last 5 years the Ministry informed as under:-

- (a) The Pan African e-Network Project is an initiative to use the Indian expertise in information technology to bring benefits of health care and higher education to all countries of Africa.
- (b) e-VidyaBharti ArogyaBharti [e-VBAB] Network Project, a technological upgradation of Phase-I, has been launched. We are now offering 15,000 scholarships over a period of 5 years through the second phase of Pan African e-network project. The enhanced tele-education component of this project shall be known as India-Africa Virtual University.
- (c) Approved cost of [e-VBAB] Network Project is Rs 951.22 crores. The project is expected to provide tele-medicine services as well as online medical consultation. The estimated cost of Rs 865.50 cr based on Detailed Project Report (DPR). An implementation agreement was signed with M/s TCIL on September 10, 2018.

5.43 Notifying the Committee about the beneficiaries of the Project and the cost overrun in the Project during 2018-19 the Ministry replied that building on the success of Phase-1 of Pan-Africa e-Network project, e-VBAB has been well received by African countries. Memorandum of Understanding have been signed by M/s TCIL, the implementing agency with Benin, Cote d'Ivoire (Ivory Coast), Democratic Republic of Congo, Ghana, Malawi, Mauritius, Mozambique, Republic of Guinea, Zambia, Sudan, Uganda, Comoros and Sierra Leone. The pilot project in Ghana, in collaboration with India-Ghana Kofi Annan Centre of Excellence in Information, Communication and Technology has received enthusiastic participation from learners in traditional as well as emerging fields like big data and artificial intelligence.

5.44 Elaborating further the Ministry replied that the External Affairs Minister of India Dr S. Jaishankar has formally launched the e-VidyaBharti(Tele-education) and e-ArogyaBharti(Tele-medicine) Project (e-VBAB) on 7th October 2019. The event was attended by Minister of State for External Affairs Shri V. Muraleedharan, Minister of State for Defence Shri Shripad Yesso Naik, Heads of Missions, members of diplomatic corps, senior officials from the Ministry of Human Resources Development, Ministry of Health and Family Welfare, University Grants Commission, M/s TCIL, National Institute of Smart Governance, Indian Institute of Technology, Madras and representatives from Indian educational and healthcare institutions. Minister of External Affairs has unveiled the tele-education portal [www.iLearn.gov.in](http://www.iLearn.gov.in), which provides access for African students to over 500 courses in various disciplines including engineering and technology, education, mathematics and sciences, education, humanities and arts and teacher training. The portal would also offer 15000 scholarships to Africans to pursue undergraduate and postgraduate courses from premier public and private Universities of India. The official logo of e-VBAB project was also unveiled at the ceremony.

5.45 Explaining further about the launch of a portal the Ministry submitted that a Mobilisation advance of Rs 20 crores has been released to M/s TCIL in FY 2018-19. In addition, Rs 57.12 lakhs have been released to National Institute of Smart Governance for providing Project Monitoring Services. There has been no cost overrun in the Project during 2018-19. It is stated that portal [www.iLearn.gov.in](http://www.iLearn.gov.in), developed by Indian Institute of Technology Madras has been successfully launched.

5.46 Explaining about the complaints being received about the functioning of the pan Africa e-network project the Ministry informed the Committee that The pilot phase of e-VidyaBharti and e-ArogyaBharti Project or Phase-II of the Pan-Africa e-Network Project is under implementation in Republic of Ghana. No complaints have been received from students in Ghana about the [www.iLearn.gov.in](http://www.iLearn.gov.in) portal.

5.47 Foreign Secretary during oral deposition before the Committee on 4<sup>th</sup> November, 2019 stated:

“Africa is an important foreign policy priority for the Government and we have consequently made serious efforts to build development partnerships. Last year, we utilised Rs. 340 crores for projects. This year, we have allocated Rs. 450 crore for this purpose. Our projects include a major Convention Centre in Niger in commemoration of the 150th Birth

Anniversary of Gandhi ji and it has been named after him, IT and Vocational Training Centres in Namibia, Lesotho, Mozambique and Gambia and the Technology Park in Zimbabwe. We have sent medicines Rs. 66 crore to various African countries who are in need of such assistance and which has been highly appreciated. Our flagship project is the e-VidyaBharti and e-ArogyaBharti programmes that we will be launching in phases in all 54 African States which will allow thousands of students to access online learning programmes”.

5.48 The Foreign Secretary during oral deposition before the Committee on 4<sup>th</sup> November, 2019 stated:

“..the amount of Rs. 450 crore which we have projected is only the grant element. The lines of credit actually are around 10 Billion US Dollars of which projects of about 6.5 Billion Dollars are either already been approved or already in the implementation stage. So, in that sense, in very large number of African countries, we are doing projects on the ground, which are, as I said, coming under lines of credit and therefore, do not get reflected in the budget of the Ministry”.

5.49 Foreign Secretary during oral deposition before the Committee on 4<sup>th</sup> November, 2019 stated:

“But on our part, as far as Africa is concerned, our strategy is very clear. We have to increase our presence politically and economically, and also facilitate business. I think, we are doing that you are doing a very good job. I have no doubts on that. But the whole problem is that the resources are required to match up somewhere”.

**5.50 The Committee are happy to note that Africa has become an important Foreign Policy priority for the Government. Under the Head, „Aid to African countries“ the allocation at BE 2018-19 was Rs. 200.00 crore which was increased to Rs. 330.00 crore at RE stage. The utilization thereof was Rs. 340.00 crore. At BE 2019-20, the allocation has been further increased to Rs. 450.00 crore. The quantum jump in allocation is to meet several commitments announced at highest political level in India Africa Summit III (AFS III) and are based on the anticipated expenditure in financial**

year 2019-20. The major projects in Africa include a major Convention Centre in Niger in commemoration of the 150<sup>th</sup> Birth Anniversary of Mahatma Gandhi and it has been named after him, IT and Vocational Training Centres in Namibia, Lesotho, Mozambique and Gambia and the Technology Park in Zimbabwe. The Ministry has sent medicines Rs. 66.00 crore to various African countries who are in need of such assistance and which has been highly appreciated. The flagship project is the e-VidyaBharti and e-ArogyaBharti programmes that we they be launching in phases in all 54 African States which willallow thousands of students to access online learning programmes to access online learning programmes. Besides the Government of India is also providing lines of credit around 10 billion US dollars of which projects of about 6.5 billion dollars are either already been approved or already in the implementation stage. The Committee are happy to note that the Ministry is taking steps to open 18 new embassies in Africa of which 9 are already in operational. As stated previously in their Report the Committee trust that the Ministry will implement the projects in a time bound manner to increase India"spresence in Africa which will in turn boost the strong bilateral relations and facilitate in enhancing the trade.

**(Recommendation No. 28)**

#### **F. AID TO SRILANKA**

5.51 Under the Head „Aid to Sri Lanka“ the following table shows the BE, RE and actual 2017-18, BE, RE, Actual 2018-19 and BE 2019-20:-

(In Rs. Crore)

	BE 2017-18	RE 2017-18	Actual 2017-18	BE 2018-19	RE 2018-19	Actual 2018-19	BE 2019-20
	125.00	75.00	77.89	150.00	165.00	168.77	250.00
BE to RE Difference		-50.00			15.00		
RE to Actual Difference			2.89			3.77	
C/Y and P/Y BE Difference	-105.00			25.00			100.00
% Difference	-45.65%	-40.00%	2.31%	20.00%	10.00%	2.51%	66.67%

RE 2018-19 allocation was enhanced based on the pace of expenditure in ongoing Housing Project in Sri Lanka. In BE 2019-20, allocation has been further enhanced based on anticipated expenditure towards new strategic projects in addition to payments against ongoing projects.

5.52 Pertaining to the reason for increased allocation at BE 2019-20, The Ministry in its written replies has submitted:

“The Phase II of the Indian Housing Project in Sri Lanka which entailed construction of a total of 45, 000 houses in the North and Eastern Provinces of Sri Lanka was fully completed. Including the Phase I pilot project of 1000 houses, a total of 46,000 houses have been completed in the North and Eastern Provinces of Sri Lanka. The construction work for remaining 4,000 houses meant for the Estate Workers in the Plantation Areas (Indian Origin Tamils) has also picked up pace and the Phase IV of the Indian Housing Project to construct an additional 10,000 houses has also been initiated and the expenditure for the same will have to be incurred in the current Financial Year.

