

12

**STANDING COMMITTEE
ON EXTERNAL AFFAIRS
(2003)**

THIRTEENTH LOK SABHA

MINISTRY OF EXTERNAL AFFAIRS

[Action Taken on the Recommendations contained in the Eleventh Report of the Committee (13th Lok Sabha) on Demands for Grants of the Ministry of External Affairs for the year 2003-2004]

TWELFTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December , 2003/Agrahayana, 1925 (Saka)

*Presented to Lok Sabha on 17.12.2003
Laid in Rajya Sabha on 17.12.2003*

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STANDING COMMITTEE ON EXTERNAL AFFAIRS (2003)

Chairperson

Smt. Krishna Bose

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3. Shri Kirti Jha Azad #
4. Shri Surender Singh Barwala #
5. Shri R.L. Bhatia
6. Shri Satyavrat Chaturvedi
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27. Shri K. Yerrannaidu #
28. Vacant \$\$
29. Vacant ##

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43. Shri K. Natwar Singh
44. Sardar Gurcharan Singh Tohra
45. Vacant***

SECRETARIAT

- | | | | |
|----|------------------|---|----------------------|
| 1. | Shri John Joseph | - | Additional Secretary |
| 2. | Shri P.K. Grover | - | Director |
| 3. | Shri R.K. Saxena | - | Deputy Secretary |
-

- * Dr. C. Narayana Reddy ceased to be Member of the Committee w.e.f. 24.01.2003 consequent upon his change of nomination from the Standing Committee on External Affairs to the Committee on Science and Technology , Environment and Forests. Shri S.M. Laljan Basha nominated to the Committee w.e.f. 14.03.2003.
- ** Shri Arun Jaitley ceased to be Member of the Committee consequent upon his appointment as Minister w.e.f. 29.1.2003. Dr. Arun Kumar Sarma nominated to the Committee w.e.f. 17.08.2003
- \$ Nominated to the Committee w.e.f. 27.02.2003
- # Nominated to the Committee w.e.f. 7.04.2003
- \$\$ Shri Shushil Kumar Shinde ceased to be Member of the Committee consequent upon his appointment as Chief Minister w.e.f. 29.1.2003 and acceptance of his resignation from Lok Sabha w.e.f. 30th May, 2003.
- ## Adv. George Eden expired on 26.07.2003 and therefore ceased to be the member of the Committee.
- *** Shri Kuldip Nayyar ceased to be Member of the Committee consequent upon his retirement from Rajya Sabha w.e.f. 26.08.2003
- ### Nominated as Member of the Committee w.e.f. 15.12.2003

INTRODUCTION

I, the Chairperson, Standing Committee on External Affairs having been authorised by the Committee to submit the report on their behalf, present this Twelfth Report on Action Taken by Government on the recommendations contained in the 11th Report (13th Lok Sabha) of the Committee on “Demands for Grants of the Ministry of External Affairs for the year 2003-2004”.

2. The 11th Report was presented to both the Houses of Parliament on 7th April, 2003. The Government furnished their replies indicating Action Taken on the recommendations contained in the Report.

3. The Draft Report on the basis of Action Taken Notes was considered and adopted by the Standing Committee on External Affairs (2003) at their sitting held on _____, 2003. Minutes of the sitting of the Committee have been reproduced as Appendix-I to the Report.

4. An analysis of Action Taken by Government on the recommendations contained in the 11th Report of the Standing Committee on External Affairs (13th Lok Sabha) is given in Appendix-II.

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

NEW DELHI;

1925 (Saka)

KRISHNA BOSE,
Chairperson,
*Standing Committee on
External Affairs*

CHAPTER – I

REPORT

This report of the Committee deals with the action taken by Government on the observations/recommendations contained in the 11th report of Standing Committee on External Affairs on the Demands for Grants for the year 2003-2004 in respect of the Ministry of External Affairs. The 11th report of the Committee was presented to Lok Sabha on 7th April, 2003.

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

(i) Recommendations/Conclusions which have been accepted by the Government.

Recommendations Sl. Nos. 1, 2, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 24, 25, 28, 29, 30, 31, 32, 33, 34, 35, 36

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

Recommendations Sl. Nos. 4, 23, 37

(iii) Recommendations/Conclusions in respect of which replies of the Government have not been accepted by the Committee.

Recommendations Sl. Nos. 3, 5, 6, 7, 18, 26, 27, 38

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

Nil

3. The Committee will now deal with the action taken by the Government on some of their observations/recommendations.

A. BUDGETARY PROPOSALS

Recommendation No. 3 (Para No. 23)

4. During the examination of the Demands for Grants of the Ministry of External Affairs for the year 2003-2004, the Committee had observed that the BE projection to meet the expenses of administrative nature *vis-à-vis* capital outlay exhibited a surprising phenomenon *viz.*; BE under the Head “2052 – Secretariat General Services” had gone from Rs.86.11 crore in 1999-2000 to Rs.129.40 crore in 2003-2004 (50.27% rise) and BE under the Head “2061 – External Affairs” had gone from Rs.1212.87 crore to Rs.1892.50 crore in 2003-2004 (56.03% rise) but the BE under the Head “4059 – Capital Outlay on Public Works” had gone down from Rs.70.00 crore to Rs.68.00 crore and BE under the Head “4216 – Capital Outlay on Housing” had shown only a marginal increase from Rs.30.00 crore to Rs.35.00 crore during the same period. The Committee had observed that this was a clear testimony of the functioning of the Ministry where the administrative expenses had shown a steep rise on one side and the expenses on capital outlay had either gone down or had shown a negligible increase during the period from 1999-2000 to 2003-2004. In the Committee’s view the Ministry had not taken seriously their oft-repeated recommendations for early acquisition of properties and speedy completion of construction projects to enable them to reduce the rental liability of the Ministry. The Committee had, therefore, recommended the Ministry to initiate measures not only to enhance the budgetary allocations under the Head “Capital Outlay” with well

defined/time bound construction programmes but also to examine the feasibility of reducing the administrative expenses as far as possible.

