

**11**

**STANDING COMMITTEE  
ON EXTERNAL AFFAIRS**

**(2005-2006)**

**FOURTEENTH LOK SABHA**

**MINISTRY OF EXTERNAL AFFAIRS**

**DEMANDS FOR GRANTS  
(2006-2007)**

**ELEVENTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

***May, 2006/Vaisakha, 1928 (Saka)***

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**STANDING COMMITTEE ON**  
**EXTERNAL AFFAIRS**  
**(2005-2006)**

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**MINISTRY OF EXTERNAL AFFAIRS**  
**DEMANDS FOR GRANTS**  
**(2006-2007)**

*Presented to Lok Sabha on 18<sup>th</sup> May, 2006*  
*Laid in Rajya Sabha on 18<sup>th</sup> May, 2006*



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

***May, 2006/Vaisakha, 1928 (Saka)***

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# **STANDING COMMITTEE ON EXTERNAL AFFAIRS**

## **(2005-2006)**

### **Chairman**

Dr. Laxminarayan Pandey

### **MEMBERS**

#### **LOK SABHA**

2. Shri Omar Abdullah
3. Shri Yogi Aditya Nath
4. Prof. S.P. Singh Baghel
5. Shri Narayan Chandra Borkataky
6. Shri P.C.Gaddigoudar
7. Shri Vinod Khanna
8. Shri S.K. Kharventhan
9. Shri Nikhil Kumar
10. Shri Somabhai Patel
11. Shri Sebastian Paul
12. Smt. Ranjit Ranjan
13. Dr. (Col) Dhani Ram Shandil
14. Shri Saleem Iqbal Shervani
15. Shri Damodar Barku Shingada
16. Shri Madhu Goud Yashki
17. Shri Suresh Prabhu
18. Shri George Fernandes
19. Vacant \*
20. Vacant \*\*\*
21. Vacant #

### **MEMBERS**

#### **RAJYA SABHA**

22. Smt. Prema Cariappa
23. Dr. Karan Singh
24. Shri Jana Krishnamurthy K.
25. Shri Arun Shourie
26. Smt. S.G. Indira
27. Shri S.M. Laljan Basha
28. Shri Arjun Kumar Sengupta \*\*
29. Vacant \$
30. Vacant \$
31. Vacant \$\$

## **SECRETARIAT**

Shri S.K. Sharma	-	Additional Secretary
Shri U.S.Saxena	-	Director
Shri A. K. Balwani	-	Under Secretary
Shri Lalkithang	-	Committee Officer

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- \* Shri P.A. Sangma ceased to be Member of the Committee consequent upon his resignation from his seat from Lok Sabha w.e.f. 10.10.2005.
- \*\* Shri Fali S. Nariman ceased to be Member of the Committee consequent upon his retirement from the membership of Rajya Sabha w.e.f. 21.11.2005. Shri Arjun Kumar Sengupta has been nominated to the Committee w.e.f. 16.1.2006
- \*\*\* Shri Narendra Kumar Kushawaha ceased to be Member of the Committee consequent on the adoption of a Motion by the Lok Sabha on the 23<sup>rd</sup> December, 2005 regarding expelling of some Members from the membership of the Lok Sabha.
- # Shri Dinsha Patel ceased to be Member of the Committee consequent upon his appointment as Minister.
- \$ Shri P.K. Maheshwari and Dr. Mahendra Prasad have ceased to be Members of the Committee consequent upon their retirement from the Membership of Rajya Sabha w.e.f. 02.04.2006
- \$\$ Smt. Jaya Bachchan has ceased to be Member of Rajya Sabha consequent upon her disqualification from her Membership of Rajya Sabha w.e.f. 14.7.2004.

## INTRODUCTION

I, the Chairman, Standing Committee on External Affairs having been authorised by the Committee to present the Report on their behalf, present this Eleventh Report (14<sup>th</sup> Lok Sabha) on Demands for Grants of the Ministry of External Affairs for the year 2006-2007.

2. The Standing Committee on External Affairs was constituted on 5<sup>th</sup> August, 2005. One of the functions of the Standing Committee, as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, is to consider the Demands for Grants of the concerned Ministries/Departments and make a report on the same to both the Houses. The Report shall not suggest anything of the nature of cut motions.

3. The Committee (2005-2006) took evidence of the representatives of the Ministry of External Affairs on 5<sup>th</sup> April, 2006. The Committee wish to express their thanks to the officers of the Ministry of External Affairs for placing before the Committee the material and information which they desired in connection with the examination of the Demands for Grants of the Ministry for 2006-2007 and for tendering evidence before the Committee.

4. The Committee (2005-2006) considered and adopted the report at their sitting held on 12<sup>th</sup> May, 2006.

5. The Committee place on record their appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

**NEW DELHI**  
**5<sup>th</sup> May, 2006**  
***Vaisakha 15, 1928(Saka)***

**DR. LAXMINARAYAN PANDEY,**  
***Chairman,***  
***Standing Committee on External Affairs***

# **REPORT**

## **A. INTRODUCTORY**

The Demands for Grants of the Ministry of External Affairs for the year 2006-2007 were laid on the Table of the Lok Sabha on 13<sup>th</sup> March, 2006. The Budget of the Ministry of External Affairs is primarily non-Plan. From the financial year 1996-97 onwards, a 'Plan' Budget Head was created with the approval of the Union Cabinet for meeting the large expenditure outlay on the projects relating to infrastructure development such as the 1020 MW Tala Hydro-electric Project (Rs. 3850 crore which has been revised to Rs. 4124 crore), 60 MW Kurichu Hydro-electric Project (Rs. 560 crore) and the Dungsum Cement Project (Rs. 400 crore), being executed in Bhutan with Government of India's assistance. These projects have since been funded from the 'Plan' budget Head. In addition, a Detailed project Report for the 900 – 1000 MW Punatsangchu Hydro-electric project is under preparation and work on the project will be taken up after finalization of the Detailed Project Report. It is also proposed to fund the construction of a 220 KV Double Circuit Transmission Line from Kabul to Pul-e-Khumri and a 220/110/20 KV substation in Kabul, Afghanistan, from the Plan allocation. The project is initially being funded from the Non-Plan allocation and it is anticipated that the funding in the future will be from the Plan allocation. A token provision of Rs. 0.01 crore has been made in the financial year 2006-2007.

2. The Committee took evidence of the representatives of the Ministry of External Affairs on 5<sup>th</sup> April, 2006 on the issues arising out of Demands for Grants of the Ministry of External Affairs under Demand No.30 for the year 2006-2007.



## **B. OVERALL BUDGETARY PROPOSALS**

3. Demand No. 30 pertaining to the Ministry of External Affairs contains the figures of Revenue as well as Capital Expenditure under the Charged and Voted Sections for the year 2006-2007 as follows:-

<b>(Rs. in crore)</b>			
Section	Revenue	Capital	Total
Charged	0.03	-	<b>0.03</b>
<b>Voted</b>	3464.61	230.41	<b>3695.02</b>
<b>Total</b>	3464.64	230.41	<b>3695.05</b>

4. The total allocation in BE 2005-2006 for Ministry of External Affairs under the Revenue and Capital Sections was Rs. 3928.00 crore which was increased to Rs. 4182.00 crore at RE 2005-2006. The proposed allocation in BE 2006-2007 is Rs. 3695.05 crore, which is a decrease of 5.93% vis-à-vis BE 2005-2006 allocation and 11.64% vis-à-vis RE 2005-2006 allocation.

5. The BEs of different Major Heads and Minor Heads for the year 2005-2006 and 2006-2007 are as follows:-

<b>(Rs. in crore)</b>				
Section	Major Head	Minor Head	BE 2005-2006	BE 2006-2007
<b>Revenue</b>	2052-Secretariat -General Services		120.72	128.04
	2061-External Affairs		2021.06	2061.94
	2075-Miscellaneous General Service	00.791-Loss by Exchange	00.01	00.01
	3605-Technical and Economic Cooperation with other countries	00.101-Cooperation with other countries	1432.79	1274.65
		<b>Total-Revenue Section</b>	<b>3574.58</b>	<b>3464.64</b>
<b>Capital</b>	4059-Capital Outlay on Public Works	60.051-Construction	51.41	129.00
	4216-Capital Outlay on Housing	01.700-Other Housing	15.00	31.00
	7605-Advances to Foreign Govt.		287.01	70.41
		<b>Total-Capital Section</b>	<b>353.42</b>	<b>230.41</b>
		<b>Total</b>	<b>3928.00</b>	<b>3695.05</b>

6. The overall budgetary position for the year 2005-2006 and the proposed allocations for the year 2006-2007 under the Revenue and Capital Sections under both the Plan and Non-Plan Heads are:

(Rs. in crore)

	BE 2005-2006		RE 2005-2006		BE 2006-2007	
	Non Plan	Plan	Non Plan	Plan	Non Plan	Plan
Revenue Section	3095.58	479.00	3353.58	440.60	3112.74	151.90
Capital Section	67.42	286.00	109.42	278.40	160.01	70.40
Total	3163.00	765.00	3463.00	719.00	3472.75	222.30
<b>Grand Total</b>	<b>3928.00</b>		<b>4182.00</b>		<b>3695.05</b>	

Variation between BE 2005-2006 and RE 2005-2006 = **254.00 crore = 06.46%**

Variation between RE 2005-2006 and BE 2006-2007 = **486.95 crore = -11.64%**

Variation between BE 2005-2006 and BE 2006-2007 = **232.95 crore = -05.93%**

7. Allocation of funds at RE stage to the Ministry, Actual Expenditure and the unspent balances from the year 1999-2000 onwards are:

(Rs. in crore)

Year	Total Grant (RE)	Actual Expenditure	Unspent/Overspent Balance
2000-2001	2720.72	2488.85	-231.87
2001-2002	2830.00	2624.55	-205.45
2002-2003	3200.00	3253.79	+53.79
2003-2004	3410.00	3344.53	-65.47
2004-2005	3885.00	3756.15	-128.85
2005-2006	4182.00	4162.00 (Projected)	-20.00 (Projected)
2006-2007	3695.05 (BE)	-	-

8. The comparative figures indicating BE, RE and Actual Expenditure from the year 2002-2003 onwards and the BE for the year 2006-2007 are:

(Rs. in crore)

Major Head	BE 2002-2003	RE 2002-2003	Actual 2002-2003	BE 2003-2004	RE 2003-2004	Actual 2003-2004	BE 2004-2005	RE 2004-2005	Actual 2004-2005	BE 2005-2006	RE 2005-2006	BE 2006-2007
2052-Sectt.Gen. Services	123.70	123.67	116.83	129.40	127.63	109.73	130.18	118.30	114.64	120.72	128.22	128.04
2061-External Affairs	1809.70	1806.42	1845.70	1892.51	1845.39	1805.06	1975.48	2072.66	1867.87	2021.06	2071.23	2061.94
2070-Other Administrative Services	0.00	21.93	19.76	35.00	24.00	22.15	0.00	0.00	0.00	-	-	-
2075-Miscellaneous General Services	0.01	0.01	0.00	0.01	0.01	0.00	0.01	0.01	0.00	0.01	0.01	0.01
3605-Technical & Economic Cooperation with other Countries	886.73	928.75	939.96	982.07	1028.96	1023.85	1158.39	1326.39	1411.21	1432.79	1594.72	1274.65
4059-Capital Outlay on Public Works	67.20	22.66	11.77	68.00	50.00	22.34	70.00	48.76	31.83	51.41	87.31	129.00
4216-Capital Outlay on Housing	36.59	42.15	33.53	35.00	10.00	14.25	25.00	20.00	6.07	15.00	21.10	31.00
7605-Advances to Foreign Govts	314.41	254.41	286.24	268.01	324.01	347.15	281.63	298.88	324.53	287.01	279.41	70.41
<b>Total</b>	<b>3238.34</b>	<b>3200.00</b>	<b>3253.79</b>	<b>3410.00</b>	<b>3410.00</b>	<b>3344.53</b>	<b>3640.69</b>	<b>3885.00</b>	<b>3756.15</b>	<b>3928.00</b>	<b>4182.00</b>	<b>3695.05</b>

9. According to the detailed Demands for Grants the allocation of the Ministry in BE 2005-2006 was Rs. 3928.00 crore which was an enhancement over BE 2004-2005 by Rs. 287.31 crore (i.e. by 7.89%) and there was also an increase in the RE for 2005-2006 over the BE 2005-2006 to the tune of Rs. 254.00 crore (i.e. by 6.46%). With regard to BE 2006-2007, the allocation has been pegged at Rs. 3695.05 crore which is a decrease of 5.93% vis-à-vis BE 2005-2006 allocation and 11.64% vis-à-vis RE 2005-2006 allocations. On being asked about the likely position of the actual expenditure for financial year 2005-2006 and the reasons for this decrease in BE 2006-2007. The Ministry stated:

“The likely position of actual expenditure in 2005-2006 is Rs. 4162.00 crore. The decrease in BE 2006-2007 is primarily on account of reduced requirements in the Plan allocation. The Plan allocation has been pegged at Rs. 222.30 crore as against Rs. 765.00 crore in BE 2005-2006 and Rs. 719.00 crore in RE 2005-06. The major expenditure in the Plan allocation is on the Tala Hydro-electric project in Bhutan which is nearing completion and is expected to be commissioned in financial year 2006-07.”

10. The Committee desired to know about the vital areas likely to be affected thereby, the projected requirement and as to how the Ministry will manage their requirements during current financial year in view of this reduced allocation in BE 2006-2007? The Ministry stated that:

“No vital areas are likely to be affected thereby and the requirement projected to Ministry of Finance as allocation for 2006-2007 was Rs. 4126.75 for non-Plan expenditure against which Rs. 3472.75 crore has been allocated. The Ministry of Finance which has already been informed of the shortfall of Rs. 654.00 crore, has informed that sympathetic consideration would be given to any additionality required in 2006-2007. In the meanwhile, this Ministry would prioritize its expenditure plans and work within the available budget and take up the matter of additional funds at the Revised Estimates stage later in the financial year 2006-2007, as required.”

11. By going through the detailed Demands for Grants of the Ministry it is observed that Rs. 3640.69 crore was allocated at BE stage in 2004-2005, which was enhanced at RE stage to Rs. 3885.00 crore. Even then the actual expenditure (i.e. Rs. 3756.15 crore) was more than what was projected at BE stage. On being asked about the reasons for enhancement in actual expenditure and as to how the Ministry was successful to manage this enhanced required funds for the Ministry. The Ministry replied:

- “(i) The enhanced expenditure of Rs. 3756.15 crore over the BE 2004-2005 allocation of Rs. 3640.69 crore is on account of the increased requirements under various heads. The original allocation was short of the projected requirement of Rs. 4200.95 made to Ministry of Finance.
- (ii) The Ministry obtained the enhanced requirement of funds through Supplementary Grant of Rs. 244.31 crore.”

12. During the course of evidence, the representatives of the Ministry further elaborated that:

“The total allocation for the Ministry in the Budget Estimate of 2006-2007 is Rs. 3,695 crore. Compared to the Budget Estimate of Rs. 3,928 crore -- in the last financial year, that is, 2005-2006 -- this represents a reduction of Rs. 233 crore or 6 per cent. On the other hand, compared to the Revised Estimate of Rs. 4,182 crore -- in the last financial year, that is, 2005-2006 this marks a decrease of Rs. 487 crore or almost 12 per cent. This reduction is primarily on account of reduced allocation of funds under the Plan-head as a very large and significant assistance project, that is, the Tala Hydroelectric Project in Bhutan is nearing completion.

The Non-plan Budget has increased from Rs. 3,163 crore in the Budget Estimate of 2005-2006 to Rs. 3,473 crore in the Budget Estimate of 2006-2007, which is an increase of Rs. 264 crore or 9 per cent. However, compared to the Revised Estimate of 2005-2006 the increase is only Rs. 9 crore or 0.2 per cent.

The allocation under the revenue section is Rs. 3,465 crore, and the allocation under capital outlay is Rs. 230 crore. The Plan Budget has decreased, as mentioned earlier, from Rs. 765 crore in the Budget Estimate of 2005-2006 to Rs. 222 crore in the Budget Estimate of 2006-2007. Generally speaking, the allocation for the Budget Estimate of 2006-2007 has been pegged around the level of the Revised Estimate of 2005-2006. Some enhancement in allocation in the Non-plan Budget has been provided in the Budget Estimate of 2006-2007 over the Revised Estimate of 2005-2006 for items under Embassies and Missions. This accounts for about Rs. 7 crore or about 1 per cent of the total allocation.”

13. The Committee had earlier in their Reports on Demands for Grants expressed their displeasure over the rush of expenditure in last quarter of year. On being asked as to what significant improvements have been noticed after taking corrective measures during last financial year to check rush of expenditure in last quarter of the year? The Ministry has replied:

“The periodic meetings of the Expenditure Monitoring Committee with the various spending Divisions of this Ministry have led to the expenditure being phased in an even manner during the course of the financial year. In the current financial year, the expenditure till December, 2005 was above the benchmark of 67% of the BE allocation laid down by the Ministry of Finance and thus there will be no rush of expenditure in the last quarter of the financial year.”

14. During the course of evidence, the representatives of the Ministry mentioned:

“The Committee had noted that there should be improved budgeting procedure and better utilisation of funds. It was also suggested that an Expenditure Monitoring Committee should be used effectively. In this respect I am happy to report to you that the Expenditure Monitoring Committee -- which was established with your recommendation -- has through very frequent reviews maintained a steady and stable pace of expenditure. Compared to our pattern of expenditure in the previous years, the current trend indicates improved budgeting, even-paced expenditure and fuller utilisation of allocations. The surrenders from the Budget of 2005-2006 have been only to the tune of Rs. 61 crore, and out of this Rs. 57 crore are from the Plan-head.”

### **Establishment**

15. By going through Schedule (Estimated Strength of Establishment and Provisions therefore) in Demands for Grants of the Ministry of External Affairs for the year 2006-2007, the Committee noted that the huge numbers of posts are vacant in each Grade as against sanctioned strength since past many years. The Ministry was asked to furnish the reasons in detail regarding vacant posts and also state that what steps have been taken to fill these vacancies during past years by the Ministry and to furnish the reasons categorically for overlooking this fact in yester years while the Ministry is repeatedly sending proposals for sanction of new posts in various cadres to the Ministry of Finance? The Ministry stated:

“Some vacant posts existed against sanctioned strength as on 1<sup>st</sup> March 2005 on account of the following:

- (a) A post is usually filled either through promotion or through direct recruitment. However, while vacancies arise regularly during the year, recruitment is usually done once in a year. Thus, as on 1<sup>st</sup> March, committed indented vacancies show up as vacant posts. Similarly, in the case of promotion, most vacancies upto the rank of Director in the IFS are filled up after 1<sup>st</sup> July of every year, as the qualifying service is counted from that date. Hence, vacancies arising during the year are shown as unfilled as on 1<sup>st</sup> March every year. A similar situation exists with many other lower grades.
- (b) The recruitment process itself, through direct recruitment or by promotion through Limited Departmental Examination, takes a substantial amount of time. Thus, after a vacancy arises, it is indented with the appropriate recruitment agency (Union Public Service Commission/Staff Selection Commission), who hold an exam and then select the candidates. This process usually takes more than a year, during which time more vacancies arise. Thus, at any point of time, there are a substantial number of committed indented vacancies.
- (c) During 2004, the 4<sup>th</sup> Cadre Review of IFS took place, which led to a temporary imbalance in the number of vacant posts. While the 29 new posts at JS level were immediately filled up due to severe stagnation, the vacancies at lower levels could only be filled after 1<sup>st</sup> July 2005, leading to some vacancies as on 1<sup>st</sup> March 2006.
- (d) Due to the opening of our Missions in Afghanistan and CGI Birgunj, a number of posts were created in end-2004. While these were filled up by posting officers from Headquarters, as highlighted earlier, the actual recruitment to these posts as per prescribed processes would take some time, thus leaving these posts vacant as on 1<sup>st</sup> March 2005. This situation arises whenever new posts are created, as there is a substantial lag between creation of posts and actual recruitment in the Cadre.
- (e) Ongoing court cases regarding inter-se seniority of IFS(B) officials led to delays in filling up posts in the IFS earmarked for filling up by promotion from IFS(B).

- (f) The Staff Selection Commission has not been holding the Combined Matric Level Examination for recruitment of officials to the Stenographers cadre since 2003. This has led to a large number of vacancies remaining unfilled.
- (g) The process of Limited Departmental Examination by the UPSC takes more than 1 year. Thus, candidates take the examination again without knowing the results of the earlier examination. Once they qualify in the earlier year, the vacancy in the latter year remains unfilled and is carried forward (there is no concept of a supplementary panel).
- (h) The posts in the MEA include those from other agencies. For various reasons, some of these posts remain unfilled from time to time.
- (i) The 1<sup>st</sup> Cadre Review of the IFS(B) was implemented in 2004. As part of this, a substantial number of posts in the Clerical grade are to be abolished over time. Some of these vacancies arose upon promotion of incumbents to higher grades, leaving vacant posts as on 1<sup>st</sup> March 2005. These have since been abolished.
- (j) Ministry has been fully implementing the Screening Committee mechanism for Optimisation of Direct Recruitment. Under this process, only 1/3<sup>rd</sup> of regular vacancies in a year can be indented for filling up, while the remaining vacancies are abolished. Thus, as on 1<sup>st</sup> March, vacancies earmarked for abolition are shown as vacant posts.
- (k) A large number of vacant posts in the Central Passport Organization were revived during this period. These are being filled up, but were vacant as on 1<sup>st</sup> March 2005.
- (l) Some vacancies are on account of backlog vacancies reserved for SCs/STs, for which the Ministry has placed indent, as part of a Special Recruitment Drive, for a special examination for SCs/STs only.