The Island-wide extension of the most successful „1990‘ free Emergency Ambulance Services, which was implemented initially in Western and Southern Provinces, to all the provinces of Sri Lanka was also undertaken which is another signature grant project of India in Sri Lanka. Further, many High Impact Community Development Projects are various stages of implementation. Accordingly, to implement the aforementioned projects in Sri Lanka, an enhancement of 66.67% in the budget allocation for BE 2019-20 was provided.”

#### **The following Projects completed in 2018-19**

- Indian Housing Project Phase II (45,000 houses in the North and East)
- Project to support livelihood of fishing and farming communities in Hambantota district – July 2018
- Supply of Boats and Fishing nets to fishermen of Mullaitivu in Northern Province – July 2018



- (d) Procurement of medical equipment and furniture for the 200 bed ward complex, Vavuniya – July 2018
- (e) Supply and delivery of Equipment and Vehicle Faculty of Engineering & Agriculture, University of Jaffna – July 2018
- (f) Setting up of Rabindranath Tagore Auditorium at Ruhuna University in Matara in Southern Province – October 2018
- (g) Restoration of Thiruketheeswaram Temple, Mannar – December 2018

#### **Projects initiated in 2018-19**

- (a) Model Village Housing Project in 25 district in Sri Lanka – May 2018
- (b) Island wide Extension of 1990 Free Emergency Ambulance Services – June 2018
- (c) Grama Shakthi Model village housing Project - I in Southern Province – June 2018
- (d) 153 houses and infrastructure facilities in Sobitha Thero Village in Anuradhapura – July 2018
- (e) Indian Housing Project Phase IV – Construction of 10,000
- (f) Upgrading Saraswathy Central College in Pusselawa, Kandy – August 2018
- (g) Setting up of a Training School for Dalada Maligawa, Pallekele, Kandy (Dalada Maligawa Cultural Heritage Project) – May 2018
- (h) Skill Development Component for capacity building of Faculty of Agriculture & Engineering, University of Jaffna – July 2018
- (i) Construction of 5000 MT cold storage in Dambulla, Central Province – Sep 2018
- (j) Construction of Auditorium for Swami Vipulananda Institute, Eastern University – January 2019
- (k) Establishment of Business Centre for ICT incubators/accelerators in Jaffna – Feb 2019
- (l) Grama Shakthi Model Village Housing Project –II Southern Province – March 2019
- (m) Grama Shakti Model village Housing Project – Northern Province – March 2019
- (n)

5.53 When asked to, whether the rise in allocation to Sri Lanka is a strategic step to counter growing Chinese influence and for new strategic projects in any particular areas, the Ministry stated:

“Government accords highest priority to India’s relations with Sri Lanka. Government is confident about the strength and enduring nature of our ties with Sri Lanka, which are deep rooted and multi-dimensional. India is an active development partner of Sri Lanka and is involved in various projects in Sri Lanka. Government is keen on further strengthening the development partnership with Sri Lanka. India’s relations with Sri Lanka stand on its own footing and are independent of relations with third countries.”

5.54 During oral deposition before the Committee on 4<sup>th</sup> November, 2019 foreign secretary has further clarified that

“As far as aid to Sri Lanka is concerned, there is some purpose in our focusing on the north and the eastern provinces. The reason is that there have been assertive moves by a certain country to get projects at any cost in areas which are strategically important to



us, that is the south-east of Sri Lanka. Therefore, to some extent, there has been an objective in building railway lines to Jaffna or to the north or to doing other activity there. Secondly, there is a domestic sensitivity as well in terms of the displaced population of Jaffna Tamils for which the housing project is being built in Jaffna, as well as for the Indian-origin Tamils in the central highlands who are often ignored and for whom the Government has allocated separate housing. To some extent, some bias is there because of a domestic compulsion in our foreign policy. But it is not correct to say that it is limited only to the north and the east. There are a number of Lines-of-Credit projects or a number of projects which we are currently discussing, like the East Container Terminal at Colombo port which are very huge infrastructure projects which will come on stream once the election in Sri Lanka is over. The Presidential Election is on 16<sup>th</sup> of November and then there is Parliament election next year. It will at least optically correct the balance.

We have also done a countrywide ambulance service which has been actually one of the most popular developmental projects we have done and that is in all nine provinces of Sri Lanka. With regard to the Indian procurement rules, and as the hon. Chairperson said, even in terms of construction, we are bound by rules and regulations of India. One of the reasons why we are unable to construct fast enough is because when we tender these documents based on rules and regulations made in India, companies abroad are simply unwilling to bid for these tenders because the requirement we expect are not the requirements as per the local building rules. This is true both in procurement and in construction. We have therefore been in discussion with the Ministry of Finance for a long period of time to gradually relax norms for our construction abroad as well as on Lines of Credit or other grant projects where we have to supply equipments. That having been said, I think there is a valid point that we should utilize Lines of Credit at least to some extent to help Indian companies abroad. The Lines of Credit should not be simply used by, let us say, having some Chinese company supply something in some country, but at least Indian companies should also be given an opportunity to bid for the Line of Credit and to benefit in export. So, at this stage, we are trying to balance that. We are working with the Ministry of Finance. There is a joint committee which meets, and which has the authority to relax procurement rules in specific cases but with adequate justification that we are not disadvantaging an Indian company from bidding for the project simply because the Chinese company is one-fourth the price. At this stage, I would say that the more acute issue is not procurement rules, but construction norms. There we will try to do whatever possible, but the support of the Committee in this regard will speed up the construction of many of our properties abroad. Otherwise, we are compelled to have tendering procedures, rules and pre-qualification requirements which simply do not exist in any other part of the world.”

**5.55 The Committee note that Government accords highest priority to India’s deep rooted and multi-dimensional relations with Sri Lanka. India is an active development partner of Sri Lanka and is involved in various projects there. On this account, the**

Committee are happy to note that the allocation of Rs. 150.00 crore at BE 2018-19 was increased to Rs. 165.00 crore at RE stage. The Ministry could also spend Rs. 168.77 crore during the said period. The allocations at BE of 2019-20 has been increased to Rs. 250.00 crore based on anticipated expenditure towards new projects in addition to payments against ongoing projects like completion of Jaffna cultural centre the construction work for remaining 4000 houses meant for Estate workers in the plantation Area in Phase III and additional 1000 houses under phase IV, Island-wise extension of free emergency Ambulance Services and many high impact community development projects. The Committee appreciate the steps taken by the Ministry to strengthen the developmental partnership with Sri Lanka on its own independent footing and in accordance with the domestic compulsion in our Foreign Policy. The Committee desire the Ministry to scrupulously undertake the monitoring mechanism to ensure timely completion of the projects with 100 percent fund utilization.

(Recommendation No. -29)

## **CHAPTER-VI**

### **SCHEMES/INITIATIVES FOR OVERSEAS INDIANS**

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

6.2 The allocation for various Schemes/Programmes related to Overseas Indians have been allocated under the sub head as under:

#### **A. International Cooperation (Minor Head)**

##### **Engagement with Indian Diaspora (Sub Head)**

- I. Know India Programme
- II. Scholarship Scheme for Diaspora Children
- III. Promotion of Cultural ties with Diaspora
- IV. Awareness campaign/media plan
- V. Pravasi Bhartiya Divas Celebration

#### **B. Passport and Emigration (Minor Head)**

##### **Welfare of Overseas Indian (Sub Head)**

- I. Overseas Citizenship of India
- II. Pre-Departure Orientation Training
- III. Evacuation of Indian due to war or Civil disturbance
- IV. Repatriation of Indian destitute
- V. Legal Assistance to Women facing NRI Marriage
- VI. Legal Counseling/Assistant to Indian Women in the Gulf

**6.3 During examination of the Demands for Grants 2018-19, the Committee had observed considerable ad-hocism in the issue relating to Overseas Indians Affairs. Even after two years of merger of the erstwhile Ministry of Overseas Indian Affairs, no separate budget head was provided for matter related to Overseas Indians. Allocation for the various schemes and programmes related to Overseas Indians were being made under the budget head “Other Expenditures”. Therefore, the Committee had desired to do away with the odd budgetary practice and create a distinct budget head specifically pertaining to Overseas Indians. The Committee are pained to note the continuation of the ad -hoc approach in the financial year 2019-20, which is the third year of post merger of the erstwhile MOIA with MEA. In the detailed Demands for Grants 2019-20, the schemes/programmes related to Overseas Indian Affairs are covered under the sub heads i.e. (i) engagement with Indian Diaspora under the minor head International Cooperation and (ii) welfare of Overseas Indian under the minor head Passport and Emigration. The Committee are of the view that this budgetary practice does not reflect the serious attitude of the Ministry to look after the Overseas Indians. Therefore, they wish to reiterate their earlier recommendation to create a separate budget head exclusively dealing with all the schemes/programmes related to Overseas Indians. The Committee may be apprised of the steps taken in this regard.**