5. The Ministry in their reply have stated as under:

“The reason for increase in expenditure of administrative nature is due to appreciation of foreign currency vis-à-vis Indian rupee and rise in UN price indexes which is the base for fixation of allowances, in certain countries. With an aim to reduce rental liability of the Ministry, Missions/Posts are regularly advised to sign long-term lease deeds without any rental escalation. Further, the Ministry has drawn up a plan for acquiring properties for chanceries and residences of India-based officers and staff either through purchase of built-up properties or through construction of properties abroad. Budgetary projections are made by Ministry taking into consideration the requirements during the currency of each financial year depending on the progress of ongoing construction projects and anticipated purchase of built up properties. However, planned projects/purchases sometime do not materialize or the completion of ongoing projects are delayed due to changes in local laws or delayed clearances from local Governments. Marginal decrease in budgetary projections under Capital Outlay (public works) has been made based on realistic assessment of the progress of existing ongoing construction projects. The Ministry has instituted a mechanism of regular review of ongoing construction projects by constituting a Monitoring Committee to review progress and take follow-up action on construction projects and purchase proposals, which is headed by the Foreign Secretary. Missions/Posts are constantly reminded to look for suitable built-up properties for purchase. Progress in construction of projects and purchase of properties would result in reduction of the rental liability of the Ministry”.

6. **The Committee are constrained to observe that the reply of the Ministry does not address their serious concern on the important aspect of financial management in revenue as well as capital section of the grants of the Ministry. The Committee are of the opinion that the reasons cited by the Ministry such as**

appreciation of foreign currency *vis-à-vis* Indian currency and delay in ongoing projects due to changes in local laws could have only marginal effect in the matter. They are also not satisfied with the measures being taken by the Ministry for reducing their rental liability since in the opinion of the Committee the routine advice to the Missions to sign long-term lease deeds without any rental escalation or drawing up a plan for acquiring properties for chanceries and residences either through purchases or construction would not suffice. It is apparent that the Ministry are not serious in the matter and the present state of affairs reflects the casual approach of the Ministry in vital areas of financial management. The Committee, therefore, desire the Ministry to play a more proactive role in such matters with some binding guidelines to make the Missions more accountable in financial matters. The Committee would also like to be apprised of the progress made by the Monitoring Committee constituted by the Ministry to review progress and take follow-up action on construction projects and purchase proposals.

B. RENTS, RATES, TAXES

Recommendation No. 5 (Para No. 40)

7. The Committee had observed that in spite of several of their recommendations to reduce the rental liability of the Ministry, there was an alarming increase in the rental liability of the Ministry year after year. This was evident from the fact that it had gone up from Rs.153.66 crore in 1998-99 to Rs.215.02 crore (BE) in 2003-04 constituting a steep increase of 39.93% during the last five years. The Committee had observed that only four offices/residences had been shifted to Government owned premises during the

year 2002-2003 involving rental savings of mere Rs. 1.41 crore. The Committee had also found from the submission made by the Ministry that 14 Missions could be identified where rental liabilities were the highest. Also, the Ministry in one of their earlier action taken notes (10th report – 13th L.S.) had mentioned that the Heads of Missions and Posts were sounded from time to time to send comprehensive proposals to the Ministry for examination so that based on economic viability of the proposals, decisions could be taken. But the Committee were surprised to find that out of 14 Missions only three Missions namely Prague, Panama and Kathmandu had sent their proposals for purchase of properties. They had recommended the Ministry to initiate immediate steps to acquire/purchase properties during the current year at least for the 14 Missions, which have already been identified as incurring high rentals. The Committee had also recommended to take early decisions in respect of all those proposals received from the Missions in the past but were still lying undecided and emphasized the need for timely completion of all the ongoing construction projects and recommended the Ministry to initiate suitable measures in this regard.

8. The Ministry in their reply have contended as under:-

“Focused attention is being paid to the stations, which have been identified as involving high rentals. Proposals earlier received from different Missions for acquisition of properties would also be reviewed and renewed. The ongoing projects area is already receiving high attention of the Ministry and are at different stages of planning and implementation, progress on which is being regularly monitored.”

9. **The Committee are dismayed to note that the Ministry have taken six long months to furnish a vague reply to a very specific recommendation of the**

Committee. The Committee in their recommendation had very clearly indicated the problem areas and solutions. The least the Committee expected was acquisition/purchase of properties in the current year in respect of 14 Missions having highest liability. Sadly, the Ministry's response does not have even a mention of the same. Six precious months of the current year have already been wasted in the process. The Committee, therefore, reiterate their recommendation and desire that premises for at least the 14 highest liability Missions should be acquired/purchased in the current year itself in order to reduce rental liabilities. The Committee also desire that a time bound and well defined long term action plan may be formulated by the Ministry for purchasing/constructing the buildings for their offices and residential complexes in the country with an enhanced budgetary allocation under the head "Capital Outlay on Public Works". The Committee would like to be apprised of the tangible results in this regard.

Recommendation No. 6 (Para No. 41)

10. The Committee have been recommending in their various Reports from time to time that the Ministry of External Affairs should strive to gradually accommodate all their offices, Missions, residences in their own buildings. In their 11th Report also, the Committee had recommended that the Ministry should devise a well defined long term policy to accommodate their offices, Missions and residences in their own buildings to be acquired/constructed in a time-bound manner with sufficient budgetary allocations and continuous monitoring, evaluation and control.

11. In their reply, the Government have stated as under:

“The Ministry endeavour to acquire own properties in India and abroad through purchase and construction. The proposals on hand, like where the Ministry already own land for construction, are accordingly given priorities and fresh proposals are sought from focused stations where the Ministry have high rental liabilities. However, as per the norms of the Government of India, the Ministry must establish the economic viability of a proposal in terms of the rentals being paid and the investment to be made before the financial concurrence is given by concerned authority.”