16. The Ministry also informed that:

“The Ministry is acutely conscious of the need to ensure that vacancies are filled up at the earliest. However, as highlighted earlier, the vacant posts remain on account of the processes



involved in filling up these posts. Nevertheless, the Ministry has been taking special efforts to reduce the period for which posts are vacant. These include accurate estimation of vacancies and immediate indenting, regular and timely holding of DPCs and diversion of vacancies to other modes whenever feasible.

17. The Ministry informed further:

“The scope and content of the activities of the Ministry has been increasing with the steady growth in India’s international presence and role. However, this has not been matched by a growth in the size of the Ministry, which has abolished more than 600 posts over the last five years. It is, thus, not possible to further stretch our limited manpower resources to open new Missions/Posts abroad and the urgent need to establish India’s presence in various locations has remained constrained by personnel and budgetary restrictions. Accordingly, the Ministry has been left with no option but to seek sanction for new posts in various cadres in order to open new offices or in cases of additional workload. The fact that there are vacant posts against sanctioned strength despite best efforts by the Ministry to fill these is testimony to the fact that at any given time, actual deployable staff is much less than the sanctioned strength. Hence, for opening any new office or to cope with increased workload, it is imperative that new posts be created. Even after the posts are sanctioned by the Ministry of Finance, it takes a long time to actually fill these, thus stretching the resources even further during this period.”

**18. The Committee note that the total allocation of the Ministry in Budget Estimate 2006-2007 is Rs. 3695.05 crore. Compared to Rs. 3928.00 crore allocated in BE 2005-2006, this represents a reduction of Rs. 232.95 crore or 5.93%. On the other hand, compared to RE of Rs. 4182 crore in the year 2005-2006, this marks a decrease of Rs. 486.95 crore or 11.64%. The Ministry has informed that this reduction is primarily on account of reduced allocation of funds under the Plan Head as a very large and significant project is nearing completion. The non-plan Budget has increased from Rs. 3163 crore in BE 2005-2006 to Rs. 3472.75 crore in the BE of 2006-2007, which is an increase of Rs. 309.75 crore or 9.79%. However, compared to RE of 2005-2006 (Rs. 3463 crore), the increase is only Rs. 9.75 crore or 0.28%.**

The Ministry has also informed that no vital areas are likely to be affected thereby and the Ministry of Finance has informed that sympathetic consideration would be given to any additionality required in 2006-2007. In the meanwhile, the Ministry would prioritise its expenditure plans and works within the available budget and take up the matter of additional funds at RE stage. The Committee are of the view that any kind of decrease in the allocation of fund will certainly impede the Ministry to do justice with their stated objectives and reinforce the positive image of the country abroad. As the global scenario is changing explosively day by day the work load of the Ministry is increasing by leaps and bound. The Ministry should be ready by all means to face the challenges of modern age. Therefore, the Committee recommend that, with the expansion of activities along with India's growing stature, the Budget of the Ministry should be augmented proportionately in order to pursue our foreign policy more effectively in the changing circumstances. The Ministry should ensure that sufficient funds are available as and when required. The Committee hope that the Ministry of Finance will realize the need of time and provide additional funds as per requirement of MEA at the RE 2006-2007 stage to enable them to keep pace with the growth of our stature in foreign affairs.

(Recommendation No. 1)

19. The Committee are happy to note that the expenditure monitoring Committee which had been established last year has through frequent reviews maintained a steady and stable pace of expenditure compared to the Ministry's pattern of expenditure in the previous years. The current trend indicates improved budgeting, evenly paced expenditure and fuller utilization of allocations. The Committee recommend that the trend of better phasing of expenditure on various projects/schemes should be continued in the years to come and the problem of non-utilization/surrender of funds should not be allowed to rise again.

(Recommendation No. 2)

20. The Committee express their concern over the huge number of vacant posts in each grade as against sanctioned strength since the past many years. While furnishing many reasons for not filling up the vacant posts on time, the Ministry has submitted that they are actually conscious of the need to ensure that vacancies are filled up at the earliest. However, the posts remain vacant on account of the process involved in filling these posts. Nevertheless, the Ministry has been taking special efforts to reduce the period for which posts are vacant. These include accurate estimation of vacancies and immediate identifying, regular and timely holding of DPCs and diversion of vacancies to other modes whenever feasible. The

Committee recommend that all efforts which are required/involved in filling up the vacancies as enumerated by the Ministry should be made seriously to cut short the time being taken presently.

(Recommendation No. 3)

21. The Committee are surprised to note that more than 600 posts have been abolished over the last 5 years, while the Ministry is facing acute shortage of man-power. The Ministry is continuously expressing their inability to further stretch their limited man-power resources to open new Missions/Posts abroad and the urgent need to establish India's presence felt in various locations has remained constrained by personnel and budgetary restrictions. Accordingly, they are left with no options in cases of additional work load. The Committee feel that the creation of posts is a torturous process. The procedure will have to be streamlined otherwise there will be mismatch between the requirements of the modern age and man power. Therefore, the Committee recommend that the Ministry should make all out efforts to obtain sanction for required posts and fill them immediately, to cope up with the problem as early as possible.

(Recommendation No. 4)

### **C. RENTS, RATES, TAXES**

#### **a. Secretariat: 2052- 02.00.14**

(Rs. in crore)

Year	BE	RE	Actual
2001-2002	13.65	13.65	10.63
2002-2003	13.65	11.65	6.40
2003-2004	12.00	11.25	6.91
2004-2005	11.25	8.70	7.12
2005-2006	7.41	8.41	12.59 (Estimated)
2006-2007	10.00	-	-

#### **b. External Affairs: Embassies and Missions: 2061- 00.00.14**

(Rs. in crore)

Year	BE	RE	Actual
2001-2002	175.00	180.00	170.68
2002-2003	189.44	188.44	191.92
2003-2004	195.02	177.02	198.18
2004-2005	207.60	215.63	204.07
2005-2006	208.07	209.75	210.56 (Estimated)
2006-2007	212.00	-	-

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

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual</b>
2001-2002	7.75	8.10	5.92
2002-2003	7.80	7.00	3.62
2003-2004	8.00	6.50	3.75
2004-2005	6.50	4.91	4.18
2005-2006	4.91	5.24	6.03 (Estimated)
2006-2007	5.24	-	-

22. The Ministry was asked to furnish the reasons for substantial variations in BE and Actual Expenditure again in the year 2004-2005 under these Heads and what measures have been taken/proposed to be taken to avoid such variations Headwise? The Ministry furnished as under:

**(a) Secretariat 2052-02.00.14:**

Under the Secretariat Head, the actual expenditure was lower than the BE allocation on account of the fact that initially the Ministry had provided for payment of enhanced rentals to the NDMC in respect of Akbar Bhawan as a result of the implementation of a 'fair' rent agreement'. In this context, while the main features of the fair rent agreement have already been agreed upon, the details of the outstanding arrears are still being worked out with the NDMC. Once this arrangement is finalized with the NDMC, it would help eliminate the main reason for variation under this Head.

**(b) External Affairs: Embassies and Missions: 2061-00.00.14**

Under the Embassies and Missions head, the estimations are based on the projections made by the Missions/Posts abroad in anticipation of increase in rentals, payment of advance rentals in some cases, variation in exchange rate etc. Every effort is made to scrutinize the projections of the Missions/Posts thoroughly, and make suitable provisions, as accurately to the extent possible. The provision in BE 2005-2006 has accordingly been made at a level marginally higher than the actual expenditure for 2004-2005.

**(c) External Affairs: Passport and Emigration: 2061-00.105-00.00.14**

Under the Passport and Emigration head, the estimations are again based on the projections made by the Passport Offices in anticipation of renewal of lease, increase in rental, increase in space requirement etc. However, some of the anticipated increase did not materialize due to non-receipt of

enhanced rental, demands for ground rent etc. The projections of the Passport Offices are scrutinized thoroughly and provisions made accordingly. Provision in BE 2005-2006 has accordingly been kept a level marginally higher than the actual expenditure for 2004-2005.”

23. According to the Ministry, several steps have been initiated to reduce the rental liabilities abroad during the past few years. However, it is evident from the figures of budgetary allocation as furnished by the Ministry that a major share of the funds allotted to Embassies and Missions is being utilized to pay rents, rates and taxes. On being asked as to how many buildings/projects abroad have been purchased/taken on rent in the last three years for housing chanceries and residences of India based officers and staff and to provide details project-wise including the cost of each project. The Ministry was also asked what was the impact of such efforts on reducing rental liabilities of the Ministry of External Affairs and to furnish the reasons as to why the projects conceived during the last few years to reduce rental liabilities could not materialize. The Ministry furnished the reply as under:

“(i) The following properties were purchased during the last three years:

2003-04

- (a) **Chicago** – built-up property for Consul General’s residence for US\$1.7 million (Rs.8.37 crores)
- (b) **Prague** – Built-up property for Chancery for Czech Koruna 49.835 million (Rs.8.75 crores)
- (c) **Panama** – Built-up property for Embassy Residence for US\$8.56 lakhs (Rs.3.894 crores).

2004-05

- (a) **Bahrain** – Plot of land for Chancery and residences for Bahrain Dinar 4.08 lakhs (Rs.4.776 crores).

2005-06

- (a) **Georgetown** – Plot of land for Chancery for US\$687,880 (Rs.3.1615 crores).
- (b) **Ulaanbaatar** - Built-up property for Embassy Residence-cum-Chancery for US \$ 2.149 million (Rs. 9.876 crores)

The Ministry has recently approved the purchase of built-up property for Embassy Residence in Caracas and the purchase is being effected. Purchase of built-up property for expansion of the Chancery in Paris has also been finalized. The purchase of the built-up properties for Chancery and Embassy Residence in Buenos Aires recommended by the property team that visited Buenos Aires in Feb 2006 is under process.

In the last three years, some 13 properties have been additionally hired for housing Chanceries and residences for the newly opened Consulate General of India in Birgunj and Abuja Office of High Commission of India, Lagos. In other places, there has not been much change in terms of overall hired properties.

- (ii) The hiring of additional properties in Birgunj (Nepal) and Abuja has added to the rental liability of the Government to the tune of nearly Rs. 1.2 crores per annum. On the other hand, acquisition of Chancery-cum-Embassy Residence in Ulaanbaatar and Consul General's Residence in Chicago has resulted in an annual saving of around Rs. 58 lakhs on account of rental outflow. Built-up properties acquired in Prague and Panama needs renovation. Action has been initiated for renovating these properties.
- (iii) Reasons why some property purchase proposals have not materialized:

Besides the properties mentioned above, acquisition of property for Chancery in Nairobi and Cultural Centre in Washington was projected but has not yet materialized. The proposal relating to purchase of property for Chancery in Nairobi is still under process and the visit of a property team to Nairobi shortly to finalize the proposal is under consideration. The purchase proposal in Washington could not be finalized as the Ministry's proposal to make a deposit in Escrow Account for the property did not meet with the approval of the Ministry of Finance, who advised that the purchase proposal be finalized without resorting to Escrow Account payment. Meanwhile, the owner of the property withdrew his sale offer on the ground that the local government was taking too much time in giving permission from zoning angle for the intended use of the property as Cultural Centre."

24. In reply to a recommendation contained in 7<sup>th</sup> Report (14<sup>th</sup> L.S.) the Ministry has stated that Missions with high rental liability have been requested to forward specific proposals for the Ministry's consideration, but proposals from

many of the stations are yet to be received because of non-availability of suitable properties/long lease of the existing rented premises. On being asked as to whether any alternate remedial measure has been suggested by Missions/Post with high rental liabilities of these stations to reduce their rental liabilities and to furnish the latest position regarding purchase of land for Chancery in Bahrain, built-up property for Chancery in Buenos Aires, purchase proposal in respect of Tehran, purchase of built-up properties for Embassy residence in Georgetown and Embassy Residence-cum-Chancery in Ulan Bataar.

25. The Ministry was also asked that what steps have been taken to ensure that the construction projects and acquisition of properties are both fast tracked so as to reduce rental liabilities of the Ministry? The Ministry has replied that:

- “(i) Given the surge in the global property market in the last few years, while it has not been possible for many Missions to suggest effective and more economical alternatives, to our knowledge, the Indian Missions in Brunei and Kiev, and the Consulate in Munich have succeeded in negotiating some reduction in the rental liability. We are continuing with our efforts to encourage more Missions / Posts to negotiate similar concessions to the extent possible at the time of renewal of the existing rental contracts.
- (ii) Latest position regarding purchases in Bahrain, Buenos Aires, Tehran, Ulaanbaatar and Georgetown:

**Bahrain:** A plot of land for constructing Chancery and residences was purchased in Feb 2005.

**Buenos Aires:** A property team visited Buenos Aires in Feb 2006 and has recommended the purchase of built-up properties for Chancery and Embassy Residence .The purchase proposal is being finalized.

**Tehran:** The proposal is being processed and is expected to be finalized during 2006 after the visit of a property team to Tehran

**Ulaanbaatar:** Built-up property for Chancery and Embassy Residence purchased in December 2005.

**Georgetown:** The property team that visited Georgetown in Jan 2005 had recommended the purchase of a built-up property for Embassy Residence. The proposal, however, did not materialize, as the owner of the property is having some legal problems in

selling it. The Missions is making efforts to locate alternative properties.

- (iii) Steps taken to expedite construction projects/purchase of properties:

A new Division, called Projects Division, headed by a Joint Secretary, has been set up in the Ministry with effect from 15 February 2005, to handle exclusively the work relating to the Ministry's proposals for acquisition of property/ construction projects in India and abroad. A system of regular preparation of an updated status report for all construction projects has been introduced. This report is submitted for the perusal of the Foreign Secretary and the Minister of External Affairs. Further, progress in the construction projects and property acquisition proposals is reviewed and monitored through periodical meetings called by the Foreign Secretary.


The Ministry recently undertook an exercise to identify high rental stations and priority has been accorded in acquiring properties for Indian Missions in those stations."

26. During the course of evidence, the representatives of the Ministry mentioned that:

"The Committee had observed that our rental liability in Missions and Posts abroad continue to be high, and had recommended that we should draw up a comprehensive and time-bound plan for acquisition and construction. The Ministry has taken up this requirement in earnest. We are still constrained by paucity of funds in the capital outlay for public works and housing, but we have strived to allot a greater share of our available funds for this purpose. I am happy to report that our progress in the year 2005-2006 has been encouraging. Despite the initial allocation of only Rs. 66 crore, we have embarked on an ambitious project for accelerated acquisition and construction of Chanceries and residences worldwide in a planned and phased manner. Some of the major projects that we have undertaken include the acquisition of properties in Paris and Buenos Aires; major construction activities in Kathmandu, Kabul and Karachi; and the construction of the Foreign Service Institute in New Delhi. We have on the anvil major projects planned for 2006-2007 in Muscat, Beijing, London, Brazilia and Abuja among others."



27. Representatives of the Ministry further informed that:

“I also wish to bring to your kind attention that we have -- in consultation with the Ministry of Finance -- worked out a mechanism such that the process of approval is speeded up with higher delegated power being vested in the Ministry of External Affairs. Here I would like to explain that for any expenditure beyond Rs. 15 crore we have to go to the Committee on Non-plan Expenditure (CNE). We found that if Rs. 15 crore is applied to a country like the United States or a country like France, then even very small acquisitions or a major renovation project could not be covered unless you have CNE approval. CNE approval by its very nature is quite an involved process 

We worked together with the Ministry of Finance. What we have done is that we have divided the world in various zones and there is significantly higher allocation now, which has been provided for properties or for project work, which would be undertaken in the European Zone or the American Zone or the Asian Zone. This way, the delegated powers of the Ministry have been significantly expanded for these various Zones so that Rs. 15 crore limit which could be quite adequate, as far as acquisitions or projects in India are concerned, that particular cap does not apply for acquisition of properties or for project work in Missions abroad.

28. The Committee desired to know about present limit applicable for project work in Missions abroad. On being asked by the Committee whether there is a higher cap for various zones. The representative of the Ministry stated:

“It is much higher than Rs. 15 crore. For example, in the North American Zone, it is US \$ 10 million, and in the European Zone, it is 7.5 million Euros. It is much higher than Rs. 15 crore that is applicable. This has significantly reduced the processing time for many of our project works.

Another happy development on which I had provided an assurance last year is that of outstanding issues pertaining to the rental for the Akbar Bhawan have been resolved to the mutual satisfaction with the NDMC. This was major issue last time. I am very happy to report that with considerable effort put in by our officers and also the Ministry of Urban Development and NDMC, this has finally been resolved.

29. The Committee note that a major share of the funds allotted to Embassies and Missions is being utilized towards payment of rent, rates & taxes and there has not been much change in terms of overall hired properties. In the last three years, some 13 properties have been additionally hired for housing chanceries and residences for the newly opened Consulate General of India in Birgunj and Abuja Office of High Commission of India, Lagos thereby adding to the rental liability of the Government to the tune of nearly 1.2 crore per annum. On the other hand, acquisition of Chancery-cum-Embassy Residence in Ulanbator and Consular General's Residence in Chicago has resulted in an annual saving of around Rs. 58 lakhs on account of rental out flow. The Committee also note that built-up properties acquired in Prague and Panama need renovation. The Ministry informed that action has been initiated for renovating these properties. However, the Committee are not satisfied with the pace of acquisition/purchase of properties at Missions/Posts abroad. Although, some properties have been acquisitioned and some savings have been made but it is not sufficient. The Committee are of the view that work of acquisition/construction to house our Missions/Chanceries could be accelerated with the introduction of some comprehensive plans. Therefore, the Committee recommend that more concrete efforts need to be made to reduce the rental liabilities of the Ministry. At the places, where little work is to be done to get properties in hand, it should be done at the earliest. As for instance, in Prague and Panama where some renovation is needed, the work should be done immediately to make properties useable. The Committee further recommend that the work of acquisition/purchase of properties should be taken up sincerely and all the projects pending with the Ministry since long time must be completed without further delay.

(Recommendation No. 5)

30. The Committee note that a new division, called Project Division headed by a Joint Secretary had been set-up in the Ministry with effect from 15 February, 2005, to handle exclusively the work relating to the Ministry's proposals for acquisition of property/construction of projects in India and abroad. The Committee are happy to note that system of regular preparation of an updated status Report for all construction projects has been introduced. For all construction projects, reports are being submitted for the perusal of the Foreign Secretary and the Minister of External Affairs. Further progress in the construction projects and property acquisition proposals is reviewed and monitored through periodical meetings called by Foreign Secretary. The Committee further note that the Ministry recently undertook an exercise to identify high rental stations and priority has been accorded in acquiring properties for Indian

Missions in those stations. The Committee hope that the Ministry will now be in better position after setting up of project division and acquisition/construction of property process will be streamlined significantly. The Committee would like to be apprised of updated status report being prepared for construction projects from time to time.

(Recommendation No. 6)

31. The Committee note that the mechanism worked out between Ministry and Ministry of Finance now provides for significantly higher allocation for properties or for project work, which would be undertaken in the European zone, American zone or the Asian zone. The Committee also note that as a result of higher delegated power being vested in the MEA the process of approval for properties or for projects will be speeded up. The Committee hope that the mechanism worked out between the Ministry and Ministry of Finance will enable the Ministry to speedily take up and complete all pending projects on time.

(Recommendation No. 7)

32. The Committee are happy to note that outstanding issue pertaining to the rental for the Akbar Bhavan has been resolved to the mutual satisfaction with NDMC. The Committee would like to suggest that the Ministry should remain in touch constantly with the concerned authorities to avoid such situation in future.

(Recommendation No. 8)

#### **D. ADVERTISING AND PUBLICITY**

##### **a. Secretariat : 2052-02.00.26 (Rs. in crore)**

Year	BE	RE	Actual
2001-2002	17.50	20.00	22.52
2002-2003	20.00	20.25	22.41
2003-2004	23.50	21.36	13.30
2004-2005	21.78	14.50	14.33
2005-2006	17.00	17.00	16.57 (Provisional)
2006-2007	18.00	-	-

##### **b. External Affairs-Embassies & Missions : 2061-00.00.26 (Rs. in crore)**

Year	BE	RE	Actual
2001-2002	25.62	19.68	15.08
2002-2003	25.62	25.34	18.93
2003-2004	25.64	22.08	17.92
2004-2005	21.92	20.93	17.37
2005-2006	23.00	23.54	20.95 (Provisional)
2006-2007	23.00	-	-

33. It is apparent from the above Tables that Actual Expenditure has been substantially lower than the BE and RE under both the Heads during the year 2004-2005 and particularly under the Head “Embassies and Missions” for the last several years. The Ministry was asked to furnish the reasons for under-utilization of substantial funds under these Heads, Head-wise. The Ministry has furnished the reasons as under:

“While allocating the Publicity budget the Ministry tries to ensure that no Mission should feel a crunch in carrying out the vital work of projecting and promoting India on account on non-availability of budget. However, by the very nature of publicity work it is very difficult to accurately estimate the amount of funds required beforehand, since the work has to correspond to the developments in India, the world and the country of accreditation of the Mission. It may, however, be noted that most of our Missions have been assiduously drawing up their Action Plans for publicity and do their best to meet their publicity targets. A regular review of the expenditure from publicity funds is undertaken and corrective measures are taken wherever required. Indeed, many Missions do fully utilize the publicity funds earmarked for them. Some Missions also require augmentation of funds because of spurt in publicity activities. These are then met by reallocation of funds from those that have under utilized the funds.

In cases of under utilization at “Embassies and Missions” level the reasons differ from one Mission to the other. These might include positive factors which effect savings like, adoption of modern technological means e.g. transition from printed embassy newsletter to electronic newsletter especially in developed countries; organization of some activities planned to be undertaken from a Mission’s budget, with support from local government/organizations; purely administrative measures like changing a costly service provider to a cheaper one etc.