**(Recommendation No. 30)**

**Schemes/Programmes related to Overseas Indians.**

**6.4 After merger with the MEA, the allocation for the schemes under the erstwhile MOIA in 2018-19 and 2019-20 for the selected schemes are as under:-**

<b>(Rs. in crore)</b>				
	<b>Name of Scheme</b>	<b>BE 2018-19</b>	<b>RE 2018-19</b>	<b>BE 2019-20</b>
(i)	Know India Programme	5	7	6
(ii)	Scholarship Scheme for Diaspora Children	7	14	12
(iii)	Promotion of Cultural ties with Diaspora	2	2	2
(iv)	Awareness campaign/media plan	11	14.50	11
(v)	Overseas Indian Centres	1.2	-	NIL
(vi)	Pravasi Kaushal Vikas Yojana	5	.01	5.5
(vii)	Overseas Citizenship of India (OCI)	NIL	NIL	NIL
(viii)	Pravasi Bhartiya Divas Celebration	10	24	39.12
(ix)	Repatriation of Indian destitute	.01	.01	.01
(x)	Evacuation of Indian due to war or Civil disturbance	.01	.01	.01
(xi)	Legal Assistance to Women facing NRI Marriage	.12	.01	.12

**6.5** Elaborating the detail the constraints faced by the Ministry in execution of the schemes and programmes related to Overseas India Affairs after the merger of erstwhile MOIA with MEA, the Ministry stated:

“Following the merger of erstwhile MOIA with MEA, to avoid duplication of effort and to rationalise the schemes, some of the programmes and schemes were closed down, some were revamped and some new programmes were launched. Among the schemes closed down were Study India Programme, Overseas Indian Facilitation Centre and Tracing the Roots. Among the programmes/schemes reviewed, revamped and new schemes/programmes initiated are: Pravasi Bharatiya Divas (PBD) Convention, Celebration of PBD in Missions on 9 January through resources available with them, holding of PBD Conferences, Know India Programme, Scholarship Scheme for Diaspora Children, Bharat Ko Janiye Quiz, Videsh Sampark Series and holding of PIO Parliamentarians Conference (the first Conference was held in January 2018). With an aim to extend the benefits of MEA’s scheme for distressed Indian women married to NRI spouses to all Indian Missions and Posts abroad, the guidelines for utilization of the Indian Community Welfare Fund (ICWF) were revised with the approval of the Union Cabinet with effect from 01 September 2017, and the amount of legal assistance was increased to US\$ 4000/- per case. Under the Promotion of Cultural Ties with the Diaspora budget head, earlier proposals were received on an *ad hoc* basis and processed as and when received. In February 2017, in an attempt to streamline the procedure of fund allocation and optimise the use of available funds, all Indian Missions and Posts abroad were asked to send consolidated and timely proposals for PCTD”.

**6.6** Furnishing a comparative analysis of the budget of the erstwhile MOIA with that of the budget demanded and the budget now earmarked for all the functions/schemes/programmes which are now falling under the MEA, post-merger, the Ministry submitted the following details:-

“After the merger of the two Ministries (erstwhile Ministry of Overseas Indian Affairs and Ministry of External Affairs), MEA initiated action on strengthening of the eco-system that supports migrant

workers in all stages of migration cycle. Up-gradation of Skills set is an integral component of this effort. It is important that migrant workers should migrate safely with an enhanced skill set. The message “*Surakshit Jaaye, Prasikshit Jaaye.*” is an important step in this direction. Up skilling of migrant workers offers them a distinct advantage. It assists them in moving high up in the wage chain, makes them aware of their rights and responsibilities and they are better placed in safeguarding their rights.

Towards this end, a Memorandum of Understanding (MoU) was signed on July 2, 2016 between the Ministry of External Affairs and the Ministry of Skill Development and Entrepreneurship (MSDE) for implementation of the Pravasi Kaushal Vikas Yojana (PKVY). The scheme aims at enhancing the skills set of potential emigrant workers in select sectors and job roles, in line with international standards, to facilitate overseas employment. Prior to merger, MOIA had planned a Scheme known as Swarna Pravasi Yojana which could not be launched by the erstwhile MOIA.

MEA's contribution under PKVY are towards the Pre-Departure Orientation Programme. Rs. 9,99,97,514 were transferred to National Skill Development Fund (NSDF) by MEA during 2016-17. MEA's contribution is limited towards Pre-Departure Orientation. Out of these funds, MSDE has informed that around 3 crores have been spent so far. There has been no demand of funds from MSDE. In 2019-202, we have allocations of funds of Rs. 5.50 crores and we proposed to spend it during current financial year. For 2020-2021, we have requested for budget provisions of Rs. 10 crores. The expenditure may be more depending upon demands of funds from MSDE for Pravasi Kaushal Vikas Yojana.

Comparative analysis of the budget of the erstwhile MOIA with that of the budget demanded and the budget now earmarked for all the functions/schemes/Programmes which are now falling under the MEA, post-merger are as under :-

<i>(Rs. in Crore)</i>				
Sl. No.	Name of the Scheme	FE 2015-16 (MOIA)	BE 2019-20 (MEA) Demand and earmarked	Comparative Analysis
(a)	Know India Programme	1.94	6.00	In FY 2015- only Two (2) KIPs were organized whereas additional budget for FY 2019-20 is earmarked as 6 KIPs and 2 PTDYs are scheduled to be organized during this year.
(b)	Scholarship Programme for Diaspora Children	6.50	12.00	Under SPDC 150 scholarships are granted every year. In the FY 15-16 only scholarships to students enrolled in previous batches were given and no new scholarships were granted, however, while demanding budget for FY 19-20 the complete strength of scholarships of new and previous batches has been kept in mind.
(c)	Celebration of Pravasi Bhartiya Diwas	13.58	39.12	The Pravasi Bhartiya Divas Convention is a flagship event for engagement of the government with the overseas Indian community. The event has been organized every year by the erstwhile Ministry of Overseas Affairs.

				With the decision during the 13th edition of PBD in January 2015 to organize the Convention once in two years, there is increased participation.
(d)	Promotion of Cultural Ties with Diaspora	0.45	2.00	It was decided to include more Missions and activities for Promotion of Cultural ties with Diaspora.
(e)	Awareness Campaign/Media Plan	1.00	11.00	To provide further boost to the media awareness campaign carried out and penetrate the intended message into far-flung areas in Hindi and regional language through private electronic & print media and other means.

**6.7 The Committee are happy to note that there has been enhancement in the fund allocation at RE 2018-19 and BE 2019-20 under the schemes like Know India Programme, Scholarship Scheme for Diaspora Children, Awareness campaign/media plan, Pravasi Bhartiya Divas Celebration. However, the Committee note that under the schemes naming promotion of Cultural ties with Diaspora, repatriation of Indian destitute, evacuation of Indian due to war or civil disturbance and Legal assistance to women facing NRI marriage, the allocation remains constant at BE 2018-19 and 2019-20. The Committee further observe that with an aim to extend the benefits of MEA's scheme for distressed Indian women married to NRI spouses, the guidelines for utilization of the Indian Community Welfare Fund (ICWF) were revised with the approval of the Union Cabinet with effect from 01 September 2017, and the amount of legal assistance to all Indian Missions and Posts abroad was increased to US\$ 4000/- per case. The Committee are constrained to note that with a meager allocation of Rs. 12 lakh in the Budget how can the Ministry extend the legal assistance of US \$ 4000/- per case and to how many distressed women? As the number of women facing problems in NRI marriages has increased the Committee strongly desire the Ministry to ponder on this issue and suitably increase the allocations at RE stage and BE stage of the year 2020-21.**

**The Committee observe that under the Promotion of Cultural Ties with the Diaspora budget head, earlier proposals were received on an ad hoc basis and processed as and when received. In February 2017, in an attempt to streamline the procedure of fund allocation and optimise the use of available funds, all Indian Missions and Posts abroad were asked to send consolidated and timely proposals for PCTD. The budgetary allocation has been in the tune of Rs. 2 lakh during the year 2018-19 and 2019-20. The committee desire the Ministry to persuade Missions and post abroad for timely submitting the proposal of PCTD so that the Ministry can examine the nature of assistance required thereof and take appropriate action to promote cultural ties with Indian Diaspora. The Committee further desire that the Ministry should also chalk out mechanism to incorporate the feedback of the Indian Diaspora into the foreign policy agenda.**

**(Recommendation No. 31)**

**(A) PRAVASI KAUSHAL VIKAS YOJNA (PKVY)**

6.8 The Pravasi Kaushal Vikas Yojana (PKVY) is among the key priorities of the Ministry towards enhancing skill-set of potential emigrants. The scheme, a [partnership between the Ministry and Ministry of Skill Development and Training (MSDE)] is aimed at enhancing the skills set of potential emigrant-workers in select sectors and job roles, in line with international standards, to facilitate overseas employment. Initially, the scheme's focus is on sectors that are in demand in ECR countries. The PKVY includes a technical top up training to be provided by MSDE through the National Skill Development Corporation (NSDC). This is complemented with the Pre-Departure Orientation Training (PDOT).