12. The Committee are not satisfied with the reply furnished by the Government. They would again like to point out that the economic viability of owning a property should not be viewed only in terms of making an investment in the short or medium term. Instead, the long term benefits of acquiring/constructing a property such as saving on rentals and making assets should be considered. The Committee, therefore, reiterate that the Ministry should formulate a long-term policy to accommodate their offices, Missions and residences in their own buildings which should be acquired/constructed in a time bound manner.

Recommendation No. 7, (Para No. 42)

13. Since the Ministry had not taken any decision for more than three decades on construction of the Embassy complex on the plot gifted by the Government of Brazil in 1965, the Committee, in their 9th Report (13th L.S.), had recommended the preparation within 3 months of a schedule of construction and initiation of all necessary steps to

complete the project on priority basis. On examining the time schedule furnished by the Ministry, the Committee in their 10th Report (13th L.S.) had further observed that the project had already been delayed for over 37 long years resulting in cost escalation from an estimated US\$ 3.37 lakh in 1971 to an estimated US\$ 20 lakh in June, 2000 and the time frame for construction starting from 1.7.2002 and ending on 31.12.2005 is an unduly long one. The Committee in their recommendation had emphasized the need for early completion of the project in Brazil not only by shortening the time span of construction work but also by regular follow-up and persuasion with the agencies concerned.

14. The Ministry in their reply responded as under:-

“The Ministry has already put the Brasilia project in the fast track and the project is being monitored at level of very senior officers in the Ministry. New Brazil-based architects have been short-listed to cut down on the likely delays involving monitoring by India-based architect. Design briefs have been given to Brazil-based architects for participation in the design competition. Regular follow-up and persuasion with the concerned agencies is made”.

15. **Considering the undue delay of more than 37 long years in the construction of the Embassy complex in Brazil, that too when the Brazil Government had itself donated the land for the purpose, the Committee in their previous Report had recommended for prioritising the Brazil project and expediting the construction of the Embassy premises. However, the Ministry, in their reply have once again simply stated that they have already put the Brasilia project in the fast track and the project is being monitored at the level of very senior officers in the Ministry. The Ministry’s plea that new Brazil-based architects have been short-listed to cut**

down on the likely delays involving monitoring by India-based architect and that design briefs have been given to Brazil-based architects for participation in the design competition are not convincing as sixteen months have already elapsed from the project schedule given by the Ministry and even the designing stage is yet to be finalised. The Committee would like the Ministry to come up with a concrete proposal in the matter alongwith a comprehensive time schedule for the remaining 26 months of the schedule submitted by the Ministry in this regard for completion of the project in Brazil. The Committee also desire that responsibility be fixed at senior levels to account for the wastage of 16 precious months gone by under intimation to the Committee.

C. ADVERTISING AND PUBLICITY

Recommendation No. 8 (Para No. 51)

16. The Committee had observed that there had been substantial variations in the BE/RE and actual expenditure for Advertising and Publicity which clearly reflected faulty Budgetary Estimate on the part of the Ministry. The Committee, therefore, recommended the Ministry to take corrective measures instead of taking recourse to oft-repeated reasons like India's nuclear tests, hijacking of IA plane, earthquake in Gujarat, etc. so that funds earmarked for 'Publicity and Advertising' particularly for 'Embassies and Missions' were optimally utilised.

17. The Ministry has submitted as under:-

"While noting the Standing Committee's recommendations in this regard, the Ministry also note that there are several Missions which have either fully utilized their publicity budget, or in fact exceeded

it. The Missions that have not been able to fully utilize their budget are being advised to review their publicity objectives and methodology so as to ensure that the funds available are not under-utilized. Missions are being advised to make full use of publicity material which is being regularly supplied to them. These materials which include collections of important Statements, children kits, publications showing our efforts in countering terrorism, and so on are aimed to create greater awareness and perception of India's foreign policy objectives abroad. In addition, documentaries for use by our Missions and for possible broadcast on foreign networks are also being produced and supplied to our Embassies. Our monthly magazine "India Perspectives" is being published and printed in 10 languages and is widely distributed through our Missions to important political and cultural personalities in countries of their accreditation. Missions are also being advised to make full use of modern communication technology available and to set up websites where feasible.

External Publicity Division would also meanwhile work with Finance Division to facilitate early approvals for requests by Missions for purchase of modern technology tools".

18. The Committee during their examination of the BE/RE and the actual expenditure for advertising and publicity namely "Secretariat" and "Embassies and Missions" found a lot of mismatch between allocations and spending in our Missions abroad. Time and again they have recommended the Ministry to remedy the situation. The Ministry instead of taking any cogent action have been furnishing to the Committee oft-repeated and unconvincing reasons for these shortcomings. In their latest recommendation on the subject, the Committee had clearly stated that mere higher allocation of funds could not improve the situation. What was required was making available more effective publicity material to our Missions/Posts for distribution, use of modern communication systems and stepping up of lobbying efforts. The Committee had also asked the

Ministry to ensure that in future funds under this Head should not remain unutilised. The Ministry in their reply have admitted that some of the Missions have not been able to utilise their budgetary allocation under this head. The Committee recommend that the Ministry should draw up broad publicity objectives for the Missions and ensure that sufficient thought is put into planning publicity activities keeping in view local conditions and requirements. They also desire that the overseas Indian community, NRIs and PIOs should also be involved in the efforts aimed at projecting India's image abroad. The Missions abroad should be geared up to create greater awareness and perception for a more effective projection of India's foreign policy objectives and concerns. The Ministry should also ensure close monitoring of publicity activities as well as expenditure thereupon so that not only effective supervision can be maintained but it is also ensured that funds made available for publicity are fully utilised.

II. D. EMBASSIES AND MISSIONS

Recommendation No. 12 (Para No. 66)

19. The Committee had observed that there was an apparent need of evaluation of the functioning of the Indian Missions/Posts abroad with a view to bringing improvement in their functioning. Taking into account the fact that performance of personnel posted in the Missions had far reaching impact on the relationship between India and the respective countries, the Committee had strongly recommended for strict evaluation of the performance of all the officials deployed in different Indian Missions/Posts so as to bring improvement in their functioning, which would not only provide better and

efficient services to Indian nationals residing there but also improve our relations with that country.