Other factors include: deterioration of conditions, political or otherwise, in a particular country resulting in the cancellation of events and non-completion of projects to be undertaken in a particular financial year; delay/cancellation of VVIP visit(s) to a particular country, for which substantial publicity funds are required, or other such events like seminars, fairs, conferences, etc because of various reasons e.g. local contingencies, problems of local partners etc; unforeseen happenings in India like Tsunami, earthquake in J&K, terrorist attacks etc which might require considerable time and effort of the Missions for providing correct information and portrayal of India’s stand, such publicity activities might not require much budget but do hamper the normal publicity activities; non-completion of a planned project/activity in a particular year because of

various reasons. It may also be noted that many publicity activities like placing an advertisement or supplement in a newspaper/TV are very expensive and a cancellation can substantially affect Mission's budget plans.

At the Secretariat level the BE and RE figures have mostly matched with the Actual Expenditure. The under utilization in a few cases is because of non-fruition of specific projects because of various reasons. Also, the extensive use of modern communications technology has resulted in cost cutting and better utilization of funds and resources."

34. On being asked that despite having the clear trend of incurring expenditure less than the BE and RE in the year 2004-2005 under these Heads, how would the Ministry justify their projection of BE again at a higher level for the year 2006-2007? The Ministry replied that:

"The projection of Budget Estimates for the financial year 2006-07 has been arrived at after getting the details from Embassies and Missions of their Action Plans with specific publicity initiatives. The Missions have also formulated their Outcome Budgets with details of funds earmarked for each publicity activity and the outcomes expected from each activity. It has been the endeavour of the Ministry that the Missions have enough funds to carry out all projects and programmes including those that cannot be predicted at the start of the financial year.

At the Secretariat level the BE figures have been scaled down and they are more in tune with the current trends of Actual Expenditure."

35. During the course of evidence, the representatives of the Ministry elaborated the overall objectives of External Publicity Division of MEA in present situation as:

"Our focus and emphasis has been to bring about a change in the perception of India and to make the world more aware of the new face of India. You will admit that the media perception as well as the official realisation across the world has changed dramatically in this respect particularly during the past year. Enormous changes in India are now being widely recognised. This has come about due to a more focussed drive to attain the overall objectives of the Government through better utilisation of available funds and linking of budgetary allocations to the action plans prepared by the Missions and the External Publicity Division.

Importance of these action plans was particularly stressed by the Standing Committee that we should do this in an integrated, in a comprehensive and in a planned manner. This suggestion and the advice that you have given in this regard have been taken very seriously. Most of the Missions where we have a publicity budget, we have in fact got action plans from all those Missions. Our utilisation has also improved. We have utilised Rs.16.5 crore out of a budget of Rs.17 crore in the year 2005-06. So, in this respect also we have tried to improve our work.

Our publicity work has focussed on wider discussion of publication and films, greater emphasis on visual and electronic media, enhanced interactions with foreign journalists. I would like to mention here that Pakistani journalists were invited to India for the first time in many years. In fact, we have had several of the delegations of Pakistani journalists.

Another thing that we have done is that we have tried to focus on some specific regions, which are of importance to India. For example, the Arab world, Central Asia, South-East Asia and also Africa.

Another aspect that we have focussed attention on, as far as our publicity is concerned, is on bringing out very high quality publications. Here also, the basic aim has been to focus on bridging India's Foreign Policy objectives and highlighting its pioneering role especially in the evolving world dynamics. India's strength in various sectors of the economy and science and technology were projected through the publications: "India Quotient". Another publication is "India and Dynamic Democracy". So, there are a number of publications, which were taken up in the year 2005-06.

As I mentioned, there were certain specific areas where we had focussed on. In Afghanistan, we have a very major involvement in the reconstruction of Afghanistan. Our current involvement in the projects there is about 650 million US dollar, and we are working on a whole range of projects, namely, building roads, hospitals, schools, and training of Afghan personnel. What we have done is that we have brought out a book: "Rebuilding Afghanistan: India At Work". We have also provided a CD for the same. This really showcases what India has been doing in order to assist Afghanistan.

Then, we have another publication called: "India and Africa: Partners in Progress". This is part of our focus on the African countries where we have had much more activities in the last year compared to years in the

past. Then, the 50<sup>th</sup> Anniversary of the Bandung Conference was held in 2005. We brought out a publication which not only looks at the important role that the Prime Minister Nehru had played at the first Bandung Conference, but also India's continuing commitment to the third world solidarity. We have another book on Bhutan again focussing the attention on the very major involvement we have had over the years in Bhutan's development. The idea has been to try and focus our attention on very specific Foreign Policy objectives. During the year we also brought out about 15 documentaries.

36. The representative of the Ministry further stated:

"We are trying now to create another Cell of what we are calling the Public Diplomacy. What has happened over the years is that the external publicity which should really be for your interaction with foreign press and projections of India abroad, but because of the huge explosion which has taken place in the India media over the past few years, we find that much more of our work is oriented towards explaining the Foreign Policy to domestic audiences, and so, our interaction with the local media has mushroomed compared to our interaction with the foreign media.

Secondly, there is a certain requirement for explaining the Foreign Policy to domestic audiences. You have seen an unprecedented debate, for example, in India over Indo-US relations. That is something, which we have not had in the past. So, there is much more public involvement, much more public interest in the Foreign Policy. So, there is a requirement for explaining the Foreign Policy to the Indian audiences.

Then, there is another aspect. You have many States, which are bordering our neighbours. For example, in the North-East, you have borders with Bangladesh; you have borders with Myanmar. In the west, of course, you have Pakistan. In the south, you have Sri Lanka and Maldives. Also the involvement of some of our southern States with the Gulf is very close. Now, what we want to do is to have some way in which we have outreach activities, where we actually go to the States and meet, for example, the local press, academics, business community and give them a sense of what India is doing, particularly, in the areas which are of direct interest to them. It is also very important. It is not just a one way thing. For the Ministry of External Affairs also it is very important to know what are the concerns, what are the aspirations as far as these States are concerned. So, this unit that we are trying to establish on public diplomacy is partly also to take care of these outreach activities.

We are appointing an Additional Secretary who will be overseeing this entire thing. We have not quite formulized it. We have drawn up a charter of duties. We are awaiting also the approval of the Prime Minister, in his capacity as the External Affairs Minister. But our idea is to really use this particular unit to do these kinds of outreach activities and also look at the aspect of holding seminars, workshops and special films which are important in terms of our Foreign Policy. But this is really responding to something, which is of new challenge, which was not really foreseen earlier. As I said, we are looking less at the foreign journalists because we are so preoccupied with domestic media. So, we have to somehow or the other brings back this balance in our external publicity.”

**37. The Committee note that despite having clear trend of incurring expenditure less than the BE and RE in the year 2004-2005 and 2005-2006, the projection of BE is again at a higher level for the year 2006-2007. Though, the Committee has similar view as the Ministry that while allocating the publicity Budget, no Mission should feel a crunch in carrying out the vital work of projecting and promoting India on account on non-availability of Budget. But, the Committee hope that allocated fund should be utilized properly. Less utilization of fund certainly reflects that the Missions/Posts could not perform their duties as anticipated. The Committee, therefore, recommend that all the Missions should do their best to meet the publicity targets to carry out the vital work of projecting and promoting India globally.**

**(Recommendation No. 9)**

**38. The Ministry informed the Committee that they were trying to create a Cell called ‘Public Diplomacy’ headed by an Additional Secretary, who will oversee the matter of public involvement/public interest in Indian Foreign Policy. The Ministry informed further that there was a requirement for explaining the foreign policy to the Indian audiences. They have not quite formulised it but have drawn up a charter of duties and awaiting the approval of the Prime Minister, in his capacity as the External Affairs Minister. The idea is to really use this particular unit to do these kinds of outreach activities and also look at the aspect of holding seminars, workshops and special films which are important in terms of foreign policy. The Committee appreciate the steps being taken and feel that our Foreign Policy must be explained to our own people and it should have happened earlier. The Committee extend their support for the cause and hope that the Cell shall be in position at the earliest. The Committee also recommended that this work should be done in close coordination with Society for Research and Information System for non-aligned and other**



countries(RIS) and additional funds may be allocated to RIS for this purpose.

(Recommendation No. 10)

39. The Committee appreciate the work being done by the Ministry to bring about a change in the perception of India and to make the world more aware of the new face of India. The media perception as well as the official realization across the world has changed dramatically in this respect particularly during the last year. Economic changes in India are now being widely recognized. This has come due to a more focused drive to attain the overall objectives of the Government through better utilization of available funds and linking of budgetary allocations to the action plans. The Committee are of the view that momentum should be maintained keeping in view India's perspectives and the country's interests should not be overlooked at any cost.

(Recommendation No. 11)

## **E. PROFESSIONAL SERVICES**

### **a. Secretariat : 2052 – 02.00.28**

(Rs. in Lakhs)

YEAR	BE	RE	Actuals
2001-2002	40.00	20.00	3.66
2002-2003	20.00	20.00	10.00
2003-2004	20.00	20.00	9.89
2004-2005	20.00	20.00	5.00
2005-2006	20.00	20.00	-
2006-2007	20.00	-	-

### **b. External Affairs – Passport and Emigration : (2061– 02.105 – 00.00.28)**

(Rs. in Lakhs)

YEAR	BE	RE	Actuals
2001-2002	210.00	240.14	199.09
2002-2003	138.57	108.57	3.52
2003-2004	115.50	103.95	0.24
2004-2005	106.10	175.00	63.93
2005-2006	175.00	174.00	-
2006-2007	125.00	-	-

40. The Committee desired to know about the reasons for high fluctuations in Budget Estimates under the Head "Passport & Emigration" and the reasons for gross under-utilisation of funds under these Heads especially during the last

three years and also the reasons for projecting BE of Rs. 20.00 lakh and Rs. 125.00 lakh respectively under both the Heads for the year 2006-2007 especially in view of the fact that the Ministry had been spending amounts substantially lower than the BE/RE since last few years. The Ministry furnished the reasons as under:

**a.** Under the Head “Secretariat”, expenditure from the provision is on account of payments to lawyers who render legal services. The under- utilization under this head may be attributed to lesser requirement of legal services. Under the Head “Passport and Emigration”, the provision is to cater for the hiring of lawyers for legal services as well as for making payments to State Governments who render India-Bangladesh passport and visa services. The major expenditure is on the latter account. Under-utilization may be attributed to State Governments not preferring their claims.

**b. External Affairs – Passport and Emigration:  
(2061-02.105-00.00.28)**

i) The expenditure towards professional Services has varied year wise due to a number of reasons. These are mainly on account of:

Increase / decrease in court cases, which correspondingly necessitate engagement of lawyers;

Engagement of Lawyers for Extradition cases also depends upon the requests received from time to time from Courts of Law and other law enforcement agencies.

Consultants are engaged from time to time depending on the exigencies, especially for requirements of Passport Offices.

ii) A proposal to appoint a panel of top legal luminaries for handling extradition cases was mooted as early as in 2002 which involved higher fee for these lawyers. The budget estimates were prepared in anticipation of approval, which could be had only in 2005, and hence the gross under utilisation of funds under Professional Services for Passport and Emigration for the last three years reported.

With regard to reduction in BE from Rs. 175 lakhs in 2005-2006 to Rs. 125 lakh in 2006-2007, though the top legal

experts panel has been appointed, presently only two cases are being handled by them and hence the estimate was reduced from Rs. 175 lakh in 2005-2006 to Rs. 125 lakh for 2006-2007.

- iii) Under the Head “Passport and Emigration”, the reasons for high fluctuations may be attributed to the claims received/not received from the State Governments who are rendering India-Bangladesh passport/visa services.

41. The Ministry had stated earlier that the proposal for formation of panel of advocates for extradition proceedings has been finalized after seeking approval of the Minister of State and the Ministry of Law and Justice. The concern of the Committee to include in the panel of advocates top legal luminaries having proven professional competence has been duly taken care of. The professional charge to be paid to the Government Counsels in the panel of advocates are substantially higher than the amount being paid earlier. The Ministry was asked to furnish the list of advocates for extradition cases which has been approved by the Ministry of Law and Justice and furnish the terms and conditions for the Counsels engaged for the purpose including charges to be paid/being paid earlier. The Ministry furnished as under:

“The list of advocates for extradition cases which has been approved by the Ministry of Law and Justice is as follows:

- (i) Shri Ajay Kumar Vali
- (ii) Shri Sanjeev Kumar Dubey
- (iii) Shri Satish Aggarwala
- (iv) Shri Vineet Malhotra
- (v) Shri Rahul Mehra
- (vi) Shri Haris Beeran

The terms and conditions of the Counsels engaged for the purpose including charges to be paid / being paid earlier are as given under:

**For District / Sessions / Metropolitan /Economic Offences Courts etc:**

<b>Charges for the Counsels engaged</b>	<b>To be paid Rs.</b>	<b>Paid earlier Rs.</b>
One time preparation charges	5000/-	-
Fee for appearance: I) for effective hearing	2500/-	600/-
ii) for non effective hearing with not more than four such hearings / year in a case.	500/-	300/- subject to a maximum of 900/- in a case

Conference fee	500/- per conference	150/- per conference subject to a maximum of 450/-in each case
Drafting fee	500/- per draft	300/-
Clerkage	10% of the above	10% of the above

**For High Courts:**

Charges for the Counsels engaged and the terms and conditions	To be paid Rs.	Paid earlier Rs.
One time preparation charges	11000/-	-
Fee for appearance: I) for effective hearing	5000/-	800/-
ii) for non effective hearing with not more than four such hearings / year in a case.	Rs. 1000/-	400/- subject to a maximum of 1200/- in a case
Conference fee	Rs. 2000/- per conference	200/- per conference subject to a maximum of 600/-in each case
Drafting fee	Rs. 2000/- per draft	400/-
Clerkage	10% of the above	10% of the above

Apart from the above, there is no change in the following:

- Reimbursement of actual travel expenses (by taxi / train etc) incurred on outstation cases.
- Reimbursement of actual expenses incurred on boarding and lodging (in outstation cases)

**OTHER TERMS AND CONDITIONS**

- No retainer fee or monthly remuneration shall be paid to the Counsels.
- The appointments shall be effective from the date the Advocates actually took over / take over the charge of the Briefs etc.
- The appointment of the Counsels shall be liable to terminated without assigning any reasons, whatsoever, by the Government or the Counsels concerned, after giving a month's notice in writing on either side."

42. The Ministry informed that the proposal of panel of advocates for extradition proceedings has been finalized after seeking approval of the Minister of State of Law and Justice. The concern of the Committee to include in the panel of advocates legal experts having proven professional competence has been duly taken care of. The Committee do express their satisfaction over the appointment of legal expert panel for extradition cases and hope that, with the help of these legal experts extradition cases would be handled vigorously.

(Recommendation No. 12)

## **F. FOREIGN SERVICE TRAINING INSTITUTE**

**Head : 2061-00.003-01.00.13**

(Rs. in crore)

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual</b>
2001-2002	1.58	2.10	1.78
2002-2003	2.15	2.15	2.13
2003-2004	2.15	2.15	1.79
2004-2005	2.19	2.00	2.05
2005-2006	2.00	2.00	-
2006-2007	2.40	-	-

43. On being asked as to whether the budgetary allocation marked for the Institute sufficient enough to achieve the desired objectives. The Ministry stated:

“The budgetary allocation for 2005-06 was Rs. 2.0 crores and for 2006-07 is Rs. 2.4 crores. For the financial year 2005-06, the Institute had requested for an extra grant of Rs. 98 lakhs at the RE stage. For FY 2006-07, FSI had projected an estimated budget of Rs. 3.61 crores. The reasons for requesting increased allocations were:

- (i) There has been a marked and impressive increase in the activities of the Institute. Increased interest shown by Foreign Offices of other countries in the Institute’s programmes/courses is also borne out by the fact that the Institute has concluded Agreements/MoUs on cooperation with counterpart institutes in 26 countries. Four such agreements were signed during 2005-06. Implementation of these Agreements/MoUs entails additional expenditure. Further, besides the regular programmes, the Institute has to take into account that it may be asked to arrange Special Programmes (Country-specific) to meet commitments made at the political level.
- (ii) Participation of foreign diplomats in the Institute’s programmes/courses has increased. 141 Diplomats from 79 countries and one regional organization participated in programmes

- run by the Institute in 2005-2006 for foreign diplomats. Revision of categorization (whereby participation in the Professional Course for Foreign Diplomats is fully funded by Government of India except for candidates from OECD countries) and increased costs on account of airfares, hotel charges etc. have added to the Institute's expenditure.
- (iii) Training and orientation programmes/courses for our own diplomats have been made more comprehensive. The Institute also expects that after shifting into its own premises it will be in a position to conduct more programmes for other Services.
  - (iv) The Institute is planning to publish an authoritative book on Indian foreign policy.

For the same reasons, the budgetary allocation marked for the Institute for FY 2006-2007 may not be sufficient to meet the desired objectives.”

44. The Committee desired to know during the course of evidence, whether the Ministry is planning to give a public face to FSI, whether it is confined to either people from abroad or even within India but those belonging to Foreign Service or Diplomats. The representatives of the Ministry replied:

“As far as the Foreign Service Institute is concerned, it has been our effort to reach out beyond the confines of just the Foreign Service Trainees. First, we are doing special programme for our media, we bring him in Institute and talk about foreign policy issue and their coverage, this has been found extremely useful by our media people. Second, we are doing such orientation programmes for other services like IPS, IAS etc. to give them a sense of what is India's Policy. Again, they have found it extremely useful”.

45. During the course of evidence, the Committee desired that the Ministry should externally publicise the schemes running by Government as National Urban Renewal Mission or National Rural Mission. As the Ministry run the Programme for IAS and IPS, it should be done for grass root officers also for all cadres. The representatives of the Ministry replied:

“We have many mechanism for this purpose, for those officers who go abroad as Head of Missions, we organise two or three week course of “Bharat Darshan”. We send them to several places in India. We fix meeting with Institute of Rural Development Institute, we send them in Hi-tech areas. They should have knowledge of development taking place in India in the field of Agriculture, Industry, Science & Technology. This has been found to be extremely useful and I think we need to expand this.”

46. The Ministry was asked whether the works relating to the construction of Foreign Service Institute building have been completed and the FSI is in position to shift to its new complex. The Ministry informed:

“The Institute and Hostel blocks have been completed by CPWD except for the interior works of conference room, auditorium etc. which are in progress. The civil and electrical works of the residential buildings are in progress and are expected to be completed by December 2006. Action has been initiated for seeking partial completion certificate of the project in respect of the Institute block to enable FSI to shift to its new complex.”

47. During the course of evidence also, the representatives of the Ministry stated:

“The Building of Foreign Service Institute is being constructed and it will be ready within next few months. It has good infrastructure. We call people from different stream for workshop and seminar. Exposure is taking place but it is true that it is not as enough as required. We will expand it when infrastructure will be in place.”

**48. The Committee observed that, keeping in view the impressive increase in the activities of FSI, the amount allocated, is really less. The Committee are convinced with the submission of the Ministry for need of enhanced budgetary allocation for Foreign Service Institute. Implementation of Agreements/MOUs recently signed entails additional expenditure. In spite of this, the Institute organizes many programme/courses for which they should have sufficient funds. The Committee, therefore, recommend that the budgetary allocation for FSI should be augmented suitably so that the Institute can meet the desired objectives effectively.**

**(Recommendation No. 13)**

**49. The Committee further desire that the programmes/courses should be organized by Foreign Service Institute (FSI) also for lower level officers for all cadres in the Ministry. Further, as informed to the Committee, the building of FSI is under construction and it will be completed within next few months. It will have good infrastructure and the activities will get expanded when infrastructure is put in place. In this context, the Committee recommend that the remaining work of construction of FSI building should be completed at the earliest so that the activities could be expanded as per the requirement of the Indian Foreign Policy. The Committee would like to suggest that the Governmental schemes such as**

the National Urban Renewal Mission or the National Rural Mission should be accorded due publicity through FSI.

(Recommendation No. 14)

## **G. EMBASSIES AND MISSIONS**

(2061 – 00.101)

(Rs. in crore)

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual</b>
2001-2002	756.06	759.92	719.96
2002-2003	787.82	783.54	800.54
2003-2004	811.43	773.31	816.66
2004-2005	855.00	896.27	848.91
2005-2006	872.43	893.00	-
2006-2007	900.00	-	-

50. Above table indicates that the Actual Expenditure under this Head for the year 2004-2005 was Rs. 848.91 crore against the revised estimate of Rs. 896.27 crore. On being asked about the reasons for under-utilization of the fund during the year 2004-2005. The Ministry stated:

“Under-utilization of funds in 2004-2005 may be attributed to the fact that increase in Foreign Allowance and salary of locally recruited staff in various Missions/Posts did not take place to the extent anticipated. There was also a reduction in the number of school going children in some Missions/Posts leading to lower expenditure. Lower expenditure may also be attributed to lesser number of tours under taken by officials in Missions/Posts due to local factors; movement of officials on transfer not taking place to the anticipated extent; reduction in office expenses due to austerity measures as also postponement of replacement of official cars in some Missions/Posts; non-payment of advance rents in a few cases etc.”

51. On being asked to furnish the reasons for variation in BE and Actual Expenditure under this Head and what measures have been taken to avoid such variations? The Ministry replied:

“The variation between the Actual Expenditure and BE generally arises due to the fact that the allocations in BE are made on the basis of funds available for the overall budget of the Ministry. While the projections of the Missions/Posts are much higher than the allocation made, every effort is made to provide funds for essential expenditure. The position is reviewed at the stage of Revised Estimates and additional funds are provided to the extent possible where required while reducing the allocation in a few



cases. While it may not be possible to totally avoid the variation between BE and actual expenditure, every effort is made review the expenditure trend in the latter stages of the financial year for optimal utilization of funds.”