6.9 On the issue of funding pattern and utilization during the last three years in PKVY the Ministry in written note submitted that the scheme is to be implemented by the Ministry of Skill Development and Entrepreneurship (MSDE) through the National Skill Development Corporation (NSDC). Based on the demand for funds raised by MSDE, MEA had released Rs.10crore to MSDE in March 2017, after restoration of the RE 2016-17 allocation. However, till now, only about Rs.3 crore have been



utilized by MSDE from this released amount. Keeping in view the pace of the expenditure incurred, allocations in FY 2017-18, 2018-19 and BE 2019-20 have been rationalized. In BE 2019-20, budgetary allocation of Rs 5.5 Crores has been made under „Pre-departure Orientation and Skill upgradation of Emigrant worker“ head. Enhancement of allocation will be considered in RE 2019-20 stage, based on progress of work and utilization of earlier released funds.

6.10 Regarding the details of activities under the scheme the Ministry further elaborated that the Ministry of External Affairs (MEA) and Ministry of Skill Development and Entrepreneurship (MSDE) signed a Memorandum of Understanding (MoU) on 2nd July 2016, to implement Pravasi Kaushal Vikas Yojana (PKVY), a scheme designed to offer training to Indians migrating for jobs overseas. Under PKVY, Pre-Departure Orientation Training (PDOT) is given to potential Indian migrants before they leave India to work overseas for better acclimatization of migrant workers to the language, culture, the emigration process, welfare measures and do's and don'ts of the destination country. Ministry of Skill Development and Entrepreneurship has also conveyed that to facilitate global mobility of candidates in line with International training standards, MSDE launched India International Skill Centres through National Skill Development Corporation (NSDC) to deliver Skill Training and Pre-Departure Orientation Training. IISC Network concept focus on Counselling, Upskilling, Assessment & Certification and Pre-Departure Orientation Trainings. In the pilot phase, 14 IISCs were launched under Government Grant model (Skill Training Under PMKVY and PDOT Training under PKVY) meanwhile partners from NSDC ecosystem have been working on a market led model to train and facilitate International Placements. One day Pre-Departure Orientation Training (PDOT) program has been rolled out in a structured manner across six PDOT Centers, managed by NSDC empanelled Training Partners under MOU on PKVY. These centers are located in Mumbai and New Delhi (two centers each) and Kochi and Lucknow (one center each). 61,531 emigrant workers have been imparted PDO training across these six centers, as on 16 October 2019. Ministry of External Affairs has conveyed approval for NSDC's proposal to open up three new PDOT centres at Chennai, Chandigarh and Gorakhpur.

6.11 On the ambitious project of IISCs the Ministry in a written note submitted that the MSDE had conveyed the Ministry of External Affairs that it had initiated pilot phase of India International

Skill Centres (IISCs) for imparting domain skill training in line with the standards in the countries of destination.

6.12 Explaining further on the number of identified and operationalized centres for imparting skills to potential emigrant workers the Ministry submitted that at present six PDOT centres are operational and the data for number of trainees is as follows:

Location of Center	City	DC Empanelled Training Partner	Number of emigrant workers imparted PDO training
Waninaka	Mumbai	Waninaka	946
Shreshth Bhawan	Mumbai	Waninaka	1030
Indir Marg	New Delhi	Don Bosco Edutech Pvt. Ltd.	125
Okhla	New Delhi	Don Bosco Technical Institute	11,702
Angamaly South	Ernakulum	Espoir Academy	2,370
Alambagh	Lucknow	Mahendra Skills	1,458

6.13 The Committee note that a Pre-Departure Orientation Training (PDOT) is given to potential emigrants under the Pravasi Kaushal Vikas Yojna (PKVY) Scheme. The Committee note that Rs. 10.00 crore was released to the Ministry of Skill Development and Training in March, 2017 and only Rs. 3.00 crore have been utilized till date out of this. Due to this under utilization of funds, rationalisation has been done and in BE 2019-20, an allocation of Rs. 5.5 crore has been made. An enhancement is considered based on the progress of work and utilization of earlier released funds. The Committee note that the number of emigrant workers imparted training under PDOT are the most in city of Mumbai which amount to 38976 trainees followed by New Delhi at 18727 trainees.

The Committee feel that the training centres in Metro politican areas of Mumbai and New Delhi are running with full capacity while the smaller towns do not have the same priority. The Ministry has informed that new PKVY training centres have been opened in towns of Jaipur, Sikar, Hyderabad, Karim Nagar, Nizamabad, Gaya, Muzaffarpur and Patna. The Committee desire that the Ministry of External Affairs to take up the matter of

**PDOT on a grand scale and impart training in the particular domain that the potential emigrants want to learn like plumbing, carpenter, nursing, technician etc. The Committee also feel that guiding the emigrants against potential working hazards like passports being taken away by employers, loss of money through fake agents, etc. can also be part of the PDOT programme. The Committee also recommend the Ministry to target more towns like Kochi, Chennai, Kolkata, Chandigarh, etc. to open new PDOT centres for potential emigrants. The Committee may be apprised of the initiatives taken in this regard.**

**(Recommendation No. 32)**

**(B) KNOW INDIAN PROGRAMME (KIP)**

6.14 With an aim to help PIO youths familiarise with their roots and contemporary India's art, culture and heritage and provide them an exposure to the country of their origin, Know India Programme was launched by the Ministry in 2003. During the year 2018-19, the Government of India has announced ten Know India Programmes including six regular KIPs, two Pravasi Teerth Darshan Yojanas, one Golden Jubilee edition and one Bharat Ko Janiye Yatra.

6.15 The Ministry in a written note submitted that the objective of the Ministry's Know India Programme is to help familiarize Indian Diaspora youth, in the age group of 18-26 years, with developments and achievements made by the country and bringing them closer to the land of their ancestors. During the year 2019-20 an allocation of Rs. 6 crore for this programme has been provided at BE stage. There is no proposal to increase the number of Know India Programmes and number of participants in these programmes. On the issue of allocation and utilization of funds under the KIP during the last three years, the Ministry has informed that since FY 2018-19, 02 editions of Pravasi Teerth Darshan Yojana are also being organized along with 06 editions of Know India Programmes.