20. The Ministry responded to this observation as under:-

“The Ministry is in complete agreement with the view taken by the Standing Committee on the need for an effective mechanism for evaluating the performance of personnel posted in Indian Missions/Posts. The Ministry has been following GOI procedures and practices for assessment of officers and staff members posted to Indian Missions/Posts abroad, both on their performance as well as conduct within the office and outside. Heads of Missions/Posts constantly review the functioning of officers and staff members with a view to identify shortcomings, if any, in their performance and suggest remedial measures for their improvement. Heads of Mission/Post also consult the Ministry depending on the nature of the cases.

Ministry is also in the process of setting up a Foreign Service Inspectorate (FSI), with a clear mandate to carry out ‘performance audit’ of Indian Missions/Posts as also to personnel posted abroad. As an interim measure, senior officers from the Ministry have been carrying out inspections of some of the Missions.

Ministry has taken note of the suggestion of the Standing Committee for strict evaluation of the performance of all officials posted to Indian Missions/Posts for compliance”.

21. The Committee express their happiness that the Ministry have agreed to one of their important recommendations i.e., the need for an effective mechanism for evaluating the performance of personnel posted in Indian Missions/Posts and is in the process of setting up a Foreign Service Inspectorate (FSI) for carrying out performance audit of Indian Missions abroad. The Committee would like to be

apprised of the time schedule drawn for constitution of such a body. Till such time FSI becomes a reality, the Ministry should formulate a detailed plan for periodic inspection of Missions/Posts. All our Missions/Posts abroad should be grouped in such a way that all of them are invariably inspected at regular intervals with a view to identifying weaknesses and recommending corrective measures to improve the efficiency of the Missions and also to evaluate the performance of personnel posted therein. In order to prevent similar lapses/shortcomings elsewhere, the Committee desire that any deficiencies as and when noticed at any Mission should be brought to the notice of all our Missions/Posts abroad along with remedial measures required to be taken.

E. PASSPORT AND EMIGRATION

Recommendation No. 18 (Para No. 92)

22. The Committee were informed that the District Passport Centre Scheme which was launched in January 2002 had been received well by the States as well as by the public. The scheme envisaged providing passport services either in the office of District Magistrate or Superintendent of Police at the discretion of the State Governments. Out of 28 States, 22 States had already implemented the scheme. Goa being a small State with only two districts and already having a Passport Office at Panaji, the need for implementing the scheme had not been felt. The Committee had desired that the Ministry should persuade the remaining States, viz. Bihar, Karnataka, Rajasthan, Uttaranchal and West Bengal to implement the District Passport Centre Scheme so that the applicants in these States could be benefited by decentralisation of passport services.

23. The Ministry in response has stated as under:

“Out of the 28 states, 22 state governments have already implemented the scheme.

The Chief Secretaries of Kerala, West Bengal and Karnataka are being persuaded to start DPCs in their respective states at the earliest.

The Passport Officers have been advised to take the matter vigorously with the respective State Governments drawing their attention to the benefits that the scheme would offer to the public as well as to the revenues of the State Governments by way of reimbursement”.

The Committee pointed out that they had earlier been informed by the Government that the scheme relating to decentralisation of passport services had been introduced in Kerala also and desired to know the factual position in this regard. The Ministry furnished the following further reply:

“District Passport Cells were opened in four districts of Kerala viz. Pathnamthitta, Ernakulam Rural, Malappuram and Kannur w.e.f. 22.5.03 in the District Police Headquarters. The State of Karnataka has also introduced the scheme in all districts of the State other than Bangalore w.e.f. 2.11.2003.”

24. **Keeping in view the fact that District Passport Centre Scheme has been well received by the States and is already operational in 22 States, the Committee had recommended the Ministry to persuade the remaining States to implement this Scheme so that the applicants in these States could also be benefited by the process of decentralisation of passport services. In response, the Ministry have informed that while Government of Karnataka have introduced this scheme in all districts, the Government of Kerala have introduced it in four districts. The Government of West Bengal are being persuaded to start this scheme in their State at the earliest. Surprisingly, there is no mention of action taken by the Ministry with regard to the remaining three States viz. Bihar, Rajasthan and Uttaranchal. The Committee**

desire the Ministry to take immediate steps to ensure that the aforesaid scheme is implemented by all the remaining States in all the districts at the earliest so that the applicants in these States could also be benefited by decentralisation of passport services and also to avoid inordinate delay in issuance of passports.

F. INDIAN COUNCIL FOR CULTURAL RELATIONS (ICCR)
Recommendation No. 26 (Para No. 113)

25. While examining the Demands for Grants of Ministry of External Affairs for the year 2003-04 the Committee were informed that proposals from 21 Missions had been received since 1993 for setting up of new Cultural Centres. The eight proposals taken up during 2002-03 included only 2 proposals (Kualalampur and Phnom Penh) out of the 21 proposals received from the Missions since 1993. The Committee had strongly recommended the Ministry to take early decision to open Cultural Centres abroad at places from where proposals had been received and a well defined policy of opening Cultural Centres abroad should be formulated immediately with sufficient budgetary support so as to give impetus to cultural diplomacy.

26. The Ministry have replied to this observation as under:

“The Governing Body was of the opinion that the commitments made at the highest levels should be undertaken on a priority basis. Therefore, the Council has initiated action on the opening of new Cultural Centres in U.S.A., Malaysia and Fiji. A cultural center has recently been opened in Dushanbe, Tajikistan”.

27. The Committee, in their earlier Reports, had strongly recommended for opening up more Cultural Centres abroad, particularly at places from where such proposals had been received. The Council in turn had informed the Committee that

the budgetary allocation for this was not sufficient and within the meagre allocation earmarked for the purpose, the Council had been trying to prioritise opening up new Cultural Centres. However, the Committee once again emphasise that the rich and diverse cultural heritage of India continues to be our biggest asset and that the Cultural Centres play a very important role in projecting our country abroad. Keeping this important aspect in view the Government should ensure that budgetary allocations should not act as constraints in the way of setting up new Cultural Centres abroad. They, therefore, desire that sufficient funds be allocated for the purpose in the next financial year so that all pendency in this respect since 1993 is liquidated.