52. On being asked to provide a brief account of the ongoing and pending projects related to Embassies and Missions abroad of the Ministry of External Affairs including their current status and targeted dates of completion, project-wise. The Ministry has replied:

“Project – wise details are as below:

No	Station	Project	Plot size	Completion schedule	Expected Outcome in 2006-07/Completion stage of the Project
1.	Abuja, Nigeria	Construction of Chancery and Embassy Residence.	GOI owns plot of land measuring 13248 sqm	Further planning for the project is expected to take about 4 1/2 months. The construction time is expected to be about one year and interiors would take another six months.	The pre-construction activities are in progress. The actual construction is expected to start in July 2006 and complete in January 2008.
2.	Bahrain	Construction of Chancery, Embassy Residence and staff residences.	Plot measuring 7,599 sqm. At No. 9 Seef District.	Project in initial stages of planning and approval. Completion schedule will be drawn up subsequently.	The project is in initial stages of planning. Selection of Consultant would be finalised. The construction is expected to start in July 2007 after local body and pre-estimate approvals.

3.	Bangkok Thailand	Construction of Embassy Residence and Cultural Centre	Plot measuring 4,524Sq m at Soi 25, Sukhumvit	We are in process of finalization of agreement with the Consultant and simultaneously the financial approval of the competent authority is also being sought which is expected to be in place by December 2006. Thereafter, the construction may start in June 2007 and reach completion August 2008.	Selection of Consultant and financial approval of competent authorities.
4.	Beijing, China	Construction of Chancery and Residences	Plot measuring 13,500 sqm.	After local body approval and calling of tender, the construction period will be one and half years and another six months for interiors.	The project is in final stages of planning where in drawings have been submitted for local body approvals. The project is expected to be awarded and construction is to begin in July 2006. The expected completion target is by December 2007.
5.	Brasilia, Brazil	Chancery, Embassy Residence and Officers Residences	A plot of 25,000 sqm.	Project in initial stages of planning and approval. Completion schedule will be drawn up subsequently.	Financial approval of competent authorities would be sought in 2006-07. The construction on the project is expected to start in January 2007 after seeking local body's approvals. The expected completion target is March 2009.
6	Dar-Es- Salaam, Tanzani a	Construction of Chancery	Plot of 2,120 sqm.	Project in initial stages of planning & approval	Financial approval of competent authorities is being obtained. The construction on the project is expected to start in April 2007 and completion schedule is by October 2008.

7	Dhaka, Bangladesh	Construction of Chancery and Residences.	Two plots measuring 12 bighas and 2.5 bighas.	Project in initial stages of planning & approval.	Financial approval of competent authorities is being obtained. Thereafter, the project is expected to start in April 2007 after completion of pre-construction activities and obtaining local body approvals.
8	Doha, Qatar	Construction of Chancery and Embassy Residence	Original plot allotted in 1977 measuring 5,005 sqm. This was taken back and new plot is in the process of being allotted.	Project would be taken up after allotment of an alternative plot along with the development norms.	Revision in the design and further actions on this project would be taken after formal handing over of the plot along with the development norms.
9	Geneva, Switzerland	Renovation of PR's Residence	Plot measuring 4302 sqm.	54 weeks from the date of commencement of works i.e. 7 June 2005.	The contract for this project has been awarded to M/S GETI and work is in progress. The project is expected to complete in all respects.
10	Kabul, Afghanistan	Construction of Chancery and Residences	Plot measuring 19,184 sqm (approx 5 acres).	The project is expected to complete within a period of 24 months.	The pre-construction activities are in progress. The actual construction is expected to commence in July 2006 and completion target is December 2008.
11.	Kathmandu, Nepal	Construction of Chancery and Residences	The present Indian Embassy complex extends over 45.79 acres.	Planning for construction will take about six months followed by construction which is likely to take about three years and another six months for interiors.	The project is in final stages of planning. The work is expected to be awarded in phases. The construction is likely to start in July 2006 and reach completion in August 2009.

12	Kyiv, Ukraine	Demolition and Reconstruction of residences	Built up property on a plot of 5255 sqm purchased for Chancery in 1995 at US\$ 800,000.	In July 2002 it was decided to build staff flats after demolition of existing structure. The consultant was selected in 2004 and preliminary cost estimates and drawings were prepared. In November 2004 it was informed to sign a lease agreement with M/s GDIP for lease of the and.	Proposal is being reexamined. Approval has been conveyed to Mission for signing an agreement with M/s GDIP ascertaining the ownership status of the land and obtaining local body approval for the construction project.
13	London	Construction of 6 residences in 8 South Audley Street	Plot measuring 300 sqm.	Project in initial stages of planning and approval. Completion schedule will be drawn up subsequently.	Financial approval of competent authorities. Award of work
14.	Moscow Russia	Construction of 83 residences and school.	Plot measuring 57,870 sqm acquired as per Inter Governmental Agreement between India and USSR	Plot allotted has been withdrawn by the Russian authorities and a new plot has been allotted to the Mission. Since the plot is not suitable, negotiations are being held by the Eurasia Division with Russian Foreign Office for allotment of original plot of land. The matter is under active consideration.	Matter has been taken up with Russian Embassy in Delhi. Russian Foreign Office has suggested holding an expert level bilateral consultations to discuss all outstanding property related matters. Eurasia Division has been requested to take an urgent action on this suggestion.
15.	Muscat, Oman	Construction of Chancery and Embassy Residence	12,600 sqm plot acquired from the Government of Oman on reciprocal basis.	After receiving revised financial approval, awarding of work will take about three months followed by construction which is likely to take about 15 months.	The tendering process is in progress. The work is expected to be awarded and construction to commence in July 2006 and completes in January 2008.

16.	Islamabad, Pakistan	Construction of Residences.	A plot of 10.75 acres .	Project in initial stages of planning & approval.	Financial approval of competent authorities and submission of plan for seeking local body approval. The construction work is expected to start in 2006-07 and reach completion within a period of two years.
17.	Paramaribo, Surinam	Construction of Indian Cultural Centre.	10,000 sqm gifted by Govt. of Surinam.	Project in initial stages of planning & approval. Completion schedule will be drawn up subsequently.	The financial approval for the project would be sought in 2006 . The construction work is expected to start in September 2007 and completes in October 2008.
18	Port Louis, Mauritius	Construction of Chancery complex.	Plot measuring 9,497 sqm in Ebene Triangle, Cyber City.	Project in initial stages of planning & approval. Completion schedule will be drawn up subsequently.	Lease deed for plot to be signed with concerned Mauritian authority. Finalisation of Consultant for the project. The financial approval for the project would be sought in 2006. The construction work is expected to start in September 2007 and completes in October 2008.
19	Singapore	Redevelopment of Embassy Residence and Construction of two residences.	Plot of 3.3 acres.	Six months period is expected for seeking local body approval and finalisation of award of work. Construction of building is expected to take 18 months.	The tendering process is in progress. Work is expected to be awarded and construction to commence.
20	Tashkent, Uzbekistan	Construction of Chancery, Embassy Residence and staff residences	Plot of 10,000 sqm.	Project in initial stages of planning & approval.	The financial approval for the project would be sought in 2006. The construction work is expected to start in September 2007 and completes in October 2008.

21	Tokyo, Japan	Redevelopment of 5 GOI owned properties in Tokyo, including Chancery, Embassy Residence and officers residences.	(1)Nishi-waseda (4628 sqm): ER purchased in 1953 (2) Kudan Minami (4109 sqm): Chancery & 12 staff flats constructed in 1962/63 (3) Shirogane-dai (790 sqm): DCM's residence purchased in 1952 (4) Daizawa (859 sqm): MNAA residence bought in 1953 (5)Nishihara (330 sqm): 3 <sup>rd</sup> Sec's residence bought in 1961	Project in initial stages of planning & approval.	We are in process of finalization of agreement with the Consultant and simultaneously the financial approval of the competent authority is also being sought which is expected to be in place by December 2006. Thereafter, the construction may start in April 2007 and reach completion May 2009.
22	Port of Spain, Trinidad & Tobago	Construction of Cultural Centre	5 acres donated free of cost by local Government in 1994 on 99 year lease.	CNE approved the project in May-2003 at a cost not exceeding rupees 12 crore. However, consultant has submitted revised estimate, which is more than the original estimate. The proposal is under examination.	The decision to construct would be taken after deciding the scope of the works and the revised cost estimate. After award of the work, construction will take one and half years followed by six months for interiors.
23	Warsaw, Poland	Construction of Chancery and Residences.	Plot of 9,657 sqm.	Local body approval and tender finalisation may take four months. Construction is likely to take about 2 years.	The preliminary activities are in progress on site. The actual construction work is expected to commence in July 2006 and would be completed in January 2008.

53. The Committee find that under the Head “Embassies and Missions” the actual expenditure for the year 2004 was Rs. 848.91 crore against the revised estimate of Rs. 896.27 crore. It clearly indicates that fund allocated under this Head could not be utilized fully in the year 2004-2005. The Committee are not convinced at all with the reasons furnished by the Ministry for under utilization of funds as increase in foreign allowance and salary of locally recruited staff in various Missions/Posts did not take place to the extent anticipated or there was a reduction in the number of school going children in some Missions/Posts leading to the lower expenditure. The Committee, therefore, recommend that effort should be made for optimal utilization of funds to avoid such under spending of funds.

(Recommendation No. 15)

54. The Committee note that at present there are 23 ongoing and pending projects related to Embassies and Missions abroad. Many of them are pending since long due to various reasons. The Committee have been recommending repeatedly for early completion of these projects but it is not getting momentum anyway and remained in the same state as before. The Committee fully understand that there are different procedures for acquiring properties in different countries and all projects cannot be completed/materialized with similar procedure. But taking 25-30 years in construction of a Chancery/Embassy building is beyond the wisdom while plots for construction were available except in one or two cases. The Committee, therefore, recommend that the Ministry should reintegrate their efforts by reviewing and proper monitoring the projects with new energy. Now that the Joint Secretary (Projects) is in position for this specific task, the pace of work must be accelerated for completion of these projects at the earliest. The Committee further recommend that a target date should be fixed for each project and all possible efforts should be made to complete the project within that target date.

(Recommendation No. 16)

## **H. PASSPORT AND EMIGRATION**

Head : 2061 - 00.105

(Rs. in crore)

Year	BE	RE	Actual
2001-2002	98.48	99.64	94.26
2002-2003	101.23	93.76	102.59
2003-2004	103.87	95.75	108.64
2004-2005	121.86	159.98	155.73
2005-2006	140.55	158.74	-
2006-2007	147.98	-	-

55. According to the Ministry, the proposed allocation in BE 2006-2007 is Rs. 147.98 crore which is an increase of Rs. 7.43 vis-à-vis BE 2005-2006. In real term, allocated amount under this Head is Rs. 10.76 crore lower than what was allocated at RE 2005-2006. On being asked to furnish the reasons for less allocation in BE 2006-2007 against RE 2005-2006. The Ministry replied:

“The allocation in RE 2005-2006 has been enhanced primarily for settlement of bills of the India Security Press, Nashik, who have revised the rates of printing of travel documents with retrospective effect. The allocation in BE 2006-2007 has been made on the basis of the funds available for the overall budget of the Ministry.”

56. On being asked for under-utilization of amount allocated at RE 2004-2005, the Ministry stated:

“The allocation in 2004 – 2005 could not be fully utilized as anticipated increase in staff strength; increase in rentals, payment of ground rent etc. did not materialize.”

57. According to the Ministry, under this Head (2061-00.105), enhanced allocation proposed in BE 2006-2007 is Rs. 147.98 crore – an increase of Rs. 7.43 crore over BE 2005-2006. According to the Ministry the allocation which has been proposed based on the available funds is however, lower than RE 2004-2005 and 2005-2006. The proposed allocation is required to meet the expenditure on Passport Offices, security printing, travel documents etc. Provision has also been made for making payments to State Government and Union Territories for their passport-related services-verifications etc. which are required to be carried out at the State Government level. On being asked to give details of the projects to be undertaken with the provisions under this Head and whether the Ministry feels that the projects proposed to be undertaken during the year 2006-2007 can satisfactorily be taken up with the support of the Budgetary Estimate under the Head? The Ministry replied as under:

“ (i) The projects to be undertaken with the provisions under this Head are as given under:



S.No.	Particulars	Estimated Cost
a)	Networking of Passport Offices *	To be funded by NIC/DIT
b)	Upgradation of hardware in Passport Offices	Rs. 4 Crores
c)	Scanning of Passport Application files	Rs. 5 Crores
d)	Printing of travel documents / Machine Readable (MR) visa stickers	Rs. 109 Crores
e)	Lease charges of existing Passport Printers	Rs. 6 Crores
f)	Purchase of Machine Readable Passport (MRP) Printers	Rs. 5.40 Crores
g)	Payment to DPC and verification of reports etc to State Governments	Rs. 27.00 Crores
	<b>Total</b>	<b>Rs. 156.40 Crores</b>

*\* The networking would enable updation of central data-base (PISON) at least on daily basis. Approximately, 40 lakh passport application files are anticipated to be scanned. An equal number of records is anticipated to be added to the Central data-base. 51 lakh passport booklets and 30 lakh visa stickers are anticipated to be procured from India Security Press, Nashik and 48 MRP printers are proposed to be purchased during 2006-2007.*

- (ii) The Head (2061-00.105), includes the above projects under Office Expenses apart from the expenses under Salary, wages, overtime allowance, medical treatment, domestic travel expenses, Rent, Rate and Taxes etc. It is felt that the projects proposed to be undertaken during the year 2006-2007 can not be satisfactorily taken up with the BE of Rs. 147.98 Crores due to increase in expenses as stated above in (i). Thus the BE for 2006-2007 may have to be increased by Rs. 41.40 crores under this head.”

58. On being asked as to whether the District Passport Cells (DPCs) have been opened in all the districts throughout the country and what steps have been taken/being taken by the Ministry to open the DPCs in the remaining districts in the country? The Ministry has replied:

“DPCs have not been opened in all the districts of the Country. So far 463 District Passport Cells are functioning in the country. This Ministry has taken up the matter at the high level by writing to the Chief Ministers of the States to open DPCs in their States. As a result, Uttaranchal State has opened 12 DPCs in February 2005 and Rajasthan has opened 9 DPCs in June 2005. A new DPC has been opened in Pitampura in January 2006 in Delhi.”

59. On being asked about opening of DPC in Nehru Place, New Delhi, the Foreign Secretary stated:

“We have to depend upon the Delhi Police for giving us additional premises for running these centres. We have at the moment three centres. We will get the fourth one shortly. We are actually talking to the Delhi Administration in order to provide some additional areas where we can also provide these services. The idea is to try and form as many centres as possible so that overcrowding at the Delhi passport office itself is avoided.”

60. The Committee desired to know the number of Passport Offices functioning in rented buildings as on 31.12.2005 and also the rent being paid in each case. The Ministry has furnished as:

“The number of Passport Offices functioning in rented buildings as on 31.12.2005 and the rent paid in each case are as follows:

<b>Name of Passport Office</b>	<b>Rent paid per month in Rs.</b>	<b>Name of Passport Office</b>	<b>Rent paid per month in Rs.</b>
1. Bangalore	265605.00	13. Patna	25286.00
2. Bareilly	13264.00	14. Pune	259567.00
3. Bhopal	21762.00	15. Ranchi	30502.00
4. Bhubaneswar	26000.00	16. Srinagar	72184.00
5. Guwahati	38455.00	17. Surat	104398.00
6. Jaipur	262500.00	18. Thane	239693.00
7. Jalandhar	29400.00	19. Tiruchi	50000.00
8. Jammu	48700.00	20. Trivandrum	145136.00
9. Kolkata	183477.00	21. Visakhapatnam	36950.00
10. Lucknow	207000.00		
11. Mumbai	109583.00		
12. Nagpur	22757.00		

61. The Ministry was asked to furnish the present position as on 28.2.2006 of construction/acquisition of 16 Passport Office buildings at Bhubaneswar, Bangalore, Jaipur, Guwahati, Bhopal, Jalandhar, Jammu, Lucknow, Mumbai, Pune, Ranchi, Trichi, Surat, Thiruvananthapuram, Thane & Visakhapatnam and also furnish the detailed reasons for abnormal delays in executing these projects, the cost and time overruns involved therein and also present status thereof state-wise? The Ministry was also asked as to what measures are being taken by the Ministry to expedite these projects? The Ministry has furnished the reply as under:

“(i) The position regarding various Passport Offices in acquiring their own buildings for housing the office is as follows:

**Bangalore:** Construction work is in advanced stage and expected to be completed by June 2006.

**Bhopal:** Passport Office has been instructed to get in touch with the concerned state authorities and send us concrete proposals as early as possible.

**Bhubaneswar:** Revised preliminary estimates for contingencies for the office cum residential complex have been approved by the Government and work is expected to commence in the near future.

**Guwahati:** After protracted efforts, Guwahati Municipal Development Authority has made available a suitable plot of land to construct the building for Passport Office. After obtaining requisite administrative and financial approval, the construction work is likely to commence in the second half of 2006.

**Jaipur:** Construction work is in full swing and is expected to be completed by March 2007.

**Jalandhar:** Passport Office has been instructed to get in touch with the concerned state authorities and send us concrete proposals expeditiously.

**Jammu:** Passport Office has instructed to get in touch with the concerned state authorities and send us concrete proposals.

**Lucknow:** The construction of the Passport Office cum Residential Complex is expected to be completed by July 2006.

**Mumbai:** The construction of the building is likely to commence by August 2006.

**Pune:** Instructed to get in touch with the concerned state authorities and send us concrete proposals to this effect.

**Ranchi:** Passport Office has instructed to get in touch with the concerned state authorities and send us concrete proposals.

**Surat:** Passport Office has been reminded to pursue the matter with the State Government and send proposals quickly.

**Thane:** A proposal for purchase of land has been received from the Passport Office and is being processed.

**Trichy:** Passport Office has been instructed to follow up with the State Government and send proposal expeditiously.

**Trivandrum:** A plot has been identified in the city by the Passport Office and the State Government has been approached for allotment.

**Visakhapatnam:** Visakhapatnam Urban Development Authority has, recently made available a plot of land for the Passport Office. The matter is being processed in an expeditious manner.

(II) The reasons for delay in executing the projects the cost overrun and time overruns and also the present status of the projects State-wise are indicated in the table below. The Ministry is making every effort to expedite the implementation of these projects.

Name of State	Reasons for delay	Action taken by the Ministry
1. Karnataka Bangalore Passport Office	The implementation of the project is as per schedule and there is no delay.	No action needed.
2. Rajasthan Jaipur Passport Office	We are in touch with the Ministry of Urban Development for early release of funds.	Ministry of Urban Development has been reminded to expedite release of funds.
3. Uttar Pradesh Lucknow Passport Office	We are in touch with the Ministry of Urban Development for early release of funds.	Ministry of Urban Development has been reminded to expedite release of funds.
4. Tamil Nadu Chennai Passport Office	The matter is subjudice.	As suggested by the Hon'ble High Court, Chennai, an out of court settlement is being worked out.

62. In reply to a recommendation contained in 7<sup>th</sup> Report (14<sup>th</sup> L.S.), the Ministry had stated that opening of Passport Offices in state capitals of Uttranchal, Chhatisgarh and H.P. will be carried out only after an augmentation of staff in the Central Passport Organisation. On being asked to state that what progress has been made so far for opening of Passport Offices in these state capitals. The Ministry has stated:

“There has been good progress in opening new Passport Offices in the States of Uttaranchal, Chattisgarh and Himachal Pradesh. Present position is as under:

**Uttaranchal :** A building is being rented in Dehradun to open a new Passport Office there. The new Office is expected to be functional from June 2006 onwards.

**Chattisgarh:** A built up property of the State Housing Board has been selected for outright purchase with 5 residential quarters. Proposal is being sent for approval.

**Himachal Pradesh:** So far we have not been able to locate a suitable building for the proposed Passport Office at Shimla. A team of officials is slated to visit Shimla during April 2006 to meet the concerned State Authorities for the purpose.”

63. On being asked about the steps taken/being taken for filling up the vacant posts in Passport Offices during last six months. The Ministry informed that:

“Staff Selection Commission nominated 55 Gr.’C’ post of LDCs and 4 Gr.’C’ posts of Jr. Hindi Translator for CPO. On serving of appointment orders, 15 LDCs and 3 Jr. Hindi Translators have joined service.

A Limited departmental Exam was held in November’ 2005 for Gr.’D’ candidates of CPO for recruitment to 64 Gr.’C’ LDC posts.”

64. It was also asked whether the work study by staff inspection units of the Ministry of Finance in Passport Offices to decide, the quantum of augmentation of staff at various levels in Passport Offices has been completed? The Ministry replied:

“(i) The Staff Inspection Unit (SIU) of the Ministry of Finance has carried out a detailed work-study in Passport Offices in India. Their final report recommending 293 additional posts in various categories was received from the Ministry of Finance on 8<sup>th</sup> December 2005 and a proposal to create these additional posts has been submitted for approval of the competent authorities on 22<sup>nd</sup> December 2005. The matter is being followed up with the Ministry of Finance regularly.

(ii) The SIU proposal for creation of additional posts in various grades is currently awaiting approval of the Ministry of Finance. After getting the requisite approval, the abolition of posts would be undertaken

and immediately thereafter a concrete proposal for cadre review would be submitted to the competent authority for approval in an expeditious manner.”

65. In an action taken reply to the recommendation contained in 8<sup>th</sup> Report, the Ministry had stated that, to meet the staff shortage, the Ministry had prepared a proposal for out sourcing of manpower to carry out specific task in Passport Offices. On being asked to furnish the details of the proposal and about those specific tasks which have been proposed to be carried out by outsourcing. The Ministry has informed that:

“The Staff Inspection Unit of the Department of Expenditure had recommended creation of more staff for the CPO and hence the outsourcing of manpower has been deferred for the time being.”