6.16 On the details of the allocation and utilization of funds allocated under the KIP during the last three years along with the number of programmes projected and organized and the number of participants that took part in each programme, the Ministry informed the Committee

that since FY 2018-19, 02 editions of Pravasi Teerth Darshan Yojana are also being organized along with 06 editions of Know India Programmes. Details of the allocation and utilization of funds allocated under the KIP during the last three years along with the number of programmes projected and organized and the number of participants that took part in each programmes are as under :-

*(Rs. in Crore)*

<b>Sl. No.</b>	<b>FY</b>	<b>No. of Programmes (KIP &amp; PTDY)</b>	<b>Total No. of Participants</b>	<b>No. of Participants in each programme</b>	<b>Budget Allocation</b>	<b>Budget Expenditure</b>
(a)	2016-17	06 KIPs	240	35 <sup>th</sup> KIP edition - 40 36 <sup>th</sup> KIP edition - 40 37 <sup>th</sup> KIP edition - 40 38 <sup>th</sup> KIP edition - 40 39 <sup>th</sup> KIP edition - 40 40 <sup>th</sup> KIP edition - 40	5.00	2.77
(b)	2017-18	06 KIPs	240	41 <sup>st</sup> KIP edition - 40 42 <sup>nd</sup> KIP edition - 40 43 <sup>rd</sup> KIP edition - 40 44 <sup>th</sup> KIP edition - 40 45 <sup>th</sup> KIP edition - 40 46 <sup>th</sup> KIP edition - 40	5.56	5.58
(c)	2018-19	07 KIPs 02 PTDYs	368	47 <sup>th</sup> KIP edition - 40 48 <sup>th</sup> KIP edition - 39 49 <sup>th</sup> KIP edition - 40 50 <sup>th</sup> KIP edition - 49 51 <sup>st</sup> KIP edition - 40 52 <sup>nd</sup> KIP edition - 40 53 <sup>rd</sup> KIP edition - 40 01 <sup>st</sup> PTDY edition - 40 02 <sup>nd</sup> PTDY edition -40	7.00	7.70

6.17 While providing full details of the plans under anvil to improve the contents of KIP, the Ministry submitted as under:

- (a) Organized a KIP LOGO Contest.
- (b) Organized a Incredible India Photo Contest.
- (c) Created a KIP Alumni Group on Facebook.
- (d) Provide T-Shirts to KIP Participants.
- (e) Increased Social Media Presence.
- (f) Arranged a visit to NITI Aayog.

- (g) Arranged a visit to Invest India.
- (h) Arranged a visit to Ambedkar Complex Museum.
- (I) Arranged a visit to Hall of Nuclear Power, Pragati Maidan.
- (j) Arranged a visit to National Physics Laboratory.
- (k) Arranged a visit to AYUSH.
- (l) Arranged a Visit to Scientific Institutions like BARC, ISRO or Nuclear Power Plant during State Visit.
- (m) Arranged a visit to Film City, Noida.
- (n) Arranged a meeting with Celebrity.
- (o) Visit to Kingdom of Dreams, Gurgaon (Theme Park)
- (p) Showcase Bollywood Movie.

Besides the above, upon the desire of Hon<sup>ble</sup> Prime Minister, External Affairs Minister had sought inputs from all the central Ministries for ideas/suggestions for reinvigorating Know India Programme. While some of the suggestions received have already been incorporated, the other will be incorporated in future KIP editions.

6.18 Explaining the impact of the Participation of the State Governments the Ministry elaborated that there is a good impact of the participation of the State Governments. State Governments give wider exploration to participants for arranging follows :-

- (a) To arrange visit of the participants to places of historic, cultural, industrial and tourist importance in the State.
- (b) Arrange meetings with leadership in State Government.
- (c) Exposure of village life for one/ two days.
- (d) Arrange interactive sessions in premier universities/ organizations of the state.
- (e) Arrange cultural programmes showcasing the State's cultural heritage.
- (f) Ensure security of KIP participants and provide medical care as per requirement.
- (g) Designate a Nodal Officer for coordinating the programme within the State.
- (h) Include the Regional Passport Officer and the Ministry of External Affairs Branch Secretariat Officer in the formal meetings of the KIP participants with State Government Dignitaries.
- (i) Arrange for a wrap up session chaired by a high dignitary/ Minister of the State and distribute certificates of the programme, if it ends in the State.

6.19 Elucidating on the activities for which an enhanced allocated has been made the Ministry commented as follows:

The enhanced allocation of budget under KIP is due to addition of new element of Pravasi Teerth Darshan Yojana (PTDY) as a special KIP and revamping of existing KIP module by adding some new activities:-

- (a) Organized a KIP LOGO Contest.
- (b) Provide T-Shirt to KIP Participants.
- (c) Visit to Kingdom of Dreams, Gurgaon (Theme Park).
- (d) Showcase Bollywood Movie.
- (e) Arranged a visit to Film City, Noida.

**6.20 The Committee are aware that the Know India Programme is a significant scheme to reconnect the Indian Diaspora youth with their roots. The Committee observe that during the year 2018-19 the Government had announced ten Know India Programme with an allocation of Rs. 7 Crore but only 8 programmes could be organized. Allocation for KIP has been reduced to Rs. 6.00 crore at BE 2019-20. The Committee are pained to note that there is no proposal to increase the number of Know India Programme. The Committee further note that Prime Minister and External Affairs Minister have sought inputs from all the Central Ministries for ideas/suggestions for reinvigorating Know India Programme. Some of the suggestions are yet to be incorporated in future KIP editions. The Committee are perturbed to note that such a significant scheme of Ministry of External Affairs is not getting due cognizance. Therefore, they strongly desire that the suggestions received from the Ministries should be duly incorporated and the number of Know India Programme should be increased supplemented by adequate budgetary allocation for KIP.**

**(Recommendation No. 33)**

## **CHAPTER VII**

### **INTERNATIONAL COOPERATION**

A new subhead „Engagement with Indian Diaspora“ opened bringing related schemes under it from below „Other Expenditure“ and subhead „special programme“ also brought under this minor head

*(In Rs. Crore)*

	<b>BE 2017-18</b>	<b>RE 2017-18</b>	<b>Actual 2017-18</b>	<b>BE 2018-19</b>	<b>RE 2018-19</b>	<b>Actual 2018-19</b>	<b>BE 2019-20</b>
	<b>717.93</b>	<b>844.60</b>	<b>834.69</b>	<b>912.10</b>	<b>818.52</b>	<b>834.87</b>	<b>986.19</b>
BE to RE Difference		126.67			-93.58		
RE to Actual Difference			-9.91			16.35	
C/Y and P/Y BE Difference	190.15			194.17			74.09
% Difference	36.03%	17.64%	-1.38%	27.05%	-11.21%	2.00%	9.05%

Allocation under this head is for obligatory contributions to UNO and other international organizations of which India is a member; Establishment of South Asian University (SAU) and Nalanda University (NU); and for expenses on celebration of Pravasi Bhartiya Divas and other schemes related to engagement with Indian Diaspora.

#### **A. SOUTH ASIAN UNIVERSITY**

7.2 The comparative figures for BE and RE for 2018-19 under the heads of account for South Asian University are as follows;-

	BE 2018-19	RE 2018-19	Rs. in crore BE 2019-20
Operational costs	31	12	30
Capital costs	310	200	251
Rent	34	34	36.5

The provision of Rs. 31 crore made for operational cost in BE 2018-19 was reduced to Rs. 12 crore in RE 2018-19 as the recommendations of SAARC Financial Expert Committee for Phase II Financing of SAU were delayed and the funds could not be utilized in FY 2018-19. The capital expenditure was reduced to Rs. 200 crore based on the progress in construction of the SAU campus and given the budgetary constraints of the Ministry in FY 2018-19. In BE 2019-20, allocation has been enhanced as per the requirements projected by SAU for building works and estimated contribution of Government of India in FY 2019-20.

7.3 As per the ATR the progress of the work of SAU package II as of September, 2018 was 56% and package III was 35% and the package IV works could not be planned due to various land issues. Apprising the Committee about the progress made in this regard the Ministry stated that the physical progress of work in the SAU construction project under package II and III as of August 2019 are 81% and 58% respectively. Work under package IV will be initiated subject to approval of PIB for the revised cost of project, removal of various encumbrances like clearance of Forest Department, land under litigation etc.

7.4 On seeking explanation about the reduction in allocation for South Asian University (SAU) from Rs. 375.00 crore at BE 2018-19 to Rs 246.00 crore at RE 2018-19, the Ministry in a written note stated that the provision of Rs. 31 crore made for operational cost in BE 2018-19 was reduced to Rs. 12 crore in RE 2018-19 as the recommendations of SAARC Financial Expert Committee for Phase II Financing of SAU were delayed and the funds could not be utilized in FY 2018-19. In BE 2019-20, allocation has been enhanced as per the requirements projected by SAU for building works and estimated contribution of Government of India in FY 2019-20.

7.5 Explaining the reasons for slow physical progress of the works in South Asian University and the remedial steps taken to speed up the work, the Ministry in a written note submitted that in 2009, Government of India notified 100 acres of land in Maidangarhi, New Delhi for establishing the SAU campus. In the follow up 85.32 Acres Land was physically handed over by DDA to MEA on 22 February 2010 and another 8.63 Acres on 26 August 2011. A total of 93.68 Acres (85.32 Acres + 8.36 Acres) was handed over to SAU by MEA on September 2011 for construction of the university. The title of the land vests with MEA. Construction could not commence immediately thereafter as 10.58 Acres of the land was under litigation; 2.72 Acres of land belonged to Gram Sabha; 3.19 Acres came under forest land and 15.4 Acres fall under geo morphological ridge where no construction was permissible. Construction could not also take place on the remaining unencumbered land due to overlapping of encumbered pockets over the approved layout.