Recommendation No. 27 (Para No. 114)

28. The Committee had expressed their shock over the fact that in spite of their repeated recommendations, no suitable building had been located till now for setting up a Cultural Centre in Washington. It appears that sincere efforts had not been made either by the Ministry or the Indian Mission in USA in that direction during all these years. The Committee had strongly recommended the Ministry to ensure early setting up of a Cultural Centre in Washington by accelerating all the processes involved.

29. The Ministry in their reply have merely stated as under:

“In this context, the Ministry of External Affairs had issued fresh instructions to our Mission in Washington that efforts should be made to resolve the issue of identifying the property to house the Indian Cultural Centre, Washington”.

30. The setting up of a Cultural Centre in Washington is one conspicuous case where in spite of repeated recommendations by the Committee, the Ministry have not been able to take up any tangible action and the idea of having a Cultural Centre in Washington has not materialised as yet. The project has been hanging fire for the last several years like several other proposed Cultural Centres elsewhere. Considering the tremendous importance of cultural diplomacy, the Committee had recommended expeditious setting up of a Cultural Centre in Washington. But it is unfortunate that the Ministry responsible for formulating the foreign policy of our country have not been able to appreciate and comprehend the urgency in the matter. In the age of Information Technology and fast communications, decision making is expected to be fast. On several past occasions the Mission had identified properties and informed Ministry of External Affairs but delay in response resulted in the loss of the property. The Committee, therefore, expect a concrete action in this direction from the Ministry than the mere issue of fresh instructions to our Mission in Washington and desire that a property to house the Indian Cultural Centre, Washington should be identified and acquired without any delay.

G. FINANCIAL ALLOCATIONS FOR GOVERNMENT OF BHUTAN

Recommendation No. 30 (Para No. 124)

31. The Committee had drawn attention of the Government to the recommendation made in their 9th Report for exploring the effective exploitation of 97% of Bhutan's untapped hydro-power potential. They were informed that the Ministry would be

undertaking feasibility studies of three hydro-electric Projects namely, Punatsangchhu II, Deglia in Zemgang, Kholongchu in T/Y angtse, estimated to generate about 2000 MWs each. The Committee had recommended to initiate necessary steps for exploring the hydro-power potential of Bhutan to the maximum and early execution of the Punatsangchhu Hydro-electric Project already identified for implementation.

32. The Ministry in their reply have submitted as under:

New Projects

“The feasibility study for these hydroelectric projects namely, Punatsangchhu II, Deglia in Zemgang and Kholongchu in T/Yangtse would be taken up during the Bhutan’s Ninth Five Year Plan period (July 2002 to June 2007) under the GOI assistance package to Bhutan’s Ninth Plan.

Punatsangchhu Project

An MoU with Royal Government of Bhutan for undertaking the Detailed Project Report of Punatsangchhu Project was signed on 15th September 2003. M/s Water and Power Consultancy Services (WAPCOS) has been requested to initiate steps towards the preparation of DPR”.

33. The Committee note that the feasibility study for the three hydro-electric projects in Bhutan namely, Punatsangchhu II, Deglia in Zemgang, Kholongchu in T/Y angtse is to be taken up during Bhutan’s Ninth Five Year Plan period. The Committee feel that at a time when our energy requirements are burgeoning with each passing day, the untapped potential of energy from these three projects ought to be pursued with the alacrity it requires. The Committee, therefore desire that Government of India assistance package to Bhutan’s Ninth Plan in regard to these three Hydel Projects should be accorded top most priority and work on these projects be taken up on a war footing to ensure early execution of these projects.

H. CAPITAL SECTION

Recommendation No. 38 (Para No. 175)

34. The Committee had expressed their shock over the fact that the construction project of the Doha Chancery which was approved in the year 1989 took 12 years to reach the stage of CNE approval in 2001. Similarly, land had not so far been acquired for the new diplomatic enclave for which a proposal was mooted in 1970 and requests of 31 diplomatic missions were pending from 1975 to 1998. The proposal for construction of Videsh Bhawan to accommodate the offices of the Ministry was yet to cross the stage of planning. While deploring the inaction in the part of the Ministry, the Committee had strongly recommended immediate initiation of measures for expeditious completion of these projects and also to enquire into the real reasons responsible for such long delays so as to avoid recurrence of such happenings in future.

35. The Ministry in their reply have responded as under:

“Financial approval for Doha construction project was first obtained in 1991. However, the Government of Qatar delayed handing over of the plot till 1994 linking it to the question of reciprocity. Consequently, the initial exercise of preparation of drawings and local body approvals had to be obtained afresh. This led to demands of higher fees by the Consultants and the resultant time consuming negotiations and signing of a supplementary agreement. The delay in taking up construction activities in Doha was mainly due to the reasons beyond the control of the Ministry.

The Videsh Bhavan plot was handed over in two phases in 1992 to 1994 and the encroachments were removed only by 1997. After due planning a design competition was held in 2001. But as no entry could be declared successful and that the design requirements have been revised due to changed security and functional reasons, the matter was being reviewed as to whether to go for an open design competition. The issue has also been a subject matter of a court dispute. The court has now ruled that result of the competition may be declared. This necessitates review of the

subject matter afresh. The matter will be pursued accordingly. As such there have not been any delays of avoidable nature”.