66. During the course of evidence, the representatives of the Ministry informed that:

“I would like to mention to you that for the first time last year we were able to get approval from the Ministry of Finance for getting services of secretarial staff for our non-confidential work. It is because there has been a virtual explosion in our work load. We do not have people. We were able to get financial approval for going to a manpower firm and getting people on hire for short periods of time to take care of our urgent requirements. This is by outsourcing. Similarly, as I mentioned to you, we are trying outsourcing of the passport and visa services abroad. We hope to be able to do that. If that experiment succeeds, then we will introduce the same kind of outsourcing many of our functions in India as a whole. We are all trying to adapt to the kind of situation that we are having. There is no doubt that if we have to cope with the kind of level of engagement that has now come to stay with India’s emergence as an important power – reference has been made by you to visitors who are coming here and also delegates from India who are going abroad -- and there has been an unprecedented level of engagement between India and the rest of the world and so the question is, how do we sustain this? We are very thinly spread as far as foreign policy establishments are concerned. Hon. Members would be surprised to learn that the total strength of Indian Foreign Service is 650. You have this huge foreign policy challenges that is being essentially managed by 650 people. Now, we can work very hard; we can work from 9 am to 9 pm; we can do as much as we can, but frankly, at the end of the day, we cannot sustain it. One of the things that we are trying to do is, I

have spoken to the hon. Prime Minister and he has very kindly agreed, that we must undertake a cadre review.”

67. The representatives of the Ministry further elaborated:

“The Committee had also made certain recommendations for our passport and immigration services. This is really one of the most important aspects of our work which is really, in a sense, as far as India is concerned, this is our public interface. How we perform this particular task really impacts on the public image of the Ministry of External Affairs. I am very happy to inform you that the efforts that we put in have a bearing on all the issues mentioned by the esteemed Committee. We have acquired properties in several cities, including Bareilly and Visakhapatnam, commenced construction activities of passport offices in Jaipur, Lucknow and Mumbai. We have acquired land in other places, including Surat, Thane and Trivandrum. With the completion of these projects, our annual rental flow will decline considerably, quite apart from providing much better premises for our passport offices.

I also wish to bring to your notice that we have implemented several improvements to provide better services to the public. On the issue of backlog of passport applications, we have undertaken a variety of measures including pendency clearance drive in Delhi, Jaipur and Trivandrum. Also, we are planning major drive in Ghaziabad very soon where there is a pendency problem to accelerate the clearance of the backlog.”

68. During the course of evidence, the representatives of the Ministry also mentioned that:

“I would like to mention that we are carrying out the computerisation of Passport Offices and the Regional Passport Offices. This has also allowed us to make a quicker disposal of cases. I must mention, however, that in many cases it is basically the delayed police verification which causes the delay in the issue of the passports. This is something on which we are in touch with the Home Ministry and our agencies to see whether we can improve this.

Right now we have what may be called a locational identity system in which the police goes to the residence of the applicant, verifies whether or not the applicant is from that particular area. Most other countries do not follow this practice. They follow an identity-based passport issuing system. That is, as long as your identity is established, it does not really matter

where you are staying. Even in our case, what happens is that once the residence verification is done, the person can move out to some other place. There is not really much advantage in having that location-based identity system. So, what we are trying to convince the Home Ministry and our agencies is to try and shift to an identity-based system.

To begin with what we can do is in cases where such identification has already been carried out in some other connection - for example for Income Tax payers we have the PAN Card system – PAN Card could perhaps be made the identity on the basis of which a passport could be issued. This is being considered. That would cut down the delays considerably. We have the Voters ID. That could be one of the ID systems which could be followed. We have the Driving Licence. So, in cases where an identity document already exists, we are trying to see whether or not at least that could be utilised for the quick issue of passports. This would cut down the delays considerably. I hope that by next year when we come to report to you, this is something which would have been sorted out. This has received very serious attention in the Government.”

69. During the course of evidence, on being enquired about the complaints appeared in the newspaper regarding some irregularities in R.P.O., Delhi, the representatives of the Ministry clarified that:

“There are six counters which are available to provide tokens. We have tried to improve the procedures so that the tokens can be given out in the quickest possible time so that the waiting period is the last. For example, this morning, from 9 a.m. to 9.45 a.m., all the tokens were issued. So, there should not be any concern about the delays in the issue of tokens. Those who had got the tokens were then able to get inside the passport offices immediately in the morning itself. I would like you to please understand why we have introduced this because what has been happening is that these passport offices have become the playground of touts and these very unscrupulous agents are taking money from the public and also mislead them. This way, we have at least ensured that the overcrowding inside the passport offices does not occur because only those who are really coming for passport service, they get entry into the premises, so the overcrowding is avoided. You made a very valid point about shelter. We are in discussion with the local authorities to give us permission for setting up of this shelter because there is fire clearance which has to be taken, but we are hopeful that within the next few days, we should be able to start the construction of the shelter so that people do not have to wait in the sun. We take your point about providing drinking water facilities.”



70. The Committee note that the proposed allocation in BE 2006-2007 is Rs. 147.98 crore with an increase of Rs. 7.43 crore vis-à-vis BE 2005-2006. In real term, the allocated amount under this Head is Rs. 10.76 crore lower than the amount allocated at RE 2005-2006. The Ministry informed that the allocation in BE 2006-2007 has been made on the basis of funds available for the overall Budget of the Ministry. The Committee also note that the estimated cost of projects to be undertaken with the provisions under this Head is Rs. 156.40 crore and have similar view as the Ministry that the projects proposed to be undertaken during the year 2006-2007 cannot be satisfactorily taken up with the BE of Rs. 147.98 crore due to increase in expenses as stated. Therefore, the Committee recommend that amount allocated in BE 2006-2007 should be increased suitably under this Head at the RE stage.

(Recommendation No. 17)

71. The Ministry informed the Committee that the allocation in 2004-2005 could not be fully utilized as anticipated increase in staff strength, increase in rentals, payment of ground rent etc. did not materialize. The Committee are of the view that if fund was available then it could have been utilized for other necessary activities under this Head. On the one side the Ministry is taking plea for shortage of funds and on other side available funds are not being utilized properly. The Committee, therefore, recommend that the Ministry should make efforts for maximum utilization of allocated funds and ensure that funds are fully utilized till the end of financial year, if necessary by re-allocation of fund.

(Recommendation No. 18)

72. The Committee note that the District Passport Cells (DPCs) have not been opened in all the districts of the country. So far, 463 DPCs are functioning in the country. The Ministry has informed that they have taken up the matter at high level by writing to the Chief Ministers of the States to open DPCs in their States. As a result, Uttranchal State has opened 12 DPCs, in February 2005 and Rajasthan has opened 9 DPCs in June 2005. A new DPC has been opened in Pitampura, Delhi in January 2006. As at present, Delhi has three centers and fourth one will be opened shortly. The Ministry informed that idea is to form as many centers as possible so that the overcrowding at the Passport Offices could be avoided. The Committee appreciate the efforts being made by the Ministry in this regard and hope that DPCs in all the districts of the country will be in place at the earliest. The Committee recommend that wide publicity on local TV, Radio

and in newspapers should be made at regular intervals about the functioning of these DPCs so that awareness is created at large.

(Recommendation No. 19)

73. The Committee note that 21 Passport Offices are working from rented premises and at present huge part of allocated Budget under this Head is being paid for their rentals. The Committee has been expressing their concern continuously over the delay in acquisition/construction of own premises for Passport Offices since long but no significant development has been made in this regard. The Committee, therefore, again recommend that all construction projects relating to Passport Offices should be taken up on priority basis and efforts should be made vigorously for the early completion of these projects so that the rental liabilities can be reduced to the barest minimum. The Committee also recommend that opening of Passport Offices in states of Uttranchal, Chhatisgarh and Himachal Pradesh should be carried out at the earliest.

(Recommendation No. 20)

74. The Committee note that the staff inspection unit of the Ministry of Finance has recommended 293 additional posts in various categories and a proposal to create these additional posts has been submitted for approval of the competent authorities on 22<sup>nd</sup> December 2005. The Committee also note that Staff Selection Commission has nominated 55 Grade 'C' posts of LDC and 4 Grade 'C' posts of Jr. Hindi Translator for CPO. Out of that, 15 LDCs and 3 Jr. Hindi Translators have joined so far. The Committee hope that after creation of 293 posts and nomination of 59 posts by SSC for filling the vacant posts, shortage of staff problem would be eliminated to a large extent. The Committee recommend that all the necessary formalities for creation and appointment of these posts should be completed at the earliest in order to enable the opening of new offices as well as to avoid the out-sourcing.

(Recommendation No. 21)

75. The Ministry informed that delay in issue of the Passports is basically due to delayed Police Verification Report. At present the Ministry has a system called "local identity system" in which the police verifies whether or not the applicant resides at the address furnished in the application form. Sometimes, circumstances compel applicant to change his residence after submitting his application for passport, so the verifying officer makes remarks that applicant does not reside at this address or address is false and he is, therefore, not eligible to get a passport. Most of the other countries do not follow this practice. They follow an "identity based passport issuing system" in which as long as the identity of the applicant is established, it does not really matter where he

is residing. Realizing the advantages of this system, the Ministry is trying to convince the Home Ministry and their own agencies to try and shift to an 'identity-based system' in which only identity of applicant will have to be established.

The Committee are of the view that the existing local identity system is really not advantageous and only proof of identity should be the basis for issuing a passport. The Committee feel that shifting to 'identity based system' will considerably help to avoid delays in issuance of passport. However, the Committee recommend that pros and cons of this system should be examined carefully before its adoption. All precautions should be taken during the change in process. No decision should be taken in a hurry.

(Recommendation No. 22)

76. The Ministry also informed that on the issue of backlog of passport applications, they have taken a variety of measures including pendency clearance drive in Delhi, Jaipur and Trivandrum and also planning major drive in Ghaziabad very soon where there is a pendency problem, to accelerate the clearance of backlog. The Committee recommend that such pendency clearance drive should be undertaken in all the Passport Offices where the pendency is much higher.

(Recommendation No. 23)

## **I. INDIAN COUNCIL FOR CULTURAL RELATIONS**

**Head: 2061 - 11.01.31**

**(Rs. in crore)**

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual</b>
2001-2002	40.00	41.62	41.62
2002-2003	42.43	42.00	42.00
2003-2004	54.50	54.50	56.50
2004-2005	55.59	57.50	57.49
2005-2006	57.50	60.50	-
2006-2007	60.50	-	-

77. The Ministry in their brief has submitted that the allocation in BE 2006-2007 is an increase of Rs. 3.00 crore over the BE 2005-2006. It can be seen in above table that the same amount was allocated in RE 2005-2006. It means that the amount is unchanged. On being asked as to whether the Ministry feels that the amount Rs.60.50 crore allocated to ICCR in BE 2006-2007 will be sufficient to meet all the proposed/projected activities of ICCR. The Ministry replied:

“The allocation of funds to ICCR is usually not commensurate with the projected demands made by the Council. ICCR’s activities are restricted within the limits of the grants allocated to it. The details regarding funds sought and funds allocated for the years 2005-06 and 2006-07 are as under:


	<b>(Rs. in crores)</b>	
	<b>Funds sought by ICCR</b>	<b>Funds allocated by Ministry</b>
B.E. 2005-06	68.00	57.50
R.E. 2005-06	65.07	60.50
F.E. 2005-06	67.54	The allocation of FE is yet to be intimated.
B.E. 2006-07	82.64	60.50

It is evident from the above that the funds allocated to the Council are insufficient and due to this reason the Council has to curtail its activities within the limits of allocated funds.”

78. During the course of evidence, the representatives of the Ministry mentioned that:

“The esteemed Committee also made certain very important recommendations with regard to the work of the Indian Council of Cultural Relations (ICCR). We have been constrained by the paucity of funds, yet we have tried hard to provide allocations for a wider role of cultural diplomacy. The budgetary allocation for the ICCR was enhanced from a level of Rs. 57.5 crore at the Budget Estimates of 2005-06 to Rs. 60.5 crore at the Revised Estimates. The ICCR itself has embarked on a very wide range of activities going on well beyond the usual exchange of cultural troupes and operation of cultural centres. New cultural centres are proposed to be set up in Washington, Kabul and Beijing to provide greater outreach facility. New chairs of Indian studies are to be established in Paris, Osh and Leyden. Festivals of India are being conducted in Brussels and in Tokyo and a range of conferences and seminars are being organised to focus on Indology and other subjects. Here, I would like to mention something very major, which is being undertaken by the ICCR. We are implementing a grant of about 500 scholarships to our friends in Afghanistan. The ICCR is also establishing new offices in the heart of the diplomatic area in New Delhi and a major regional centre in Kolkata and a SAARC Centre in Mumbai. Other regional centres are under consideration; and a charter is being prepared for the activities of the

Advisory Committee, which was another point that was made by the Standing Committee on the last occasion.

With regard to the work of the ICCR, I would also like to mention that we had a very successful event bringing authors and writers from the Asian and African countries. That was originally planned as a commemoration of the 50<sup>th</sup> Anniversary of Bandung Conference. But we took a little time to get some distinguished people from these countries. But this was really the first occasion where we actually had very distinguished scholars and writers spanning these two continents. The quality of the dialogue was so good that there were insistent demands that this should be made into an annual event to provide a platform for writers from these emerging countries to really come together 

So, this was one of the very important successes that we had. Another thing that we are planning is that while we have been providing scholarships over the last several years to a very large number of students from all over India, these constitute scholarships which are given under the cultural exchange programme which are managed by the ICCR, but we also have the technical cooperation programme under which we have a very large number of technical scholarships which we give. We have already, on a pilot basis, started an alumni programme, whereby we bring the people who have had training in India or the people who have studied in Indian Universities, on a regular basis, back to India and taking them on a study tour all over India. We have had the first such visit just a few weeks back. We have brought back about ten alumni who had been in India for various kinds of courses – some had been here 15 years ago, some others 20 years ago and some, very recently – and we provided a very good programme for interaction with some of our journalists, with the Govt. and also, we took them on a tour of India. We took them to Hyderabad and Bangalore to see the new India. It was really a very very good experience because they could see with their own eyes how India had developed. It also enabled us to establish contact with people; most of them have studied in India, have had training in India. Today they are occupying very high senior positions; they are influential friends in important countries. This is a very good way of taking advantage of the very heavy investments that we have been making in providing scholarships to foreign students.”

79. Regarding constitution of “Advisory Committees” for Regional Centres, the Ministry is giving same reply since last few years that action has been initiated. On being asked as to whether the “Advisory Committees” for each of the Regional Centre have since been constituted and the Ministry was also asked to furnish a list of those Regional Centres where the “Advisory Committees” have

not been constituted so far and also give the reasons therefor. The Ministry informed as under:

- “(i) The Advisory Committees for 7 Regional Offices are yet to be constituted. So far the Advisory Committees for Jaipur and Mumbai have already been constituted. In order to work out the charter and scope of the Advisory Committees, President, ICCR convened a meeting of all Regional Directors & Officers of ICCR on 30 January 2006. During the meeting it was decided to work out detailed guidelines for the functioning of these consultative bodies, with whom the Regional Directors can liaise for advice and guidance for furthering the mandate of ICCR.

Once the charter and scope of the proposed Committees is worked out in detail by the Council, a list of distinguished persons from each region will be prepared and letters sent out to them for acceptance. It will be the Council's endeavour to constitute all Advisory Committees by June 2006.

- (ii) The Advisory Committees for the Regional Offices in the following cities are yet to be constituted -
- a) Thiruvananthapuram
  - b) Chennai
  - c) Bangalore
  - d) Hyderabad
  - e) Lucknow
  - f) Chandigarh
  - g) Kolkata
- iii) The Advisory Committees will start functioning as soon as the scope and charter of these committees is finalized and the committees are constituted. It shall be ICCR's endeavour to complete the task by June 2006.”

80. In their reply to a recommendation contained in 7<sup>th</sup> Report (14<sup>th</sup> Lok Sabha) on Demand for Grants 2005-2006, the Ministry has replied that the New Cultural Centres at Beijing, Tehran and Kathmandu will be opened subject to the allocation of requisite additional posts and Budgetary resources. On being asked to state that what steps have been taken to obtain requisite additional posts and Budgetary resources? The Ministry replied:

“The Statutory Bodies of the Council have approved the budget allocation and posts for the Centres in Tehran and Kathmandu. Creation of these

Centres is under active consideration and it shall be the Council's endeavour to operationalise these Centres in 2006-2007.

The proposal for an Indian Cultural Centre at Beijing is being processed through diplomatic channels."

81. On being asked to state whether any proposal for the opening of new Regional Centres to remove the regional imbalances has been processed for consideration of the statutory bodies of the Council during last year? If so, please give the details thereof. The Ministry has replied:

"The statutory bodies of the Council have approved the opening of new Regional Offices in North-East (Shillong & Imphal), Madhya Pradesh (Bhopal), Orissa (Bhubaneswar) and Rajasthan (Jaipur) in order to remove the regional imbalance. The Council could not implement the proposal due to non-availability of posts to man the proposed new Regional Offices. The Council's proposal for creation of additional posts for these four new Regional Offices is pending with the Ministry of Finance. Once these additional posts are created, the ICCR will initiate action to open the new Regional Offices. It may be mentioned that the Council has opened a small office in Jaipur by deploying three officials from the existing staff strength as an interim measure. The full-fledged Regional Office in Jaipur and other cities will start functioning once the additional posts are made available to the Council."

82. On being asked to furnish a detailed status Report regarding the setting up of Cultural Centre in Washington, highlighting the specific efforts made by Ministry of External Affairs during the last six months in this direction. The Ministry has stated:

"Embassy of India, Washington has been making efforts to locate a suitable property for the proposed Indian Cultural Centre. In March 2005, Mission located a property at 500 I street, NW Washington DC and recommended its purchase. The proposal was considered by the Ministry and certain clarifications were sought from the Mission. After receiving response from Mission to Ministry's clarifications in October 2005, it was decided to depute a Property Team to Washington in December 2005 for assessing the locational and functional suitability of the property. However, before the commencement of the Property Team's visit, the Mission informed that the above-mentioned property is no more available for sale. In February 2006 Mission has forwarded a proposal for purchase of a property in Washington which could be utilized for housing some of the offices of Indian Embassy by relocating them from one of the Chancery

premises. Mission's proposal suggests demolition of one of the Chancery premises after shifting of the few offices to the proposed building and thereafter construction of a new building, which could house the Indian Cultural Centre. Ministry has sought some clarifications from the Mission for further processing of the proposal."

83. On being asked to state that how many proposals have been received by the Ministry for the setting up of Cultural Centres from the Indian Missions/Posts during the last year and how many proposals out of them have been sanctioned by the Ministry and also give the details of the pending proposals as on date for the purpose? The Ministry informed:

"Proposals for setting up of Cultural Centres at Bangkok, Abu Dhabi, Kabul and Poland have been received and are under active consideration.

The Prime Minister during his visit to Afghanistan had announced 500 scholarships for the Afghanistan students at Indian educational institutions. These scholarships are to be administered by ICCR. The Council has deputed a Third Secretary level officer from the ICCR cadre to set up a scholarship cell at Embassy of India, Kabul and to process scholarship related work in the interim. The Council intends to expand its activities in Kabul and subsequently convert the cell into a full-fledged Cultural Centre."

**84. The Committee note that the budgetary allocation for Indian Council for Cultural Relations (ICCR) is the same as it was in RE 2005-06. The Ministry informed that the allocation of funds to ICCR is usually not commensurate with the projected demands made by the Council and due to this reason, the Council has to curtail its activities within the limits of allocated funds. The Ministry also stated that they have been constrained by the paucity of funds, yet they have tried hard to provide allocations for wider role of cultural diplomacy. The Committee also note that the ICCR is engaged in a very wide range of activities going beyond the exchange of cultural troupes, execution of scholarships operation of cultural centers and opening of new cultural Centres to provide greater outreach facility etc. The Committee are concerned to note that the Council has to curtail its activities due to paucity of funds. The Committee, therefore, recommend that substantial additional fund should be provided to ICCR to achieve their mandated objectives successfully.**

**(Recommendation No. 24)**



**85. The Committee note that with regard to the constitution of Advisory Committee for regional centres the Ministry is giving same reply since last few years that action has been initiated but the Advisory Committees have not been constituted so far except for 2 Regional Offices. The Committee are of the view that functioning of Regional Offices are being impeded inordinately without Advisory Committees. The Committee, therefore, recommend that Advisory Committees for remaining 7 Regional Offices should be constituted without any further delay.**

**(Recommendation No. 25)**

**86. The Ministry informed that the new cultural centres at Beijing, Tehran and Kathmandu will be opened subject to the allocation of requisite additional posts and Budgetary resources. The statutory body of the council has approved the budget allocation and posts for the centres in Tehran and Kathmandu. Creation of these centres is under consideration and it shall be the Council's endeavour to operationalize these centres in 2006-07. The proposal for an Indian Cultural Centre at Beijing is being processed through diplomatic channels. The Committee hope that exercises in this regard will be completed as early as possible and these centres will be in place by the end of Financial Year 2006-07. The Committee also hope that a suitable property for Cultural Centre in Washington will also be located in the Current Financial Year.**

**(Recommendation No. 26)**

**87. The Committee note that the various Ministries such as Human Resource Development, External Affairs, Overseas Indian Affairs etc. are providing scholarships in their own capacity and working in compartments. The ICCR too is providing scholarships for foreign scholars. The Committee are of the view that all these Ministries/Agencies should coordinate together and form a "Joint Committee" for execution of scholarship. The Committee feel that by forming a Joint Committee, the disbursement of scholarships will be much more effective and purposeful. The Committee, therefore, would like to suggest that a Joint Coordination Committee with representatives of each Ministry should be formed for more purposeful and effective execution of scholarship schemes. The Committee hope that Ministry of External Affairs will take initiative towards the formation of a Joint Coordination Committee.**

**(Recommendation No. 27)**

## **J. INDIAN COUNCIL OF WORLD AFFAIRS**

**Head: 2061 – 11.05.31**

(Rs. in lakh)

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actuals</b>
<b>2001-2002</b>	<b>100.00</b>	<b>120.00</b>	<b>134.36</b>
<b>2002-2003</b>	<b>150.00</b>	<b>150.00</b>	<b>112.32</b>
<b>2003-2004</b>	<b>160.00</b>	<b>160.00</b>	<b>160.00</b>
<b>2004-2005</b>	<b>165.00</b>	<b>180.00</b>	<b>165.00</b>
<b>2005-2006</b>	<b>180.00</b>	<b>225.00</b>	<b>170.00 (up to Feb. (2006))</b>
<b>2006-2007</b>	<b>225.00</b>	<b>-</b>	<b>-</b>

88. On being asked to state whether the fund allocated in BE 2006-2007 will be sufficient for the complete activities of the ICWA during the year 2006-2007. The Ministry stated:

“The fund allocated in BE 2006-2007 will not be sufficient for all activities of the ICWA.”