Actual construction commenced in May 2015 under four Packages. Package I (Boundary Wall and Site office) is complete. Physical Progress Package II – (5 Nos. of Building) as on 30<sup>th</sup> September 2019 is 83%. Four out of five buildings have been completed in August 2019. One housing block is scheduled for completion in February



2020 as the site for it was handed over to the contractors after a delay of 19 months due to court cases. 61 % physical progress has been achieved under Package III as on 30 September 2019 and the work is expected/targeted to be completed by September 2020. The works on remaining buildings (package IV) could not be taken up until now due to various land acquisition issues and court cases.

The main causes of delay in the project are encumbrances on land, court cases, delayed statutory approvals like NOC/approvals from DJB, SDMC, DPCC including tree cutting permission etc. Progress in the work was also hampered due to frequent ban on construction by NGT/DPCC in connection with worsening pollution in the NCR, restricted working hours, ban on usage of DG sets etc.

Quarterly Progress Report of the SAU Project is being furnished to the Parliamentary Standing Committee. The Ministry accords top priority to timely completion of the SAU project and all efforts are being made to ensure that all outstanding issues are resolved at the earliest. Salient remedial steps taken in this regard are as follows:

- a) A Superintending Engineer from CPWD has been deputed to SAU (in addition to the Chief Liaison Officer from MEA) to supervise the construction project.
- b) The construction progress at site is being regularly monitored on a monthly basis by a Progress Review Committee appointed by the university and considered further by the Building Works Committee.
- c) Along with main stakeholders such as DDA, LAC, Land and Building Department, GNCTD, SAU, the Ministry is actively/regularly pursuing the court cases. A number of meetings have been held with senior law officers, advocates and the concerned departments to ensure early resolution of court cases on land. After protracted efforts made by the Ministry, 16.93 Acres of land in six cases have been freed from litigation. 14.96 Acres of land is still under litigation in six court cases which are being pursued jointly by MEA, DDA, LAC, L&B, and SAU in the High Court of Delhi.
- d) The encumbrances on forest reserved land and geomorphological land have been removed after the Ministry actively pursued the case in the Supreme Court of India and paid a compensation amount of Rs. 8.91 crores to the Ridge Management Board in August 2018 as directed by the Hon'ble Court. The Ministry as well as the University are further pursuing the matter with the Forest Department for necessary permission for construction on the forest and ridge land.
- e) Additional land of 2.47 acres (Gram Sabha Land) at a cost of Rs. 2.06 crores has, meanwhile, been provided to the university in lieu of the land which was taken by DDA for road widening purposes. This additional land will improve the FAR of the project and help the university in obtaining statutory permissions from the local authorities for the construction-related plans.
- f) The revised Detailed Project Report (DPR) of the SAU construction project is presently under process and will be submitted to the Public Investment Board for approval.

7.6 On the status of contribution received from other countries in South Asian University, the Ministry in a written note informed about contributions on account of operational budget of

South Asian University. The capital cost of SAU is met 100 % by the Government of India. As may be seen in statement below, an outstanding contribution of US\$ 510,436.79 from Phase I is still due from Pakistan. India is only country which has paid part of its assessed contribution under Phase II financing:

**Statement Showing Details of Operational Contribution Received as on 13.11.2019 (Phase-I)**

(Amount in US \$)

Name of the Country	Year	Contribution Due (in \$)	Date of Receipts	Contribution Received (in \$)	Contribution to be received (in \$)
Afghanistan	2010	51,000	30-Nov-11	102,415.00	-
	2011	201,000	27-Jan-11	149,585.00	
	2012	411,000	18-Dec-12	411,000.00	
	2013	681,000	3-Oct-13	681,000.00	
	2014	957,000	5-Dec-14	957,000.00	
<b>Total (A)</b>		<b>2,301,000</b>		<b>2,301,000.00</b>	
Bangladesh	2010	108,000	21-Jun-10	108,000.00	-
	2011	429,000	15-Jun-11	429,000.00	
	2012	879,000	15-Jun-12	879,000.00	
	2013	1,457,000	4-Jun-13	1,457,000.00	
	2014	2,047,000	24-Apr-14	1,543,011.44	
	2014	-	17-Aug-15	503,989.00	
<b>Total (B)</b>		<b>4,920,000</b>		<b>4,920,000.44</b>	
Bhutan	2010	51,000	13-Aug-10	51,000.00	-
	2011	201,000	23-Sep-11	395,119.37	
			27-Oct-11	181,091.35	
			30-Nov-11	15,880.63	
	2012	411,000	31-May-12	4,028.02	
	2013	681,000	5-Feb-13	696,880.63	
	2014	957,000	21-Mar-14	957,000.00	
<b>Total (C)</b>		<b>2,301,000</b>		<b>2,301,000.00</b>	
India	2010	756,000	15-Jul-10	506,000.00	-
			19-Jul-10	250,000.00	
	2011	3,005,000	4-May-11	3,005,000.00	
	2012	6,146,000	12-Jun-12	2,331,087.23	
			24-May-13	3,621,346.89	
	2013	10,195,000	20-Dec-14	6,000,000.00	
	2012	-	1-Aug-15	193,566.00	
	2013	-	1-Aug-15	4,195,000.00	
	2014	-	1-Aug-15	611,434.00	

	2014	14,319,000	16-Feb-16	2,000,000.00	
			30-Mar-16	1,000,000.00	
			22-Sep-16	6,656,804.73	
			27-Jun-17	4,050,761.15	
<b>Total (D)</b>		<b>34,421,000</b>		<b>34,421,000.00</b>	
Maldives	2010	51,000	30-Jun-10	51,000.00	
	2011	201,000	19-Apr-11	201,000.00	
	2012	411,000	25-Jun-12	411,000.00	
	2013	681,000	29-Feb-16	681,000.00	
	2014	957,000	11-Apr-16	500,000.00	
			8-Jan-18	124,959.00	
			16-May-18	332,041.00	
<b>Total (E)</b>		<b>2,301,000</b>		<b>2,301,000.00</b>	
Nepal	2010	65,000	21-Jan-11	65,000.00	
	2011	258,000	11-Nov-11	258,000.00	
	2012	527,000	15-May-13	1,385,157.74	
	2013	874,000			
	2014	1,227,000	23-Jun-14	1,235,886.55	
	2014	-	20-Dec-17	6,956.00	
<b>Total (F)</b>		<b>2,951,000</b>		<b>2,951,000.29</b>	
Pakistan	2010	172,000	21-Dec-17	172,000.00	
	2011	685,000	21-Dec-17	685,000.00	
	2012	1,402,000	21-Dec-17	1,402,000.00	
	2013	2,325,000	8-Jun-18	2,325,000.00	
	2014	3,266,000	8-Jun-18	2,744,369.00	
	2014	-	2-Jul-18	11,194.21	
<b>Total (G)</b>		<b>7,850,000</b>		<b>7,339,563.21</b>	
Sri Lanka	2010	65,000	21-Jan-11	65,000.00	
	2011	258,000	11-Nov-11	258,000.00	
	2012	527,000	8-Aug-12	527,000.00	
	2013	874,000	22-May-13	874,000.00	
	2014	1,227,000	7-May-14	1,227,000.00	
<b>Total (H)</b>		<b>2,951,000</b>		<b>2,951,000.00</b>	
<b>Grand Total ( A to H)</b>		<b>59,996,000</b>		<b>59,485,563.94</b>	<b>510,436.79</b>

7.7 On the issue of construction work on South Asian University, the Foreign Secretary during the course of oral evidence stated:

“...We expect that the construction work on both the South Asian University for that matter and the Nalanda University to pick up in a very substantial way. I am the first to admit that the number of students is still very small. It is close to 500. Temporary premises are in Rajgir...”.

7.8 Elaborating further on the issue of foreign funding the Foreign Secretary stated:

“....The overseas contribution is extremely modest. A few countries have given a million dollars. Many of them have given less than that. These are in any case not part of the building activity. So, that is kept as a separate fund, not yet utilised. Once the building is come up, somebody will want to contribute for the library or for the laboratory. Presumably, countries are sponsoring this. So, it will be used for that purpose. But we feel that in the last Financial Year, we were able to spend Rs. 200 crore. We are fully confident that Rs. 220 crore -- which is to be spent this year -- will be spent. Our expectations are little more than that. Our efforts are to ensure that both the South Asian University and the Nalanda University are completed. The current projection for the Nalanda is in the Financial Year – 2021-22, which is two Financial Years away from now”.