36. The Committee are not convinced of the reasons adduced by the Ministry for the extraordinary delay in the completion of the Doha Chancery since after the initial delay by the Qatari side the plot was handed over to the Ministry way back in 1994. Almost a decade has elapsed since then and what the Ministry has achieved in these ten years is virtually no progress at all. Likewise, in the case of Videsh Bhavan the Committee would like to be informed as to when the court ruling regarding the declaration of the result of the open competition came and what the Ministry have done after that till date. The Committee also express their unhappiness over the silence of the Ministry in regard to the new diplomatic enclave. They would like to be apprised of the latest status of this project.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

III. Recommendation

The Committee's examination of Demands for Grants of the Ministry of External Affairs for the year 2003-04 has revealed that projected budgetary allocation for 2003-04 at Rs. 3410.00 crore is Rs. 210.00 crore more than the RE of Rs. 3200.00 crore for 2002-03. The increased requirements of funds are stated to have been made to meet the expenditure for Missions/Posts opened during the financial year 2002-03, fulfillment of commitments made at the level of External Affairs Minister/Prime Minister, implementation of mega projects in Bhutan and construction of projects abroad. From the analysis of actual expenditure incurred by the Ministry during the past years, the Committee observe that the unspent balances which were Rs. 44.39 crore in 1997-98 had risen to the level of Rs. 231.87 crore in 2000-2001. The continuous and steep increase in unspent balances left with the Ministry year after year clearly demonstrates the unrealistic budgetary projections by the Ministry in each subsequent year ignoring the vital inputs of actual requirement of funds under different heads of the grant. The Committee have been emphasizing in their reports in the past years about the need of realistic budgetary projections. The Ministry were candid to admit during evidence that the problem of saving and surrender was endemic in the budget of the MEA. The Committee strongly express their displeasure over this trend and recommend that every effort should be made for realistic projection of budgetary proposals under different heads of the grant taking into account not only the past trend of expenditure on a particular item but also all other factors affecting the actual disbursement of funds under the heads. The Committee trust that the budgetary allocations under different heads of the Grant will be fully utilized by the Ministry at least during the year 2003-04 with vigorous monitoring and even disbursement of funds commensurate with the progress of different activities/projects. The Committee would also like to emphasize that the Ministry should devise a mechanism to ensure that the allocated funds are not kept parked for whole of the year resulting in their ultimate surrender.

(Para No. 21)

IV. Reply of the Government

While projecting and finalizing the budgetary allocations, Ministry would keep in mind the recommendations of the esteemed Committee. The budget grant of the Ministry

is finalized in consultation with the Ministry of Finance on the basis of projected expenditure of ongoing schemes/projects and the additional activities that the Ministry proposes/anticipates to undertake during the year. In terms of the existing practice, Budget provision has to be confirmed while seeking administrative approvals of all schemes/projects. However, in case of projects/schemes undertaken abroad this is followed with the process of obtaining clearances from local governments. Some schemes for a variety of reasons do not progress as anticipated, resulting in surrender in such cases.

2. Some of the reasons for under utilisation of budget in previous years, were, postponement/deferment of certain activities because of change/uncertainty in external environment and non-availability of mandatory approvals in time, closure/temporary closure of some Missions/Posts abroad.

3. Every effort is made for realistic projection by this Ministry which sometimes has to contend with global uncertainties and exchange fluctuations over the year. It is the constant endeavour of the Ministry to utilize allocated funds under various heads of the budget in an efficient and cost effective manner through constant monitoring of expenditure by means of preparation of a realistic month-wise expenditure plan by the spending authorities, detailing the items of expenditure and proposed releases, reconciliation of the expenditure at the end of every month with Accounts Department, and to incur an expenditure in a uniform manner over the whole financial year to avoid excess expenditure as well as surrender of savings. This plan is being reviewed monthly vis-à-vis the progressive expenditure, so as to gauge the variations and amend the plan accordingly. Further, a system has been put in place to hold quarterly review meetings at a high level, with the heads of major spending Divisions of the Ministry in order to monitor the utilization of the budgetary provisions in an even manner and to avoid bunching of expenditure at the close of the financial year.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee observe that the Ministry created four new heads namely (i) Celebration of Pravasi Bharatiya Divas (ii) India-Russia Eminent Persons Group (iii) India-China Eminent Persons Group, and (iv) Payment to States/Union Territories for passport works, at RE stage in 2002-03. The heads were created to meet the expenditure on organizing Pravasi Bharatiya Divas celebration and conferment of Pravasi Bharatiya Samman Awards, airfares and hospitality on India-Russia and India-China Eminent Persons Groups, and reimbursement of Rs. 200 per application to the State Governments/Union Territories for the services rendered by them in passport works. While the first three new heads are minor heads, the head “Payment

to States/Union Territories for passport works” have been opened by the Ministry under a new major head “2070 – Other Administrative Services” with the initial allocation of Rs. 21.93 crore in RE 2002-03. The Committee observe that all the expenses being incurred in passport related matters are presently being accounted for under the existing head “2061- External Affairs – 00.105 – Passport and Emigration”. The reasoning given by the Ministry for creation of the new major head that the reimbursement to State Governments is a new service, is not at all acceptable to the Committee as the Demands for Grants clearly exhibit that expenditure being incurred under the “Passport and Emigration” (minor head) cover a variety of services not related to each other namely salaries, wages, overtime allowance, domestic travel expense, office expenses, rents, rates and taxes and professional services etc. The Committee observe that the Ministry have not been able to furnish any plausible explanation for creating a new major head “2070” for reimbursement of cost of services rendered by State Government in passport matters. The Committee, therefore, recommend that the new major head “2070 – Other Administrative Services” exclusively created for reimbursement to the State Governments/Union Territories should be deleted and the appropriate sub-head under the existing head “2061- External Affairs – 00.105 – Passport and Emigration” should be created to cater to the new unit of expenditure for reimbursement of cost of passport related services rendered by States/Union Territories .

(Para No. 22)

V.

VI. Reply of the Government

The decision to classify reimbursement made to State Governments/Union Territories for expenses incurred by them in connection with the working of the District Passport Cells under the Major Head 2070 emerged out of the deliberations of the Ministry with representative of the various State Governments prior to finalization of the accounting procedure and other operational aspects of the Scheme.

2. It may be pertinent to mention that in terms of MEA notification dated 8th June 2000, the Passport Rules, 1980 have been amended by insertion of sub-rule (3) in Rule 5 as under:

“(3) The Passport Authority may authorize any person or authority to collect passport applications on its behalf for issue of a passport or travel document or for the renewal thereof or for any miscellaneous service on payment of a service charge specified by the Central Government under sub-rule (2) of rule 8 in addition to the fee payable under sub-rule (1) of rule 8 and the service charge shall be paid by the applicant to such person or authority.”