89. It can be seen from the above table that amount allocated at RE 2004-2005 was not fully utilized. On being asked to furnish the reasons in detail for under utilization of funds. The Ministry stated:

“I.C.W.A. had submitted requisition for the release of balance grant of Rs. 15.00 lakhs on 28.2.2005. But this amount was not released to the Council. Therefore, Rs. 15.00 lakhs could not be utilized during the year 2004-2005.”

90. On being asked to state about the progress made so far regarding the formation of the ‘Governing body’ of the Council. The Ministry has replied:

“The Ministry of External Affairs has initiated the action for the constitution of Governing Body. The Ministry would continue to keep the Standing Committee on External Affairs informed about the progress of the formation of the Governing Body.”

91. On being asked during the course of evidence, about the constitution of Governing Body of ICWA, the representatives of the Ministry has stated:

“I want to mention one point; this was a major concern of the Standing Committee; that was the question of formation of the Governing Body of

ICWA. I am very happy to announce that this was done; the Director General has been appointed. The hon. Vice-President has signed the order two days back. The ICWA will now work according to its plan.”

**92. The Ministry informed that the fund allocated in BE 2006-07 would not be sufficient for all the activities of the Indian Council of World Affairs (ICWA). The Ministry also informed during the course of evidence in connection with examination of Demands for Grants 2006-2007 that ‘Governing Body’ of ICWA has been constituted. The Hon’ble Vice-President has signed the order and ICWA will now work according to its plan. The Committee hope that after constitution of Governing Body, working of ICWA will get anticipated pace and certainly achieve its objectives placed at the time of its formation. The Committee would like to suggest that allocated fund for ICWA should be enhanced appropriately at the RE stage.**

**(Recommendation No. 28)**

## **K. PROPAGATION OF HINDI**

**Head: 2061 - 13.01.26**

**(Rs. in lakh)**

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actuals</b>
<b>2001-2002</b>	<b>73.50</b>	<b>72.50</b>	<b>74.22</b>
<b>2002-2003</b>	<b>70.00</b>	<b>100.00</b>	<b>50.57</b>
<b>2003-2004</b>	<b>270.00</b>	<b>250.00</b>	<b>203.34</b>
<b>2004-2005</b>	<b>90.00</b>	<b>75.00</b>	<b>73.36</b>
<b>2005-2006</b>	<b>70.00</b>	<b>70.00</b>	<b>-</b>
<b>2006-2007</b>	<b>70.00</b>	<b>-</b>	<b>-</b>

**93. In a reply to the recommendation 1<sup>st</sup> Report (14<sup>th</sup> Lok Sabha) of the Committee, the Ministry had informed that it was making efforts to make Hindi an official language of the UN. To seek directions in this regard from the highest level, a high level Committee under the chairmanship of External Affairs Minister had been formed and three meetings of the Committee had been held. Preparation of Advocacy papers to bring out awareness of Hindi on international level among PIO’s worldwide was also under way. The Committee desired to know about the outcome of the above three meetings and whether the Advocacy papers have since been prepared? The Ministry was also asked to furnish the details of Advocacy papers. The Ministry stated:**

**“(i) A high level Committee under the chairmanship of the External Affairs Minister was formed in February 2003 to consider issues**

related to introduction of Hindi in the UNO. The meeting of the Committee was held on 29<sup>th</sup> July 2003 under the chairmanship of the then Minister for External Affairs with Minister of State as the vice-Chairman. In the meeting it was decided to mobilize the support of other countries, support of NRI/PIO community, and make a clear assessment of India's chances of gathering enough support for the proposal. It was also suggested that that an Advocacy Paper to present India's case with regard to introducing Hindi in UNO should be prepared.

It was also decided to have an implementation sub-Committee to monitor implementation of the measures proposed in the meeting. The sub-Committee was, therefore, formed under the chairmanship of Minister of State for External Affairs in August 2003. A meeting of this Committee was held on 22<sup>nd</sup> August 2003.

As an outcome of this Meeting, a core-Group under the chairmanship of the Additional Secretary (Administration) was constituted in September 2003. A meeting of the core-Group was held on 17<sup>th</sup> October 2003.

In these meetings detailed discussions were held regarding the procedure involved in introducing Hindi as one of the Official Languages of the UN. The procedure for getting any language recognized as one of the Official Languages of the UN involves obtaining approval of the General Assembly to amend Rule-51 of the Rules of Procedure. Such a proposal has to be approved by more than half of the members of the General Assembly where every member-State has a vote. At present the proposal would require approval of 96 member States given the current membership of 191. In addition, recognizing any language as the official language of the UN entails substantial increase in the expenditure of the UN wherefore every member country has to enhance its contribution, which is why most of the members remain passive to support such a proposal.

Another meeting of the core-Group held on 10<sup>th</sup> February 2004 under the chairmanship of Additional Secretary (Administration) focused mainly on the preparation of the Advocacy Paper. The format, content and the scope etc. of the Advocacy Paper were discussed. A journalist from Dainik Jagran was engaged for this work, who was later replaced by another journalist from Rashtriya Sahara.

- (ii) The draft Advocacy Paper has since been prepared and submitted to the Ministry in May 2005. The paper was discussed in the follow-up Committee on World Hindi Conferences held on 8<sup>th</sup> June 2005

under the chairmanship of Minister of State for External Affairs. The views of the non-official members were invited. Their views are awaited and they are being reminded to expedite their views.”

94. According to the Annual Report 2005-2006, Missions/Posts assist in the learning Hindi through correspondence courses conducted by Central Hindi Directorate as well as encourage foreign national to apply for scholarship to learn Hindi at Kendriya Hindi Sansthan, Agra. On being asked to state that what steps have been taken to encourage foreign nationals to apply for scholarship to learn Hindi and what measures have been taken to assist in the learning of Hindi through correspondence courses? The Ministry stated:

- “(i) The Ministry through its Missions abroad invites applications from foreign nationals for learning Hindi in Kendriya Hindi Sansthan (KHS), Agra every year. As a result of the efforts made by our Missions there has been a consistent increase in the number of foreign nationals applying for these scholarships. 120 applications were received by our Missions abroad from foreign nationals in 2003-04, 115 applications in 2004-05 and 139 applications in 2005-06 against allocation of 100 slots for each year by the Sansthan.
- (ii) Central Hindi Directorate is the nodal agency for conducting correspondence courses for learning Hindi. Upon receiving circular from the Directorate, our Missions publicize the information through their Newsletters, Missions’ websites and through local media. In addition, whenever there are queries from individuals, our Missions help by responding to them and disseminating relevant information.”

**95. The Ministry informed that the draft advocacy paper to present India’s case with regard to introducing Hindi in United Nations Organisation (UNO) has been prepared. The paper was discussed in the follow up committee on world Hindi conference held on 8<sup>th</sup> June, 2005 under the Chairmanship of Minister of State for External Affairs. The views of non-official members were invited and are awaited. They are reminded to expedite their views. The Committee are of the view that efforts to make Hindi an official language of the UN should be expedited and comprehensive efforts be made to convince the General Assembly of UN to amend Rule-51 of its Rules and procedure.**

**(Recommendation No. 29)**

**L. FOREIGN ECONOMIC RELATIONS TECHNICAL & ECONOMIC  
CO-OPERATION WITH OTHER COUNTRIES**

**Major Head: 3605**

Year	BE			RE			Actuals (Rs. in Crore)		
	Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total
2001-2002	272.00	437.07	<b>709.07</b>	240.00	489.71	<b>729.71</b>	276.12	355.72	<b>631.84</b>
2002-2003	365.60	521.13	<b>886.73</b>	335.60	593.15	<b>928.75</b>	375.25	564.72	<b>939.97</b>
2003-2004	402.00	580.07	<b>982.07</b>	456.00	572.96	<b>1028.96</b>	455.99	567.85	<b>1023.84</b>
2004-2005	455.00	703.39	<b>1158.39</b>	455.00	871.39	<b>1326.39</b>	455.16	956.06	<b>1411.21</b>
2005-2006	479.00	953.78	<b>1432.79</b>	440.60	1154.12	<b>1594.72</b>	-	-	-
2006-2007	151.90	1122.75	<b>1274.65</b>	-	-	-	-	-	-

96. It can be seen from above table that allocation under this Head was Rs. 1432.79 in BE 2005-2006 and Rs. 1274.65 crore has been allocated in BE 2006-2007, which shows the decrease of 12.47%. On being asked to give the reasons for reduction in allocation for the year 2006-2007 under this Head and what vital areas likely to be affected thereby. The Ministry replied:

- “(i) As will be observed from the table, the reduction is primarily on account of lower requirement in the Plan allocation. This is due to the fact that the major item of expenditure from the Plan allocation viz. Tala hydro-electric project in Bhutan is nearing completion and is expected to be commissioned in 2006-2007 and would not require funds to the extent required in the current and previous financial years. The allocation for Non-Plan expenditure is based on requirement as presently perceived and is also based on the overall allocation available to the Ministry. Ministry of Finance which has already been informed of shortfall in overall allocation has informed that sympathetic consideration would be given to any additionality required in 2006-2007.
- (ii) **Nepal:** Northern Division had requested a budgetary allocation of Rs.129.25 Crores under ‘Aid to Nepal’ Head for 2006-07 at the time of submitting revised estimates for 2005-2006. The anticipated expenditure figures for 2006-07 were also reconfirmed along with detailed justification during the preparation of Outcome budget in

2006-2007. Despite its request, the budgetary allocation has been reduced to Rs. 65 cr.

The critical sectors of India's assistance to Nepal in the area of education, health and infrastructure including roads would be affected if the requested allocation is not provided.

Two new major projects including setting up of Manmohan Adhikari Polytechnic Institute at Biratnagar in eastern Terai region of Nepal and Bir Hospital Expansion for setting up a 200 bed Emergency and Trauma Centre in Kathmandu, which have taken off during 2005-2006, may get delayed due to lack of funding. The funding requirement for 2006-2007 for these two projects is estimated at Rs. 12 Crores and Rs. 30 Crores respectively. Further, the funding for DPR for the high priority Terai Road Project for development of border infrastructure in Terai region of Nepal will also be affected.

Reduction in allocation could also affect the ongoing Small Development Project (SDP) scheme focusing on projects less than Rs 3 Crores in the sectors of health, education and infrastructure.

**Bhutan:** The reason for reduction for allocation of BE 2006-2007 in respect of Bhutan under Major Head 3605 is that the mega project 1020 MW Tala Hydroelectric Project in Bhutan is in its final stages. The major portion of the construction work in respect of the Tala project is completed. Out of Revised Cost Estimates of Rs. 4124 Crore, the Ministry of External Affairs has already released Rs. 3987.86 crore till 28 February 2006. Thus only balance amount is to be disbursed toward this project, resulting in reduction in the BE allocation for 2006-2007.

This will not affect any vital areas as the project will be completed.

**Pakistan, Afghanistan & Iran (PAI):** PAI Division had asked for Rs. 650 crore for BE 2006-2007 but has been informed that it will get only Rs. 320 crores. This will be inadequate to meet the needs for the ongoing projects and some new ones, which have been announced at the highest level. Additional funds will be sought at RE stage."

97. During the course of evidence, the representatives of the Ministry further informed the Committee:

"There has been a slight reduction in the overall allocation for technical and economic cooperation under the Non-plan head to about Rs. 31 crore

or about 2.7 per cent. We anticipate a need for augmentation of the Budget under several heads given the expanded nature of our commitment.”

**98. The Committee note that the Rs 1432.79 crore was allocated under this Head in BE 2005-06 and Rs. 1274.65 crore has been allocated in BE 2006-2007, which works out to a decrease of 12.47%. The Ministry informed that the reduction is primarily on account of lower requirement in the plan allocation because major item of expenditure viz. Tala-Hydro-Electric project is nearing completion. The allocation for non-plan expenditure is based on requirement as presently perceived and also based on the overall allocation available to the Ministry. The Committee feel that allocated fund will not be adequate to meet the needs for the ongoing projects and some new ones, which have been announced from time to time at highest level, but hope that the Ministry will be able to arrange the fund for expanded nature of their commitment at RE 2006-07 stage particularly in view of the enhanced requirement of funds for reconstruction of Nepal.**

**(Recommendation No. 30)**

**(a) Financial Allocations for Bhutan**

**(a) Aid to Bhutan: 3605 - 10.00.32**

**(Rs. in crore)**

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual</b>
2001-2002	482.00	495.00	507.25
2002-2003	597.05	567.05	607.78
2003-2004	644.00	696.00	700.98
2004-2005	699.80	768.65	887.73
2005-2006	815.11	852.71	-
2006-2007	549.11	-	-

**(b) Loan to Government of Bhutan: (7605 – 00.097 – 00.00.55)**

**(Rs. In crore)**

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual</b>
2001-2002	148.00	160.00	157.44
2002-2003	234.40	214.40	272.88
2003-2004	248.00	304.00	327.14
2004-2005	280.00	280.00	306.07
2005-2006	286.00	278.00	
2006-2007	70.40	-	-



99. According to the brief submitted by the Ministry, currently three projects are being funded from plan allocation viz. Tala Hydro-Electric Projects (1020 MW), Dungsam Cement Plant Project and the Punatsangchu Hydro-Electric Project. All other Govt. of India assistance programmes in Bhutan are catered to in the non-plan allocation. On being asked to furnish a brief note on each project funded from plan allocation stating latest position as on 28.2.2006 of the projects and furnish status report on all other India's assistance programmes in Bhutan being catered under non-plan allocation. The Ministry furnished as under:

- "i) GOI is funding three mega projects under the Plan aid to Bhutan budget: these are: 1) Tala Hydroelectric Project, 2) Dungsam Cement Plant Project, and 3) Preparation of the Detailed Project Report (DPR) for Punatsangchhu-I Hydroelectric Project. The brief description and status of each project is given below:

#### **Tala Hydro-electric Power Project (THPP):**

This is a run-of-the-river 1020 MW project on the Wangchu River, downstream of Chukha Hydroelectric Project. It is being funded by GOI with 60% as grant and 40% as loan at 9% per annum. The loan will be repaid by the Royal Government of Bhutan in 12 equal annual installments after commissioning the Plant. The Cabinet approved the revised cost of the Tala Project as Rs. 4124 Crore in September 2005. The total amount released till 28 February 2006 towards the project is Rs. 3987.86 Crore.

Tala Hydro-electric Power Project comprises a 92m high concrete dam, a 22.2 km long water conductor system (Head Race Tunnel), and underground power house with 6 generating units of 170 MW each, and three 440 KV single-circuit transmission lines up to the India-Bhutan border. The Project is progressing well and as per current schedule is expected to be commissioned by September 2006.

An 8-member Tala Hydro-electric Project Authority (THPA) chaired by Bhutan's Minister for Trade and Industry was constituted to oversee the monitoring and execution of the project. Surplus power (approximately 1020 MW) will be supplied to India on the rates mutually agreed by both sides.

#### **Dungsam Cement Plant (DCP):**

It was proposed to be a dry- process plant with an annual capacity of 0.5 million tones per year, located at Nganglam in south-eastern Bhutan to be

funded by India at a cost of Rs. 400 Crore. As per the Agreement signed in 1996, Rs 300 Crore is estimated for the construction of the Dungsam Cement Plant and another Rs.100 Crore towards development of infrastructure facilities on the Indian side. An 8-member Dungsam Cement Plant Authority (DCPA) has been constituted.

The delay in commissioning of the Project has been due to the adverse security situation caused by the presence and activities of Indian Insurgent Groups (IIGs) in the vicinity of the project site. In Nov 2001, the Dungsam Cement Plant Authority decided to keep the Project in the state of suspension. At the request of the Royal Government of Bhutan in February 2004, it has been decided to revive the Project as the security situation has improved after the military operations against the Indian Insurgents Groups conducted by Bhutan.

The Royal Government of Bhutan desired to increase the capacity of the project to 1.0 million tones per annum. The modalities of the project are being worked out accordingly.

Works relating to associated infrastructure (Gelephu to Nganglam Transmission Line, Road Pathsala-Nangalam and Railway siding at Pathsala) have been undertaken. The expenditure of Rs. 10.7226 Crore for the plant construction and Rs. 50.8482 Crore on the infrastructure development has already been incurred. Thus total amount of Rs. 61.5708 Crore has been spent from the Rs. 400 Crore GOI grant till 28 February 2006.

### **Punatsangchhu-I Hydroelectric Power Project:**

Detailed Project Report (DPR) for Punatsangchhu-I hydro-power project in Bhutan is currently under preparation by Water and Power Consultancy Services Limited (WAPCOS). This is likely to be a 900-1000 MW project which will be taken up after finalization of DPR. The DPR is expected to be ready by end May 2006.

(ii) GOI's non-plan aid allocation to Bhutan is given below:

The GOI's non-plan assistance to the 9<sup>th</sup> Five Year Plan (FYP: July 2002 to June 2007) of Bhutan is Rs. 1984.00 Crore over a period of five years. This includes three main components: 1) Development subsidy [Rs. 710.00 Crore], 2) Project tied Assistance [Rs. 734 Crore] and 3) Other subsidies [Rs. 540.00 Crore].

Development subsidy / Programme Grant: This is GOI's assistance to Bhutan's budget i.e. to bridge the gap of Bhutan's expenditure and resources. The total amount is Rs. 710.00 Crore over a 5-year period.

Project Tied Assistance: India is the largest development partner in Bhutan's overall development. The GOI under its assistance to Bhutan's 9<sup>th</sup> Five Year Plan committed Rs. 734.00 Crore (over a period of 5 year) for various 67 projects in Bhutan under sectors like health, infrastructure, information technology, culture, education, human resource development, civil aviation, media, roads and bridges, power etc. The agreed list of the projects is enclosed at annex A.

**Other subsidies:**

This includes Chukha subsidy, subsidy to IOC, excise duty refund and misc.

**Chukha subsidy:** The 336 MW Chukha hydroelectric Project in Bhutan was funded by India and commissioned in 1988. GOI is purchasing average 300 MW power per annum from this project. GOI purchases this power at the rate of Rs. 2.00 per unit while the Indian states receiving this power are paying Rs. 1.50 per unit for the power. The GOI has to pay Rs. 0.50 per unit per month to Power Trading Corporation (PTC).

**IOC bills-reimbursement of subsidy:** The Indian Oil Corporation supplies oil to Bhutan as per the domestic rates while it has to purchase oil with commercial market rates. The GOI pays difference between Indian domestic and market rates to IOC.

**Excise duty refund:** India and Bhutan shares free trade regime. Thus the excise duties paid by Bhutan for the products supplied from India are refunded by GOI on annual basis."

100. According to the brief, BE 2006-2007 projects an increase of Rs. 61.11crore in the non-plan allocation due to increase in requirements for various projects and schemes. The Ministry was asked to state about those various projects in which increased amount is required stating the reasons in details for increased requirement. The Ministry stated:

"The BE 2005-2006 was Rs. 336.11 Crore and RE 2005-2006 allocations was Rs. 394.11 Crore (Rs. 58 Crore additional allocation). The BE 2006-2007 is Rs. 397.22 Crore (Rs. 61.11 Crore additional than BE 2005-2006).

This is mainly due to additional allocation sought for the 67 projects which GOI is assisting under the Project-Tied-Assistance to Bhutan's 9<sup>th</sup> Five Year Plan (FYP) (2002-2007). These projects are from various sectors:

health, infrastructure, information technology, culture, education, human resources development, civil aviation, media, roads and bridges, power etc. In the initial years of 2002-2003, 2003-2004, the disbursement on the projects was low due to the time required by the Royal Government of Bhutan to finalize the project parameters and requirement of flow of funds at the initial stages.

Since then, the projects are progressing at faster pace and the Royal Government of Bhutan is also keen to complete these projects in its 8<sup>th</sup> Five Year Plan period (July 2002 – June 2007) itself. Thus the disbursement on the projects is increasing (keeping the overall cap of Project-Tied-Assistance at Rs. 734.00 Crore at the same level). Hence, additional allocation is being sought which will cover almost the final year of Bhutan's 9<sup>th</sup> Five Year Plan."