**7.9 The Committee note that South Asian University is an ambitious project of the Government. The allocation at BE 2018-19 for South Asian University was Rs. 375.00 crore. Out of Rs. 375.00 crore, Rs. 31.00 crore was for operational cost, Rs. 310.00 crore for capital cost and Rs. 34.00 crore for rent. At RE stage the allocation was reduced to Rs. 246.00 crore because of slow pace of construction of South Asian University Campus and reduction in the operational cost. For the year 2019-20, Rs. 317.5 crore has been allocated as per the requirements projected for building works. The Committee note that the construction work of South Asian University campus has now gained momentum. One building of Package II has almost been completed and another is scheduled to be completed in February 2020. Under Package III, 6 percent of physical progress has been achieved as on September, 2019 and the remaining works are expected to be completed by September, 2020. The Committee welcome these achievements. However, the Committee are pained to note that the works on remaining buildings under package IV could not be taken up until now due to various land acquisition issues and court cases and the Ministry has provided**

**any specific schedule for completion of the work under package IV. The Committee have been apprised that the Ministry accords top priority for timely completion of the South Asian University project and are making all efforts to ensure all outstanding issues are resolved at the earliest. The Committee hope that the Ministry would continue its efforts with all concerned agencies with increased pace of expenditure to complete the remaining works of South Asian University in a time bound manner.**

**(Recommendation No. 34)**

## **B. NALANDA UNIVERSITY**

### **Nalanda University**

7.10 Nalanda university had got allocations of Rs. 200.00 crore at BE 2018-19 which was reduced to Rs. 190.00 crore at RE 2018-19. The allocations at BE 2019-20 is Rs. 220.00 crore.

7.11 During oral evidence, the foreign Secretary stated:

“..the Ministry has anticipated the actual expenditure during the current financial year will be around 400.00 crore. But the allocation has been deliberately kept at Rs. 220.00 crore”.

7.12 The Govt of Bihar allotted 455.19 acres of land in 2011 for construction of the Nalanda University campus after the Nalanda University Act was approved by the Parliament in 2010. In January 2014, the Cabinet Committee for Economic Affairs approved financial support of Rs. 2727.10 crore to Nalanda University on account of capital cost as well as operational expenditure for the period 2010-11 to 2020-21. Actual construction work commenced in May 2017. The time lag between January 2014 and May 2017 was due to selection of a suitable architect for the project; preparation of Master Plan and the Conceptual Drawing including the Preliminary Estimate by the Architect consultant and tendering process for the work packages. Though there was a time overrun at the initial stage, the pace of progress in the construction project has accelerated commendably from 0.3 % in May 2017 to more than 60% in October 2019 within a period of less than 2 years. Construction of internal road and water bodies for the main campus was completed 100 % in April 2018. Five buildings are ready and others are in various stages of

completion with the target to complete the non-residential and residential buildings by the end of 2020.

7.13 The Ministry updated the Committee on the status of campus construction (till 31<sup>st</sup> August, 2019) progress of work of Nalanda University under each package as follows:

<b>Package No.</b>	<b>Package Description</b>	<b>Physical Progress</b>
1A	Internal Roads & Earthwork for water bodies	100%
1B	Non Residential Buildings	55.45 %
1C	Residential Buildings	28.41%
2	Central Treatment Station, Water Treatment Station, Tertiary Treatment Station for Sewage Treatment Plan, Drinking water points etc	21.60%
3 A	Supply, Installation, Testing and commissioning of HVAC work for Outreaching Building	37.13%
3C	HVAC system (with heating and cooling both features) for residential and non-residential parcel	2.00%
4A	Supply, installation, testing and commissioning of High Side Electrical Work for Outreach Building	46.31%
5A	Data cabling, networking, CCTV, FAS and ACS Works	31.97%
6A	Supply and safe keeping of light fixture for various buildings of Non-residential parcel	20.47%
7A	Horticulture works for east part	10.08%
8A	Interior Works for Priority Buildings	15.72%

7.14 On the issue of the details of contributions received and the countries which have signed MoU the Ministry in the written replies submitted as under:

<b>Country</b>	<b>Contribution</b>
India	Rs. 684.74 Crore
China	US\$ 1.00 million
Australia	AU\$ 1.00 million
Thailand	US\$ 132, 000
Laos	US\$ 50,000

7.15 The Foreign contributions received from other countries in respect of Nalanda University are as follows:

SN	Particulars	Date of Receipt	Amount in US\$	Amount in INR	Interest earned (Amount in INR)	Total available funds	Funds Utilized	Balance Funds (Amount in INR)
	1	2	3	4	5	6	7	8
1.	HE Zhang Yan (Chinese Ambassador) on behalf of the People's Republic of China for building Xuan Zang room in library	212011	1000000	51217500	43250858	94468358		94468358
2.	Royal Thai Government for creation of establishment fund and scholarship earmarked for Thai citizens	22.03.2016 02.03.2016 06.09.2016	132500	7160754	4559716	11720470	330312	11390158
3.	Government of Laos For Nalanda University Project	21.03.2013	50000	2703178	1776684	4479862	2699	4477163
4.	Common Wealth of Australia Rep by DFAT, Australia for establishment of Chair in SEES	26.06.2014	AUD 999,223	55489229	20704559	76193788	76193788	

7.16 Elaborating further on the details of contribution for construction of Nalanda University the Ministry stated that the last tranche of contribution by India was made in July 2019, no contribution from any other country has been received after August 2016. Singapore had pledged a contribution of US\$ 5-10 million for construction of a library the university, but no payment has been received so far. Since contribution to operational and capital costs of Nalanda University from countries other than India are voluntary in nature and no foreign contribution has been received during the last three years, channelizing contributions from other countries has a limited scope. No foreign contribution which is

voluntary in nature has been received during the last three years. The entire capital cost and operational expenditure of Nalanda University is borne by Government of India.

“During oral deposition on 4<sup>th</sup> November, 2019, the Foreign Secretary, has submitted that our efforts are to ensure that both the South Asian University and the Nalanda University are completed. The current projection for the Nalanda is in the Financial Year – 2021-22, which is two Financial Years away from now.

The approved cost of project is Rs. 2,727 crore. This is at 2014 figures. We almost certainly anticipate the expenditure will rise substantially. But there is, so far, no assessment made about what the likely expenditure will be. We will have to do it in the next five or six months because we have to go to the Cabinet for the revised cost estimate for this project.

The work actually is proceeding as per schedule. There has been a delay. But we are fully confident that this year, the actual expenditure will exceed to Rs. 220 crore, even though we have projected at the moment internally the amount Rs. 220 crore.”

**7.17 The Committee note that an allocation of Rs. 200.00 crore was provided for Nalanda University at BE 2018-19 which was reduced to Rs. 190.00 crore at RE stage. The allocation at BE 2019-20 is Rs. 220.00 crore. The Ministry anticipates the expenditure on this project would be close to 400.00 crore but Rs. 220.00 crore has been allocated deliberately.**

**The Committee have been apprised that the actual construction work of this University started in May, 2017. The current projection for completion of Nalanda University by the year 2021-22, but the Ministry has not made any projection about the escalation of the cost for completion of the project. Further, contribution to operational and capital costs of Nalanda University from other countries are voluntary in nature and no foreign contribution has been received during the last three years. Channelizing contribution from other countries has a limited scope. Reduction of allocations at RE (2018-19) stage, ongoing pace of work and providing lesser allocation against the anticipated high expenditure during 2019-20, are indicative of a serious lack of determination to complete the construction of this University by 2021-22. The delay in**



**completion of Nalanda University – an international institution of excellence for pursuit of intellectual, philosophical and historical studies is deplorable. The Committee, therefore, strongly recommend the Government to finalise the revised cost of the proposal to be disbursed during the next two financial years so that the project is completed by 2021-22. The Ministry should also explore the possibilities to get contributions from other participating countries to supplement the progress.**

**(Recommendation No. 35)**

## **CHAPTER-VIII**

### **MISCELLANEOUS ISSUES**

#### **DRAFT EMIGRATION BILL**

On being enquired about the difficulties faced by Indians abroad and the Ministry's steps to help them in these situations, the Foreign Secretary during the course of oral evidence stated,

"...MEA has been focusing on this particular issue for a long time. So, there are a number of issues that they face from their passports being confiscated, to not being given their wages on time, to being housed and fed in less than ideal conditions, to being cheated by recruitment agents. Essentially, at this current stage, under the current Immigration Act of 1983, there is a very limited number of things that the Government can legally do. For instance, we cannot prosecute illegal recruiting agents without the active support of the State Governments and MEA finds it difficult to pursue individual cases with State Governments. So, the principal focus of MEA has been to ameliorate the conditions of workers abroad. In this regard, several steps have been taken. The previous Government, did a major reform in introducing what was called an Indian Community Welfare Fund, which for the first time provided Embassies abroad with some money to deal with distressed workers".