3. It would thus be seen that the State Governments, through the agency of the District Passport Cells, are actually administering a Central Act/Regulation. Payments/reimbursements being made to State Governments/Uts on this account are also therefore to be reflected accordingly. It was on this functional basis that it was decided to book the payments released to them as under:-

Major Head 2070	Other Administrative Services
Major Head 120	Payments to State/Union Territories for Administration of Central Acts & Regulations
Sub Head 01	Other Acts & Regulations
Object Head 01.00.50	Other Charges

4. The Ministry however has taken note of the recommendations of the Committee and assure that payments to the State Governments/Uts on this account shall be reflected under the Major Head 2061 in pursuance of the Committee's recommendations. The proposed change-over may take place w.e.f. the next financial year in order to avoid administrative and accounting difficulties as a sum of Rs.1.31 crores has already been booked under the existing head and a number of sanctions have also been issued.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

From an analysis of BE/RE and the actual expenditure for advertising and publicity activities under both the heads namely "Secretariat" and "Embassies and Missions" the Committee find that there has been substantial variation in the expenditure over the years. The Committee are astonished to find that similar reasons as had been mentioned last year have been advanced by the Ministry this year also for non-utilization of allocated funds. The Committee had already analysed those reasons and had pointed out in their 9th Report (13th L.S.) that the unexpected contingencies cited by the Ministry required all the more aggressive advertising and publicity in extensive and intensive manner to solicit world opinion in our favour which would have definitely required additional funds instead of under-utilization of the allocated fund. The Committee therefore do not find the reasons advanced by the Ministry such as India's nuclear tests, the Kargil incursion, IAC hijacking, Gujarat Earthquake, World Trade Centre attacks as really responsible for less expenditure for advertising and publicity activities because these incidents by their nature could have involved more requirement of fund under this Head. The variation in actual expenditure vis-à-vis BE/RE continuously over the past years clearly reflects the faulty budgetary estimation of the Ministry for advertising and publicity activities which in the opinion of the Committee needs to be rectified at the earliest. The Committee are of the firm opinion that mere higher allocation of funds, as the Ministry have been doing during the past years particularly under the head "External Affairs – Embassies and Missions : 2061 – 00.00.26" would not serve any purpose unless the Ministry gear up its machineries to spend the allocated funds appropriately and

gainfully during the financial year. Much more needs to be done to create greater awareness and perception for India's foreign policy objectives abroad. To achieve its goal, the Committee feel that making available more effective publicity material to our Missions/Posts for distribution, use of modern communication systems and stepping up of lobbying efforts are very necessary. The Committee therefore, strongly feel that the Ministry should ensure that the funds made available for "Publicity and Advertisement" particularly for "Embassies & Missions" do not remain unutilised.

(Para No. 51)

Reply of the Government

While noting the Standing Committee's recommendations in this regard, the Ministry also notes that there are several Missions which have either fully utilized their publicity budget, or in fact exceeded it. The Missions that have not been able to fully utilize their budget are being advised to review their publicity objectives and methodology so as to ensure that the funds available are not under-utilized. Missions are being advised to make full use of publicity material which is being regularly supplied to them. These materials include collections of important Statements, children kits, publications showing our efforts in countering terrorism, and so on are aimed to create greater awareness and perception of India's foreign policy objectives abroad. In addition, documentaries for use by our Missions and for possible broadcast on foreign networks are also being produced and supplied to our Embassies. Our monthly magazine "India Perspectives" is being published and printed in 10 languages and is widely distributed through our Missions to import political and cultural personalities in countries of their accreditation. Missions are also being advised to make full use of modern communication technology available and to set up websites where feasible.

External Publicity Division would also meanwhile work with Finance Division would also meanwhile work with Finance Division to facilitate early approvals for requests by Missions for purchase of modern technology tools.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee observe that in pursuance of their earlier recommendation in the 9th Report (13th L.S.), the Missions had been advised to (i) draw up well defined action plans for publicity, (ii) to draw up specific plans of action for involving overseas Indian Communities, NRIs & PIOs, and (iii) to provide the Ministry with monthly reports of action taken on the press and publicity. However, from the reply of the Ministry, it appears that some of the Missions are yet to comply with the directions of the Ministry in this regard. The Committee need hardly emphasise that the objectives of advertising and publicity to present India in the right perspective across the globe can not be achieved without activating the Indian Missions in this direction. They, therefore, recommend the

Ministry to secure full compliance from the Missions of their earlier instructions and to furnish in advance their proposed action plan in regard to advertising and publicity activities during the year.

(Para No. 52)

VII. Reply of the Government

A majority of our Missions are sending us Action Plans for publicity, including specific plans involving overseas Indian community, NRIs & PIOs. All Missions are once again being advised to ensure that these action plans are sent for each year and periodic publicity reports of action taken are also sent so that a close monitoring of publicity activities as well as progressive expenditure can be maintained. The critical need for a pro-active and aggressive strategy for public diplomacy and information dissemination, as well as counter propaganda is being clearly underscored.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

VIII. Recommendation

The lobbying firm M/s Verner Liipfert engaged in USA for the purpose of presenting India's view point was taken over by another law firm, M/s Piper Rudnick on 1st October, 2002. After a detailed examination, thorough vetting and at the recommendation of our Mission in Washington, the Ministry have approved the hiring of a new lobbying firm M/s Akin Gump Strauss Haurer & Feld with effect from 10th March, 2003. The Committee would like to point out that the role of the lobbying firm in USA to present India's view point in proper perspective has been becoming increasingly important in view of fast changing global scenario. The Committee therefore recommend that concerted and specific efforts be made by the Indian Mission in USA to increase the effectiveness of the lobbying firm not only to counter the anti-India propaganda but also to present positive strength of Indian polity and economy. The Committee would also recommend the Ministry to ensure that periodic assessment of lobbying firm's performance is sent by the Indian Mission regularly to the Ministry to facilitate close monitoring.