**101. The Committee note that currently three projects in Bhutan are being funded from plan allocation viz. Tala Hydro-electric Project (1020MW), Dungsum Cement Plant Project and the Punatsangchu Hydro-electric Project. All other Government of India assistance Programmes in Bhutan are catered to in the non-plan allocation. The Tala Hydro-electric Project as per current schedule is expected to be commissioned by September 2006. Surplus power (approximately 1020MW) will be supplied to India as per the rates mutually agreed by both sides. Dungsum Cement Plant project was in the state of suspension due to Indian Insurgent Groups (IIGs), now is going to be revived as the security situation has improved after the military operations against the Indian Insurgent Group conducted by Bhutan. Detailed Project Report (DPR) for Punatsangchu Hydro-electric Project is currently under preparation by Water and Power Consultancy Services Limited. This is likely to be 900-1000 MW project which will be taken up after finalisation of DPR. The Committee hope that Ministry will continue their excellent performance as shown earlier in Bhutan and all these projects must be beneficial in order to firm the relations between two countries.**

**(Recommendation No. 31)**

**(b) Indian Technical and Economical Cooperation (ITEC) and Special Commonwealth Assistance for Africa Programme (SCAAP)**

102. The Ministry in their Annual Report (2005-2006) has stated that 3181 slots under ITEC program and 698 slots under SCAAP were allotted in 2005-2006, but only 1033 and 381 trainees availed the slots respectively. On being asked to furnish the reasons for such continuous under-utilisation of available slots and

the efforts being made by the Government for ensuring maximum utilisation of the allotted slots. The Ministry stated:

“Taking into consideration that all the training slots offered were not fully utilized in the past by 156 ITEC partner countries and with the decision taken to improve the facilities for the trainees such as “Living Allowance’ and ‘Accommodation’ Charges, which require enhanced expenditure, the Ministry reviewed the allocation of training slots to bring it near to the possible utilization and initially allocated a total number of 2983 slots (for both ITEC and SCAAP) for the year 2005-06. This was required to be enhanced owing to commitments made at the highest levels to Afghanistan, Mauritius etc.

The number of slots subsequently allocated for 2005-2006 was 3560 [ ITEC - 2862 (Not 3181) and SCAAP - 698 ]

The figure 3181 was the number of applications approved as on 19<sup>th</sup> January 2006 (the date when the information was required to be furnished for Annual Report). In order to try and have maximum utilization of slots allotted to different countries, on the basis of applications received, more approvals than the number of allotted slots are usually given so that in case of any last minute cancellations/drop-outs of candidates, the Missions could substitute them. Mission are, however, required to restrict the number of Air Tickets issued to candidates within the number of slots allocated to each country)

The figures of utilization mentioned i.e. 1033 for ITEC and 381 for SCAAP i.e. a total of 1414 were those candidates, who had actually joined/done their courses as on 19<sup>th</sup> January 2006, not for the entire 2005-2006. *(the figures were as per record available in TC Division i.e. on the basis of the Bills of Institutes, where joining reports are included)*. At that stage, when the information was required to be furnished for the Annual Report, there were several on-going courses *(where bills/joining reports had not been given to MEA by the Institutes concerned)*. Moreover, many other courses were yet to be conducted by some of the 45 institutions in the last week of January, in February and in March 2006 for which nominations were still being received.

It is gratifying to note that since 19<sup>th</sup> January 2006 the number of foreign trainees, who have joined/done their courses, has more than doubled. As on 10<sup>th</sup> March 2006, the total number of trainees who have actually joined/done their courses has reached 2911 (i.e. 2353 under ITEC and 558 under SCAAP). This is 81.8 % utilization of the total 3560 slots allotted

for 2005-2006. This is also an all time high record, exceeding the figure for the year 2004-2005 i.e. 2421 by 490 or an increase by 20.24 %. In fact, MEA had received and processed over 3862 applications and had given approvals to try to have full utilization.

Reasons for under-utilization of slots mainly are unforeseen circumstances such as administrative requirements of the ITEC partner countries and personal requirements of the trainees. For instance, during the year 2004-05, over 3,600 applications were processed and approvals were issued to nominees of 156 ITEC Partner countries, which were much higher than the total number of slots approved. However, nominated participants from some countries such as Tsunami hit countries could not join due to requirements in their countries concerned. MEA have no control over such circumstances.

The other reason for under-utilization for offered slots is that some of the nominated candidates, who have the options to choose between the offers from India and from other countries, at times, do not avail the offers from India, as these are considered less attractive as compared to offers made by other countries, despite the fact that Indian training courses are quality courses. To cope up with this, MEA has taken steps to make the stay of the trainees more comfortable by enhancing the stipend from the earlier monthly rates of Rs.8,000 for category 'B' courses and Rs.5,000 for category 'C' courses to a uniform rate of Rs.10,000 per month and doing away with the categorization of courses/institutes. Decision was also taken to provide better accommodation in hotels/hostels by enhancing the ceilings. These two decisions, which have already been implemented from June 2005, are very much appreciated by the participants, empanelled institutions and by Indian Missions abroad. The training courses and the institutions imparting training are constantly reviewed in response to the needs. Presently there are 45 Indian Institutions, which are empanelled by MEA to conduct over 330 courses under ITEC/SCAAP programme.

The institutes and all the courses are widely advertised through ITEC website and printed booklets which have been distributed to Indian Missions abroad as well as Missions of ITEC partner countries located in New Delhi. These booklets were also widely distributed at "2<sup>nd</sup> South Summit" in Doha and also by PMI, New York. Indian Missions accredited to ITEC partner countries have also been asked to make extra efforts to widely publicise and ensure full utilization of slots offered to their country/countries of accreditation. All ITEC trainees are also encouraged to publicise their experiences in India during their training so that the

Governments and the people in their countries will know more about the excellent opportunities available under ITEC/SCAAP programme.

With increase in living allowance, better accommodation and introduction of new training courses as well as empanelment of new institutes to meet the demands, there is already positive result, which could already be seen by the increase in the number of participants attending the courses and it is hoped that civilian training slots for the year will be utilized to the maximum.”

103. During the course of evidence, the Committee desired the actual position regarding utilization of ITEC slots. The representatives of the Ministry replied that:

“With regard to the ITEC slots, I would submit that when our Heads of Missions or when the VIP visits take place, then we do make an announcement for increase because there is a demand. We increase the number of training slots. But the utilisation of those training slots is also dependent upon eligible candidates coming forward to take advantage of those training slots. In some cases, we do not have the right kind of candidates if it is one of the developing countries. Most of our schemes are in respect of the developing countries. We have problems of inadequate English language. So, if the people who are coming for training do not have at least a certain basic standard of English, they would not be able to really take advantage of the training programmes. Most of these training programmes are, in fact, in English. So, that is one of the reasons. Although politically we have agreed that we would provide certain number of training slots, yet we are not able to fill up all those training slots because of certain limitations in terms of eligibility.

The other problem is in terms of utilisation of the slots. You have mentioned about Afghanistan. About Afghanistan, again, a part of the problem is the eligibility. The other problem is that we have not really organised ourselves in order to be able to pro-actively put up the people whom we want to train. These schemes have started fairly soon. After we have advertised it, we have had a very large number of applications. But we have to recognise that in many of these countries, the eligible candidates are not always very many. For example, for any kind of college-level course, unless a candidate has a very basic level of school degree, our Universities will not accept that candidate. So, we have to find eligible candidates to be able to take advantage of those slots. So, there will be some shortfall. But, I think, the figure that you mentioned about Afghanistan is there. We have given the number up to January, if I am not

mistaken. I think if you look at the March 31 figure, out of 222 sanctioned slots, 198 candidates have joined. So, in the last few months, there has already been an improvement in terms of the utilisation of the slots.

I would like to mention that overall, there has been an improvement in the utilisation of the ITEC slots. Over the last year or so, the utilisation level has steadily increased. Now, it is something like 82 or 83 per cent which is actually quite good.”

104. The Ministry was asked to give the justification for enhance allocation of Rs. 59.50 again in BE 2006-2007 while slots allotted and fund allocated were not fully utilized during last few years. The Ministry replied as under:

“The allocation of Rs.59.50 crore is not only for Civilian training programmes under the Indian Technical and Economic Cooperation (ITEC) and Special Commonwealth Assistance for Africa Programme (SCAAP) because the activities under ITEC programmes being handled by the Technical Cooperation (TC) Division of MEA, has the following components viz :

- (i) Training in India of nominees of 156 ITEC partner countries, both civilian and military training courses;
- (ii) Deputation of Indian experts abroad;
- (iii) Gifting of Indian equipment such as Tractors, computers, Audio Visual equipment, bicycles etc;
- (iv) Study Visits;
- (v) Organizing Workshops e.g. for Small Island Developing States (SIDS).

In fact, the budget allocated for TC Division for various activities has been fully utilized in the past years owing to the growing popularity of ITEC/SCAAP programmes amongst friendly developing countries.

In regard to the Civilian Training programme under ITEC and SCAAP, there are already positive results of the decisions taken in the recent past to streamline and improve the facilities for the foreign trainees (enhancement of the ‘Living Allowance’ and ‘Accommodation charges’ etc). As on 10<sup>th</sup> March 2006, the highest number of civilian trainees from 156 ITEC partner countries i.e. 2911 (i.e. 2352 under ITEC and 558 under SCAAP) have already joined/done their training courses for 2005-2006.

In view of the fact that commitments have been made at the highest levels during VVIP visits for enhancing ITEC/SCAAP training slots to some



countries e.g. Afghanistan- 500 slots from 2006-2007 as against 200 slots in 2005-2006; Mauritius-70 slots against earlier 35 slots etc, the expenditure for Civilian training courses will increase. There are also more requests from ITEC partner countries for assistance under other ITEC programmes.

Therefore, the allocation of Rs 59.50 crore, allocated for Civilian training under ITEC and SCAAP as well as other activities under ITEC programme of TC Division, is justified.”

**105. The Committee observed that 2862 slots under Indian Technical and Economical Cooperation (ITEC) programme and 698 slots under Special Commonwealth Assistance for Africa Programme (SCAAP) were allotted in 2005-06 but only 1033 and 381 trainees availed the slots respectively. The Ministry informed that the figure of utilization mentioned i.e. 1033 for ITEC and 381 for SCAAP i.e. total of 1414 were those of candidates, who had actually joined their courses as on 19<sup>th</sup> January, 2006 and not for entire 2005-06. As on 10<sup>th</sup> March 2006, the total number of trainees who have actually joined their courses has reached 2911 (i.e. 2353 under ITEC and 558 under SCAAP). This is 81.1% utilization of the total 3560 slots allotted for 2005-06. This is also an all time high record, executing the figures for the year 2004-05 i.e. 2421 by 490 or an increase by 20.24%. In fact, MEA had received and processed over 3862 application and had given approvals in order to have full utilization. The Committee are happy to note the improvement made regarding utilization of slots in last financial year and hope that in current financial year, the allotted slots will be fully utilized. Notwithstanding, the Committee recommend to ensure that all allotted slots are fully utilized in Financial Year 2006-07.**

**(Recommendation No. 32)**

**(c) Multilateral Economic Relations**

**3605-00.101-2300.32**

<b>Actuals: 2004-2005</b>	<b>-</b>	<b>Rs. 0.79 crore</b>
<b>BE 2005-2006</b>	<b>-</b>	<b>Rs. 1.90 crore</b>
<b>RE 2005-2006</b>	<b>-</b>	<b>Rs. 12.90 crore</b>
<b>BE 2006-2007</b>	<b>-</b>	<b>Rs. 25.00 crore</b>

106. According to the Demands for Grants 2006-2007, during the year 2004-2005 actual expenditure under this Head was Rs. 00.79 crore only. Allocation at BE 2005-2006 stage was 1.90 crore and it was enhanced at RE 2005-2006 stage to Rs. 12.9 crore. Now, in BE 2006-2007, it has been near about doubled to Rs.25.00 crore. On being asked to furnish the reasons for such enhancement

under this Head and state that where and how the fund allocated under this Head are being utilized, elaborating the purpose of allocating the fund under this Head. The Ministry in their reply has stated:

- “(i) (a) Prime Minister had, at the 3<sup>rd</sup> India-ASEAN Summit in Vientiane in November 2004 announced payment of additional contribution of US\$ 2.5 million (approx. 11 crores) to the India-ASEAN Cooperation Fund. This was reflected in the BE 2005-2006. As the budget allocated was only 1.9 crores, this was again projected in the RE 2005-2006. Thus a total of 12.9 crores, (i.e. 1.9 crores + Rs. 11 crores) was tentatively allocated at RE stage under the Head 3605-00.101-2300.32 – MER Programme.
- (b) We have, as a matter of deliberate policy, enhanced our engagement with various groupings such as BIMSTEC, MGC, IOR-ARC, IBSA, G-8, etc. New programmes and projects have been initiated. The estimated expenditure for these programmes and projects come to Rs. 3 crores. This does not include commitments arising from a qualitatively higher level of engagement with ASEAN. Prime Minister had, at the 4<sup>th</sup> India – ASEAN Summit held in Kuala Lumpur on December 13, 2005, announced a contribution of US\$ 5 million (approximately Rs. 22 crores) to the ASEAN – India Cooperation Fund. This would be used for the financing of new initiatives jointly agreed upon at the last Summit. The total BE under this head is, therefore, Rs. 25 crores (Rs. 3 + 22 crores). The possibility of the Ministry having to seek an even higher allocation under this Head cannot, however, be ruled out. If there is such a requirement, it would be taken up at the RE stage.
- (ii) The funds under the Major Head 3605:00.101.23.00.32 - MER Programme are utilized for implementation of various on-going and new projects, commitments made at various multilateral meetings, such as ASEAN Summit, East Asia Summit, BIMSTEC, IBSA, G-8, MGC, IOR-ARC, ACD etc.”

107. According to the Annual Report 2005-2006, India has offered to host SAARC Centre for Disaster Management and preparedness and this Centre will be closely associated with the National Institute for disaster management in Delhi. On being asked to furnish a brief note on the aims and objectives of the SAARC Centre for Disaster Management and preparedness and how much fund

will be required for the proposed Centre and in what manner the other SAARC countries will share it? The Ministry has furnished a note as under:

### **“SAARC Centre for Disaster Management in New Delhi**

The 13<sup>th</sup> SAARC Summit, held in Dhaka in November, 2005 has welcomed and accepted the offer of India to host a SAARC Centre for Disaster Management and Preparedness. India had offered to set up a SAARC Centre for Disaster Management (SCDM) in New Delhi. The Centre would provide a mechanism for sharing information on disaster management amongst SAARC countries and also benefit from best practices prevailing in the region and beyond. This Centre would be located within the National Institute of Disaster Management (NIDM), New Delhi, an institution of international standard, and can function as a resource base for data and Regional Training Centre in SAARC for Disaster Management. India would be in a position to share IT and GIS-based information systems for disaster management as well as space application technologies. The proposal had additional relevance and urgency in the wake of the recent tsunami tragedy and earthquake, which had seen such a large loss of life, displacement of persons, and loss of property and infrastructure.

NIDM has prepared a Concept Paper on setting up of the SCDM in New Delhi. An Expert Group Meeting to finalise the modalities for setting up of the SCDM will be held in New Delhi on 3<sup>rd</sup> April, 2006.

The Vision of the SAARC Centre for Disaster Management is that it would be developed as a vibrant center for knowledge, research and training on disasters, actual or potential, natural or manmade, in any part of South Asia and to be reckoned as a global center of excellence in the field of disaster risk mitigation and management.

The Mission of the SAARC Centre for Disaster Management would be to serve all the stakeholders in the Member Countries on disaster management by providing policy advice and facilitating capacity building services including strategic learning, research, training, system development and expertise promotion for effective disaster preparedness and mitigation.

The total requirement of funds shall be worked out after the Expert Group Meeting to finalise the modalities for setting up of the SCDM in New Delhi on 3<sup>rd</sup> April, 2006 takes place. According to the established SAARC norms for financing the SAARC regional centres, the host country is to bear the entire capital cost of the

Centre. For the institutional cost the host country has to bear around 50% of the cost while the remaining institutional cost is shared by other member states as per the formula of contributions for each regional centre. The programme costs are based upon the established formula of contributions to budgets of SAARC Secretariat and its regional Centres, according to which India meets 32.10% of the programme budget, Pakistan's share is 23.85%; Bangladesh, Nepal, Sri Lanka – 11.35% each, and Bhutan and Maldives – 5% each.”

**108. The Committee observed that during the year 2004-05 actual expenditure under the Head “Multilateral Economic Relations” was Rs. 00.79 crore only. Allocation at BE 2005-06 stage was 1.90 crore and it was enhanced at RE 2005-2006 stage to Rs. 12.9 crore. Now in BE 2006-07, the allocation has been almost doubled to Rs. 25.00 crore. The Ministry has informed that Prime Minister had announced additional contribution of US\$ 2.5 billion to the India Association of South-East Asian Nations (ASEAN) cooperation fund. Thus Rs. 12.9 crore was tentatively allocated at RE 2005-2006 stage under the Head ‘MER programme’. Again, the Prime Minister announced a contribution of US\$ 5 million to the ASEAN-India cooperation fund in December, 2005. Therefore, Rs. 25 crores has been allocated under this Head in BE 2006-2007. The Committee are convinced with the reasons submitted for such increase in BE 2006-2007 by the Ministry and express that commitments made at various multilateral meetings may be fulfilled in order to elevate our multilateral diplomacy.**

**(Recommendation No. 33)**

**109. The Committee note that India had offered to set up a South Asian Association of Regional Cooperation (SAARC) center for disaster management (SCDM) in New Delhi. The Ministry informed that the center would provide a mechanism for sharing information on disaster management amongst SAARC countries and also benefit from best practices prevailing in the region and beyond. This Centre would be located within the National Institute of Disaster Management (NIDM), New Delhi, an institution of international standard, and can function as a resource base for data and Regional Training Centre in SAARC for Disaster Management. India would be in a position to share IT and GIS-based information systems for disaster management as well as space application technologies. The Committee feel that such responsibilities must be taken by the Government of India keeping in view its additional relevance and urgency in the wake of the recent tsunami tragedy and earthquake, which caused massive loss of life, displacement of persons and loss of property and infrastructure. Therefore, the Committee appreciate the commitment made by the Ministry.**

**(Recommendation No. 34)**

**L. CAPITAL SECTION**  
**(Major Heads 4059 and 4216)**

**a. Capital Outlay on Public Works: 4059**

**(Rs. in crore)**

<b>YEAR</b>	<b>BE</b>	<b>RE</b>	<b>Actuals</b>
2001-2002	67.20	50.78	25.43
2002-2003	67.20	22.66	11.77
2003-3004	68.00	50.00	22.34
2004-2005	70.00	48.76	31.83
2005-2006	51.41	87.31	-
2006-2007	129.00	-	-

**b. Capital Outlay on Housing: 4216**

**(Rs. in crore)**

<b>YEAR</b>	<b>BE</b>	<b>RE</b>	<b>Actuals</b>
2001-2002	27.00	27.42	08.39
2002-2003	36.59	42.15	33.52
2003-2004	35.00	10.00	14.25
2004-2005	25.00	20.00	06.07
2005-2006	15.00	21.00	-
2006-2007	31.00	-	-

110. Table A indicates a steep hike in allocation under the Head: Capital Outlay on Public Works and Housing, on being asked to explain the reasons therefore, the Ministry has explained as under:

“A substantial hike in budgetary allocation under the Head Capital Outlay on Public Works & Housing has been sought in BE 2006-2007 based on realistic assessment of progress in various construction projects and acquisition proposals. As per the ongoing progress of pre-construction activities, a number of construction projects are expected to reach groundbreaking stage in the next financial year. Prominent among these construction projects are Jawaharlal Nehru Bhawan, Indian Embassy Complex in Kathmandu, Muscat, Brasilia, Abuja, Warsaw, Beijing, Kabul and residential project in Islamabad. In addition, projects for redevelopment of property in Singapore and proposal for construction of four apartments in London may also reach construction stage in the next financial year. Additionally, sufficient budgetary provision has been sought to meet anticipated expenditure on acquisition proposals which are likely to

be finalized in the next financial year and for expenditure on repair and maintenance of government-owned properties.”

111. On being asked about the various projects for which budgetary provisions of Rs. 129.00 crore under the Head 4059 and Rs. 31.00 crore under the Head 4216 have been made and to furnish list of projects indicating the amount earmarked for each project.

The Ministry has replied as under:

“A list of projects indicating budgetary allocation under Capital Outlay Budget Major Head 4059 and 4216 for the Financial year 2006-07 is given below:

**Major Head – 4059 – Capital Outlay on Public Works**

**Total Budgetary Allocation - Rs. 12900 Lakhs**

**Construction Projects:**

<b>S.No.</b>	<b>Name of Mission and particulars of the Project</b>	<b>Budgetary Allocation (In Lakhs Rupees)</b>
1	Abuja - Construction of Chancery and E/R	500
2	Beijing- Construction of Chancery and Residences	800
3	Brasilia – Construction of Chancery, E/R and Officers residences	100
4	Kabul – Construction of Chancery and residences	1500
5	Kathmandu – Construction of Chancery and residences	1000
6	Muscat- Construction of Chancery and E/R	800
7	Warsaw – Construction of Chancery and residences	500
8	Tashkent – Construction of chancery and Embassy residence	150
9	AALCO – Construction of Headquarters	100
10	FSI – Construction of building for FSI	600
11	Regional Office of ICCR Kolkata	100
12	Jawaharlal Nehru Bhawan (MEA Headquarters)	1500
13	Luoyang, Henan (China)– Construction of Buddhist Temple	700
	<b>Total</b>	<b>8350</b>

**Purchase Proposals:**

**Budgetary allocation                      -                      Rs. 2100 Lakhs**

**Repair and Maintenance:**

**Budgetary allocation                      -                      Rs. 2450 Lakhs**

**Major Head – 4216 – Capital Outlay on Housing**

**Total Budgetary Allocation                      Rs. 3100 Lakhs**

**Construction Projects:**

<b>S.No.</b>	<b>Name of Mission and particulars of the Project</b>	<b>Budgetary Allocation (In Lakhs Rupees)</b>
1	Bangkok - Construction of Embassy Residence	100
2	Islamabad - Construction of Residences and Boundary Wall	100
	<b>Total</b>	<b>200</b>

**Purchase Proposals:**

**Budgetary allocation                      -                      Rs. 1200 Lakhs**

**Repair and Maintenance:**

**Budgetary allocation                      -                      Rs. 1700 Lakhs”**

112. The figures given in the above tables indicate that Rs. 31.83 crore was actually spent against BE of Rs. 70.00 and Rs. 06.07 crore against BE of Rs. 25.00 crore during the year 2004-2005 under the Major Heads 4059 and 4216 respectively. On being asked to explain the reasons for the gross under-utilisation of funds again under these Heads in the year 2004-2005. The Ministry stated:

“Savings in Major Head 4059 in BE 2004-2005 is due to non-materialization of proposal for purchase of properties at Buenos Aires and Georgetown and less than anticipated progress in some of the construction projects. The saving under Major Head 4216 was due to non-materialization of proposal for purchase of Embassy Residence in Buenos

Aires and less than anticipated expenditure on Moscow Construction Project on account of withdrawal of plot by the Russian Government.”