**8.2 The Committee note that the Ministry is planning to introduce a draft Emigration Bill to safeguard the rights of Overseas Indians as well as Migrants Working abroad. The Committee are perturbed to note that the Bill has been in the public domain for a long time and inspite of repeated Recommendations by the Committee, the Ministry has not been able to introduce the Emigration Bill till date. The Ministry's move to introduce the Bill is a necessary step in the current scenario wherein under the Emigration Act 1983, the Central Government has limited scope of prosecution without the active support of State Governments against cheating recruiting agents. Therefore, the Committee desire the Ministry to expedite the finalization of the Bill and introduce the same in the Parliament at the earliest. The Committee feel that a helpline in multiple languages can be operational 24x7 to help Indian Diaspora in distress like workers who have not been paid by their employers abroad, workers whose passport have been taken away by their employers, Indian**

spouses who have been abandoned by their NRI spouses, etc. The Committee further suggest that the Ministry should arrange Shelter Homes for ill-treated Indians till the time arrangements are made for their repatriation back to India. The Committee further note that there is a change in Emigration pattern wherein blue collar workers, white collar professional employees and also huge number of students are going abroad. The Committee recommend that the Ministry take pro active steps to bring prosecution charges against recruiting agents in the new draft Emigration Bill so that safety of migrants can be ensured.

(Recommendation No. 36)

NEW DELHI  
12 December, 2019  
19 Agrahayana, 1941 (Saka)

P.P. CHAUDHARY  
Chairperson,  
Committee on External Affairs

**MINUTES OF THE SECOND SITTING OF THE COMMITTEE ON EXTERNAL AFFAIRS (2019-20)**  
**HELD ON 4 NOVEMBER, 2019**

The Committee sat on Monday, the 4 November, 2019 from 1100hrs. to 1320hrs and again from 1400 hrs. to 1510 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

**PRESENT**

**Shri P.P Chaudhary – Chairperson**

**Members**

**Lok Sabha**

2. Shri Margani Bharat
3. Kunwar Pushpendra Singh Chandel
4. Shri Jayadev Galla
5. Shri Dileshwar Kamait
6. Shri P. C. Mohan
7. Shri Borlakunta Venkatesh Netha
8. Shri Ritesh Pandey
9. Dr. K. C. Patel
10. Shri Soyam Babu Rao
11. Shri Manoj Tiwari

**Rajya Sabha**

12. Shri K. J. Alphons
13. Shri Swapan Dasgupta
14. Shri Sharad Pawar
15. Shri Neeraj Shekhar

**Secretariat**

- |    |                        |   |                     |
|----|------------------------|---|---------------------|
| 1. | Dr. Ram Raj Rai        | - | Director            |
| 2. | Smt. Jyochnamayi Sinha | - | Additional Director |

**Representatives of the Ministry of External Affairs**

S.No.	Name	Designation
1.	Shri Vijay Gokhale	Foreign Secretary
2.	Shri Akhilesh Mishra	DG, ICCR

3.	Shri Shri Dinesh K. Patnaik	AS (CPV & OIA)
4.	Shri Raj Kumar Goyal	AS (FA)
5.	Shri P. Harish	AS (ED & States)
6.	Shri Amrit Lugun	PGOE
7.	Shri Arun K. Chatterjee	JS(PSP & CPO)
8.	Shri Harsh Kumar Jain	JS(GEM)
9.	Dr. Neena malhotra	JS(E & SA)
10.	Dr. Bala Bhaskar	JS(WANA)
11.	Dr. Deepak Mittal	JS (PAI)
12.	Shri Piyush Srivastava	JS (North)
13.	Shri Vishvas Vidu Sapkal	JS (BIMSTEC & SAARC)
14.	Dr. Devyani Khobragade	JS (DPA-II)
15.	Smt. Namgya Khampa	JS (DPA-III)
16.	Shri Amit Narang	JS (IOR)
17.	Shri Abbagani Ramu	JS (OIA-II)
18.	Shri A Ajay Kumar	JS (DPA-I)
19.	Shri Robert Shetkintong	JS (Parl. & Coord)
20.	Shri Mohit Yadav	JS (C&WA)-II
21.	Shri Sanjeev Babu Kurup	JS (RBB, I&T)

2. At the outset, the Chairperson welcomed the Members of the Committee and the representatives of the Ministry of External Affairs to the Sitting of the Committee to take oral evidence of the representatives of the Ministry of External Affairs on Demands for Grants of the Ministry for the year 2019-20. The Chairperson in his opening remarks highlighted the major issues relating to Budgetary allocations under the capital head, India's Technical Economic Cooperation as well as Developmental Cooperation with other countries and allocations for the schemes and programmes relating to welfare of Indian Diaspora for 2019-20. Then he drew the attention of the representatives of the Ministry to Direction 55 (1) of

Directions by the Speaker, Lok Sabha.

3. Thereafter, the Foreign Secretary provided an overview of the Ministry's budgetary allocation in BE 2019-20 and nitty-gritty of foreign policy. He also explained the various constraints being faced by the Ministry.

4. The key issues which came up for detailed discussion *inter-alia* included reduced allocation at Revised Estimates stage during Financial Year 2016-17 as well as for Budget Estimates during 2017-18; the impact of reduced budgetary allocations of Rs. 17884.78 crore against a demand of 19965.57 crore for ongoing fiscal on functioning of the Ministry and project implementation; undermining of Foreign Policy objectives due to lesser budgetary allocations; creation of posts in Indian Missions/Posts abroad, and increase in capital outlays for ICCR; rationalizing passport application fee and reducing the time taken for police verification; the rationale behind availing foreign funding for Nalanda University Project; role and functions of the States Division; status of ongoing developmental assistance to neighbouring countries, etc. The Principal Witness responded to the queries raised by the Committee and elaborated on the measures initiated to ensure prudent utilization of funds by the Ministry. The Committee desired the Ministry to furnish written replies to the various points raised by the Members during discussion expeditiously.

The Witnesses then withdrew  
The Committee then adjourned.

A verbatim record of the proceedings has been kept.

**MINUTES OF THE SEVENTH SITTING OF THE COMMITTEE ON EXTERNAL  
AFFAIRS (2019-20) HELD ON 10 DECEMBER, 2019**

The Committee sat on Tuesday, 10 December, 2019 from 1500 hrs. to 1540hrs. in Committee Room „E“, Parliament House Annexe, New Delhi.

**1. Shri P.P. Chaudhary, Chairperson**

**Lok Sabha**

2. Shri Margani Bharat
3. Smt. Preneet Kaur
4. Smt. Meenakashi Lekhi
5. Shri P. C. Mohan
6. Shri Ritesh Pandey
7. Dr. K. C. Patel
8. Shri Manoj Tiwari
9. Shri Rebati Tripura

**Rajya Sabha**

10. Shri K. J. Alphons
11. Smt. Jaya Bachchan
12. Shri Neeraj Shekhar
13. Shri Abdul Wahab

**Secretariat**

- |    |                 |   |                 |
|----|-----------------|---|-----------------|
| 1. | Shri P.C. Koul  | - | Joint Secretary |
| 2. | Dr. Ram Raj Rai | - | Director        |

2. At the outset, the Chairperson welcomed the members to the Sitting of the Committee.
3. The Committee took up for consideration the draft Report on Demands for Grants of the Ministry of External Affairs for the year 2019-20.
4. The Chairperson invited the members to offer their suggestions, if any, for incorporation in the draft Report. The members suggested some minor modifications. After deliberations the Committee adopted the draft Report with these minor modifications.
5. The Committee then authorized the Chairperson to finalize the Report incorporating the suggestions made by the members and present the same to Parliament.

*The Committee then adjourned.*