113. During the course of evidence, the representatives of the Ministry further elaborated:

“The most significant project that we are undertaking in the current financial year is the construction of the Jawahar Bhawan, that is, the new home for the Ministry of External Affairs. As the hon. Committee is aware that the foundation stone for the said building has already been laid by the hon. Prime Minister. As a result of this long-term and deliberate planning to expand our capital assets abroad, we are no longer in the position, as in the past, where we would repeatedly have to surrender our Budget Estimate funds at the end of the financial year. This was one of the major criticisms, which was made at the last meeting of this Committee, and we had promised at that time that we will endeavour to improve our performance in this regard.

In fact, the Budget Estimate for the year 2005-2006 had to be stepped-up to the Revised Estimate level of Rs. 108 crore from Rs. 66 crore, and our Budget Estimate allocation for 2006-2007 has been pegged at Rs. 160 crore. This focussed drive for capital acquisition, particularly, in parts of the world with high rental and inflation would help us to reduce the rental liability. It could be observed, in this particular respect, that not only have we used up the funds that were budgeted for this purpose, but in fact, we had to ask for additional funds because of the accelerated drive. We actually spent Rs. 108 crore instead of the allotted Rs. 66 crore. If we are able to maintain the same pace of work, then even Rs. 160 crore -- that we are budgeting for the year 2006-2007 -- would have to be exceeded because we have several major projects on the anvil.”

114. On being asked to furnish comprehensive status report on Brasilia, Doha, Tashkent, Muscat, Second Diplomatic Enclave in New Delhi, Jawahar Lal Nehru Bhawan (Videsh Bhavan) and ICCR, Kolkata projects:

The Ministry has furnished a status report as under:

“(i) **Brasilia:** The Consultant recently submitted the revised cost estimates for the project. The cost estimates have been examined and vetted by the Finance Division of the Ministry and a note for seeking the approval of the Committee for Non-plan Expenditure for the project is under preparation.

(ii) **Doha:** The original plot of land allotted in 1977 was taken back by the Government of Qatar and alternative plot was allotted in the diplomatic zone in



2005. The Qatar Government has informed that necessary infrastructure in the diplomatic zone is being developed which may take about 12 months to complete. Therefore, construction in the plot will not be possible until then. Meanwhile, pre-construction activities are being undertaken.

**(iii) Tashkent:** The proposal has been submitted to the Ministry of Finance for seeking the approval of the Committee on Non-Plan Expenditure. The Committee is scheduled to meet on 23 March 2006 to consider the proposal.

**(iv) Muscat:** Fresh tenders for execution of the project were invited in Jan 2006 and the bids received are under examination. The project had been approved by the Committee for Non-Plan Expenditure (CNE) in 2002 for Rs.21.28 crores. The price quoted by the lowest bidder now exceeds the CNE approved cost. Therefore, approval of CNE for the revised cost is being sought, for which a note is under preparation.

**(v) Second Diplomatic Enclave in New Delhi:** Ministry of External Affairs have laid importance to the establishment of a Second Diplomatic Enclave so as to allot suitable land to those Diplomatic Missions which desire to build their Chancery/Embassy Residence here. The matter is being pursued actively by the Ministry.

Ministry of External Affairs had conveyed its agreement for land south of Vasant Vihar (Vasant Kunj, Phase-II) in February, 1991 for the project but the same could not materialise.

Again, in March, 1992, the Ministry of Urban Development and Poverty Alleviation proposed to accommodate the second diplomatic enclave in a new area being developed at Papan Kalan (Dwaraka). The proposal was not found suitable for a number of reasons e.g. proximity to the airport, distance from the existing diplomatic enclave and security considerations. In September, 2000, the Ministry of Urban Development offered some land in Rangpuri but it was also not found acceptable after a visit to the site. The approach road to it from the Mahipalpur side was far too congested and the site itself was not free from encumbrances. With further requests from diplomatic Missions, the requirement of land swelled to 75 acres.

The plot of land for the Second Diplomatic Enclave had to be selected carefully keeping in view its access, availability of utility services and security as also acceptability for foreign missions who will eventually have to pay the assessed value of the land for acquisition. This matter had been raised by this Ministry at the level of Committee of Secretaries and a request for allotment of suitable land for this purpose had been made at the level of Minister for External Affairs to the Minister for Urban Development.

Redevelopment plan of the area surrounded by Netaji Nagar, R.K. Puram, Moti Bagh, Shanti Path and Safdarjung Railway Station was considered for Second Diplomatic Enclave and, vide its communication (No. L-II-9(76)/04/105 dated 27.4.04), the Ministry of Urban Development and Poverty Alleviation informed this Ministry that the proposal for “establishment of a Second Diplomatic Enclave at the area surrounded by Netaji Nagar, Moti Bagh, R.K. Puram, Shanti Path and Safdarjung Railway Station has been under active consideration of this office in consultation with CPWD” and that this proposal would require “change of land use from Residential and Partly Govt. Offices to Partly Diplomatic Enclave and Partly Residential which is under process and further development in this regard shall be intimated in due course of time.”

Foreign Secretary then wrote to Secretary, Ministry of Urban Development and Poverty Alleviation in August 2004 and requested that the 34 years old pending matter may be finalised early.

In this connection it may be mentioned that the decision on the allotment of land for the Second Diplomatic Enclave rests entirely with the Ministry of Urban Development and Poverty Alleviation, as it is the sole decision making authority in this regard. The Ministry of External Affairs, despite its best intentions of meeting the requirements of the diplomatic missions in New Delhi can only recommend allotment of land to the missions, after the land has been granted for the purpose by the land owning agency.

The matter was then taken up at the level of the Ministers with External Affairs Minister writing to his counterpart in the Ministry of Urban Development stressing the urgency on identifying land for the Second Diplomatic Enclave. Minister for Parliamentary Affairs & Urban Development had replied that he was having the matter looked into.

Secretary, Ministry of Urban Development subsequently indicated that the option of the Second Diplomatic Enclave at Sarojini Nagar would be difficult in view of the lack of space as well as requirement to change land use from “residential and partly government offices to partly diplomatic enclave and partly residential”. He suggested that they would be willing to give up to one hundred acres in Dwarka.

Subsequently, in June 2005, the then Minister of Parliamentary Affairs and Urban Development wrote to the then External Affairs Minister. In the letter under reference, the then Minister of Parliamentary Affairs and Urban Development mentioned that “it would be difficult to locate a large chunk of area at a Central location for development of a Second Diplomatic Enclave. The area near Netaji Nagar and Moti Bagh has been proposed for development of higher categories of

accommodation for senior officers, judges and Ministers in view of acute shortage of accommodation in higher categories at present. Dwarka, which is a new planned sub-city, seems to be an ideal location for development of a Second Diplomatic Enclave. The possibility for locating suitable area in Dwarka can be considered by DDA jointly with Ministry of External Affairs”.

Following the Hon'ble Minister's suggestion, discussions are going on with the Delhi Development Authority (DDA) for development of a Second Diplomatic Enclave in Dwarka. The DDA have informed that Sectors 27, 28 and 29 are being developed for the proposed Second Diplomatic Enclave. According to DDA, the development of the site would take approximately one year.

**(vi) Jawaharlal Nehru Bhawan ( Videsh Bhawan) Project:** The cabinet has approved the project at a cost of Rs. 172.65 crores on 25.7.2005. The Foundation Stone laying ceremony by Honourable PM was held on 14/02/2006. CPWD is currently working on the pre-construction activities such as local body approval of the drawings, soil investigation, preparation of structural drawings, pre qualification of the contractors, preparation of the tender drawings etc. Building plans have been submitted to NDMC on January 23, 2006.

As projected by CPWD, after financial approval, 7 months would be required for pre-construction activities and 30 months for construction. A dedicated project planning team has been formulated with architects and engineers and they are functioning from the site office, which has been created for this project. Simultaneously, Ministry is working on detailed space allocation programme for the building. It has already provided details of specific requirements such as communications, security, access control etc. to CPWD for preparation of detailed drawings and estimates. Action has been initiated for selection of an interior consultant for the project.

**(vii) ICCR, Kolkata:** After the withdrawal of M/s Charles Correa in 1998, M/s Dulal Mukherjee & Associates, Kolkata, is working as the consultant for the project. The structural works and HVAC works of the building are being executed by the civil contractor M/s Bridge & Roof (India) Ltd. and the Electro -Mechanical contractor M/s Blue Star. The commencement of project got delayed on account of Kolkata police departments' refusal to permit trucks carrying buildings materials to site in 2002-03, caused by security problems viz-a-viz the US Consulate located next to our plot. The interior planning and designing works are being executed including preparation of tender documents for the interior works. The project is expected to be completed in the financial year 2006-07.”

115. The CAG, in a performance audit said the “entire system of property management by MEA was made by delays both in acquisition and property construction” resulting in a recurring expenditure of Rs. 11.80 crore annually on rentals blocking of Rs. 18.81 crore in capitals and increase building costs. On

being asked to furnish a explanatory note in this regard and what significant improvements have been made after appointment of JS (Project) for monitoring the projects abroad and in India? The Ministry has furnished a note as under:

- “(i) Report of the CAG for the year ending March 2004 on the performance audit of the property management by Ministry of External Affairs has adversely commented upon delay in commencement of construction at 14 stations abroad. In this context, the Report mentions that such delays have resulted in a recurring expenditure of Rs. 11.8 crores per annum on rentals and blocking of Capital of Rs. 13.81 crores on properties lying unutilized. Among the list of 14 properties referred to in the CAG’s report, the construction project has already been completed in Abu Dhabi (UAE) and properties there are being utilized. Construction work is expected to commence in the Financial Year 2006-2007 in Abuja (Nigeria), Brasilia (Brazil), Warsaw (Poland), Islamabad(Pakistan), Kathmandu (Nepal) and Muscat (Oman). Efforts are on for expediting pre-construction activities in Port Louis (Mauritius), Paramaribo (Surinam), Dar-es-Salam (Tanzania), Dhaka (Bangladesh), Doha (Qatar), Port-of-Spain (Trinidad and Tobago) and Nicosia (Cyprus).

Undertaking of any construction project is a time-consuming process. The tentative time-frame for execution of any construction project after signing of contract with an architect / consultant is 6-9 months for pre-construction planning, processing of approval and award of contracts; 18-24 months for construction of the complex; and 3-6 months for completion of interiors. To this we must add the time required for selection of an architect, finalization of design and obtaining local body approvals, which in some countries can take fairly long. Each major project takes on an average approximately 4-5 years for completion if everything moves as per schedule.

Apart from the above time frame, the Ministry has to deal with several external factors while handling construction projects abroad over which the Ministry has no control. Projects abroad are governed by local laws, rules and regulations. Sometimes projects are delayed for reasons that are difficult to predict or anticipate while planning the projects. Therefore, despite the Ministry’s efforts to ensure timely implementation, there have been situations in the past where projects have got delayed for reasons beyond the control of the Ministry such as political instability in a country, the plot being taken back by the local government, strict local procedures requiring time-consuming approvals, unforeseen

circumstances like the Gulf War or the foreign exchange crisis of early 1990s.

- (ii) Setting up of a Projects Division under Joint Secretary (Projects) has significantly improved monitoring of construction projects in India and abroad as well as has resulted in expeditious processing of R&M proposals of GOI-owned properties and proposals for acquisition of properties in India and abroad. As a consequence, Ministry has been able to fully utilize the budgetary allocation of Rs. 66.41 crores under Capital Outlay for the Financial Year 2005-06 and also had to seek an additionality of Rs.42 crores in the Second Batch of Supplementary Demand for Grants. During the Financial Year 2005-06, approval of Cabinet was obtained for Jawaharlal Nehru Bhawan Construction Project and for the project for construction of Chancery and Residences in Kathmandu. Financial approval of CNE was obtained for acquiring a plot of land in Mumbai for Regional Passport Office and for the Indian Embassy Complex construction project in Kabul. Ministry had acquired a plot of land for RPO in Mumbai, a built-up property for Embassy Residence and Chancery in Ulaanbaatar and a plot of land for Chancery in Georgetown in the Financial Year 2005-06. Further, Ministry has already approved purchase of built-up property in Paris for Chancery use and in Caracas for use as Embassy Residence. Additionally, Ministry is processing purchase of built-up properties for Embassy Residence and Chancery in Buenos Aires. Regular follow-up of all construction projects and R&M proposals has brought many projects such as Jawaharlal Nehru Bhawan, Indian Embassy Complex in Kathmandu, Muscat, Brasilia, Abuja, Warsaw, Beijing, Kabul and residential project in Islamabad to a threshold of ground-breaking in the next Financial Year. In addition, projects for redevelopment of property in Singapore and proposal for construction of four apartments in London may also reach construction stage in the next financial year. For this reason an enhanced allocation under Head Capital Outlay has been sought in BE 2006-2007.”

116. The Ministry was also asked to give the reasons for lying vacant 180 flats in Papankalan Residential Complex in Delhi. The Ministry stated:

“The Ministry has taken several steps for improving the occupancy at the MEA Housing Complex, Dwarka. As a result, currently, as many as 109 housing units are occupied, which represents over 47% of the total. Poor connectivity was the main cause of concern for officers and members of

staff. However, the flyover becoming operational since September 2005 and Metro line hopefully reaching Dwarka proper very soon, the Ministry has started offering the MEA Housing Complex in Dwarka, as a first option, to the eligible officers. With this, the occupancy rate is expected to improve.”

**117. The Ministry informed that a substantial hike in budgetary allocation under the Head Capital Outlay on Public Works & Housing has been sought in BE 2006-07 based on realistic assessment of progress in various construction projects and acquisition proposals. As per the ongoing progress of pre-construction activities, a number of construction projects are expected to reach ground breaking stage in the next financial year. Prominent among these construction projects are Jawaharlal Nehru Bhawan, Indian Embassy Complex in Kathmandu, Muscat, Brasilia, Abuja, Warsaw, Beijing , Kabul and residential project in Islamabad. In addition, projects for redevelopment of property in Singapore and proposal for construction of four apartments in London may also reach construction stage in the next financial year. Additionally, sufficient budgetary provision has been sought to meet anticipated expenditure on acquisition proposals, which are likely to be finalized in the next financial year and for expenditure on repair and maintenance of government-owned properties. The Committee, therefore, recommend that sufficient budgetary provision should be made to meet anticipated expenditure on acquisition/construction of these projects and anticipation must be fulfilled. The Ministry should ensure that each project undertaken by the Ministry is completed in a time bound manner.**

**(Recommendation No. 35)**

**118. The Committee have similar view as expressed by CAG in their performance audit that “the entire system of property management by MEA was made by delays both in acquisition and property construction resulting in a recurring expenditure of Rs. 11.80 crore annually on rentals blocking of Rs. 18.81 crore in capitals and increase building costs.” Though the Ministry submitted that after setting up of a Projects Division under Joint Secretary (Projects) has significantly improved monitoring of construction projects in India and abroad as well as has resulted in expeditious processing of R&M proposals of GOI-owned properties and proposals for acquisition of properties in India and abroad. As a consequence, Ministry has been able to fully utilize the budgetary allocation of Rs. 66.41 crores under Capital Outlay for the Financial Year 2005-06 and also had to seek an additionally of Rs. 42 crores in the Second Batch of Supplementary Demand for Grants. The Committee are not**

convinced with the explanation presented by the Ministry and hope that more vigorous effort will be made in regard to acquisition/construction of projects abroad and within the country.

The Ministry must realize that there is inordinate delay in many projects as in Brasilia project, second diplomatic enclave project etc. Even if the Committee acknowledge the fact that the Ministry was required to deal with several external factors while handling construction/acquisition projects abroad over which the Ministry has no control, they are of the view that the Second Diplomatic Enclave project within India, the Ministry failed here also as the project could not materialize over the years. The Committee, therefore, recommend that the Ministry should make fresh endeavour and prepare a time schedule for each project to ensure their completion without any further delay.

(Recommendation No. 36)

NEW DELHI  
5<sup>th</sup> May, 2006  
Vaisakha 15, 1928(Saka)

DR. LAXMINARAYAN PANDEY,  
*Chairman,*  
*Standing Committee on External Affairs*

## **APPENDIX-I**

### **MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS HELD ON**

**5<sup>th</sup> April, 2006**

The Committee sat from 1100 hrs. to 1330 hrs.

#### **Present**

**Dr. Laxminarayan Pandey – Chairman**

#### **Members**

##### **Lok Sabha**

2. Shri P.C. Gaddigoudar
3. Shri S.K. Kharventhan
4. Shri Nikhil Kumar
5. Dr. (Col.) Dhani Ram Shandil
6. Shri Madhu Goud Yashki
7. Shri Suresh Prabhu

##### **Rajya Sabha**

8. Smt. Prema Cariappa
9. Dr. Karan Singh
10. Shri Jana Krishnamurthy K

#### **Secretariat**

- |    |                    |   |                      |
|----|--------------------|---|----------------------|
| 1. | Shri S.K. Sharma   | - | Additional Secretary |
| 2. | Shri U.S. Saxena   | - | Director             |
| 3. | Shri Ashok Balwani | - | Under Secretary      |



## **Witnesses (Ministry of External Affairs)**

<b><u>Sl. No.</u></b>	<b><u>Name &amp; Designation</u></b>
1.	Shri Shyam Saran - Foreign Secretary
2.	Shri R. Wangdi - Secretary
3.	Shri Sharat Sabharwal - Additional Secretary(AD& CPV)
4.	Dr. Sheela Bhide - Additional Secretary (FA)
5.	Shri Rahul Kulshrestha - Joint Secretary (FSI-IT)
6.	Shri Lal Dingliana - Joint Secretary (TC)
7.	Shri Yogesh Gupta - Joint Secretary (Coord)
8.	Shri Pavan K. Varma - DG (ICCR)
9.	Shri P. R. Chakravarty - Joint Secretary (COP)
10.	Shri Dilip Sinha - Joint Secretary (PAI)
11.	Shri P. K. Kapur - Acting DG (ICWA)
12.	Shri R. R. Dash - Joint Secretary (CPV)
13.	Shri Navtej Sarna - Joint Secretary (XP)
14.	Shri Mohan Kumar - Joint Secretary (BSM)
15.	Shri Pankaj Saran - Joint Secretary (North)
16.	Shri B. S. Bishnoi - Joint Secretary (MER)
17.	Shri R. K. Sachdeva - Joint Secretary (Projects)
18.	Shri Anup Mudgal - Joint Secretary (Estt.)
19.	Shri Syed Akbaruddin - Joint Secretary (Admn.)
20.	Shri Sanjay Bhattacharya - Director (Finance)

2. At the outset, the Chairman welcomed the Members of the Committee and representatives of the Ministry of External Affairs to the sitting of the Committee.

3. The Committee then took evidence of the representatives of the Ministry of External Affairs on the various points arising out of the Demands for Grants of the Ministry of External Affairs for the year 2006-2007 and the replies to the List of Points by the Ministry. The representatives of the Ministry of External Affairs replied to the queries made by the Members.

The verbatim record of the proceedings has been kept.

*The Committee then adjourned.*

## **APPENDIX-II**

### **MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS HELD ON 12<sup>th</sup> May, 2006**

The Committee sat from 1500 hrs. to 1630 hrs.

#### **PRESENT**

Dr. Laxminarayan Pandey – Chairman

#### **MEMBERS**

##### **Lok Sabha**

2. Shri Somabhai Patel
3. Dr. (Col.) Dhani Ram Shandil
4. Shri Saleem Iqbal Shervani
5. Shri Damodar Barku Shingada
6. Shri Madhu Goud Yashki

##### **Rajya Sabha**

7. Dr. Karan Singh
8. Shri Jana Krishnamurthy K
9. Shri Arjun Kumar Sengupta

##### **Secretariat**

1. Shri S.K. Sharma - Additional Secretary
2. Shri U.S. Saxena - Director
3. Shri Ashok Balwani - Under Secretary

2. At the outset, the Chairman welcomed Members to the sitting of the Committee.

3. XXXX                      XXXX                      XXXX                      XXXX

4. The Committee then took up for consideration the draft 11<sup>th</sup> Report on the (14<sup>th</sup> Lok Sabha) of the Committee on Demands for Grants of the Ministry of External for the year 2006-2007. The Chairman invited the Members to offer their suggestions, if any, for incorporation in the draft Report. The Members offered minor modifications.

5. The Committee desired that modifications suggested by the Members be suitably incorporated in the body of the Report.

6. The Committee then adopted the draft Reports and authorized the Chairman to finalise the Reports and present the same to Parliament.

The Committee then adjourned.