(Para No. 53)

Reply of the Government

The Embassy of India, Washington, recognizes the importance of projecting India's foreign policy perspectives and issues of concern to the decision makers and those who influence public opinion and policy formulation in the United States. In addition to its own diplomatic and publicity efforts, it has developed a strategy for promoting India's interests by the lobbying firm retained by the Embassy. The strategy contains both long

and medium term objectives as well as issues needing attention on a day-to-day basis. A more detailed action plan has also been prepared. It is reviewed periodically and modified when required.

The Ambassador, Deputy Chief of Mission and other senior officials of the Embassy hold regular meetings with the representatives of the lobbying firm on a weekly basis. In these meetings, developments are reviewed and progress is assessed, so as to ensure that objectives are achieved. Corrective action is taken in the light of the evolving situation when required. The lobbying firm is also required to submit a report of their activities every month. Embassy of India Washington would be reviewing the firm's performance every six months and reporting its findings to the Ministry.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

IX. Recommendation

The Committee observe that budgetary allocation of Rs.811.43 crore has been projected at BE stage for the Head "Embassies and Missions" for the year 2003-2004. The proposed allocation is 23.78% of the total grant (BE) of the Ministry of External Affairs for the year 2003-2004. The Committee had previously recommended to the Ministry to reduce the administrative expenses as far as possible and the Ministry had also responded that certain measures including the concept of Joint Missions and closing down some Missions, were adopted by them resulting in economies in the expenditure. The Committee, however, observe from the written submissions now made by the Ministry during the course of examination of Demands for Grants that 6 new Indian Missions/Posts have already been opened in Kabul, Mandalay, Mazare Sharief, Herat, Kandhar and Jalalabad, and further new Indian Missions/Posts in 12 countries namely, Democratic Republic of Congo, Cameroon, Chad, Burkina Faso, Lithuania, Slovenia, Bosnia, Georgia, Albania, Moldova, Luxembourg and Uruguay are proposed to be opened during the year 2003-2004. The opening of new Indian Missions/Posts invariably involves additional requirement of funds. Since 6 new Indian Missions/Posts have already been opened and 12 are proposed to be opened in the next financial year, it would definitely involve huge administrative expenditure. The Committee are, therefore, unable to comprehend as to how the Ministry would achieve the economies and reduce the administrative expenses by moving exactly in the opposite direction with opening of new Indian Missions/Posts instead of reducing the number of Missions/Posts or exploring the possibility of having Joint Missions. The Committee, therefore, recommend that with a view to reducing the administrative expenses, the Ministry should conduct a thorough review to assess the need and desirability of opening and operating Indian Missions/Posts in different countries of the world and also to explore feasibility of having more Joint Missions for two or more countries. This would also resolve to some extent the problem of shortage of staff being faced by some of the Missions.

(Para No. 65)

Reply of the Government

The proposals for opening 12 Missions/Posts are medium to long-term measures, which the Ministry would like to pursue keeping in view strategic, political, economic and commercial relations and consular requirements with the concerned country. The opening of all the 12 Missions/Posts would not take place during 2003-04 itself and, as a result, the expenditure would be staggered over the next several years. Moreover, the decision to open a resident Indian Mission/Post in a foreign country is taken only after seeking approval of the highest authority based on an overall assessment of our interests in the region in general and the concerned foreign country in particular.

The Ministry also simultaneously reviews effectiveness of our Missions/Posts, and based on such assessments, decisions are taken to close Missions. For example, it was decided to close down our Consulate in Port Said (Egypt) in 2000 and Missions in Malta and Ouagadougou in 2002.

The Ministry would like to submit that establishment of Indian Mission and 4 Posts in Afghanistan was done after keeping in view a decision taken at the highest level to restore and consolidate India's relations with Afghanistan following the collapse of the Taliban regime in Afghanistan. The developments in Afghanistan have a direct bearing on India's national interests, including our security interests and our Mission in Kabul and four Consulates General are essential for safeguarding and promoting India's long-term strategic, political and economic interests.

At present, India has diplomatic relations with 196 countries, and 81 of them are already covered by us through Concurrent Accreditation (or Joint Missions). The process of identifying further countries to be accredited on a concurrent basis i.e. Joint Missions, would be pursued keeping in view the relative importance of economic, political, strategic, cultural and consular issues in our bilateral relations with different countries.

India as an important and large country and as an emerging global power will need to maintain a comprehensive presence worldwide. While working to realize this objective, the functionaries of existing Indian Missions/Posts continues to be reviewed on an ongoing basis with a view to ensuring optimal levels of work output and efficiency.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

X. Recommendation

The Committee observe that there is apparent need of evaluation of the functioning of the Indian Missions/Posts abroad with a view to bring improvement in their functioning. The detailed mechanism as has been claimed by the Ministry to be in existence is understandably for only exchange of information and reporting to the Ministry and, therefore, the mechanism does not appear to be effective to evaluate the functioning of the Missions as such. Taking into account the fact that the performance of the personnel posted in the Missions has far reaching impact on the relationship between India and the respective country, the Committee strongly recommend for strict evaluation of the performance of all the officials deployed in different Indian Missions/Posts so as to bring improvement in their functioning, which will not only provide better and efficient services to Indian nationals residing there but also improve our relations with that country.

Reply of the Government

The Ministry is in complete agreement with the view taken by the Standing Committee on the need for an effective mechanism for evaluating the performance of personnel posted in Indian Missions/Posts. The Ministry has been following GOI procedures and practices for assessment of officers and staff members posted to Indian Missions/Posts abroad, both on their performance as well as conduct within the office and outside. Heads of Missions/Posts constantly review the functioning of officers and staff members with a view to identify shortcomings, if any, in their performance and suggest remedial measures for their improvement. Heads of Mission/Post also consult the Ministry depending on the nature of the cases.

Ministry is also in the process of setting up a Foreign Service Inspectorate (FSI), with a clear mandate to carry out 'performance audit' of Indian Missions/Posts as also to personnel posted abroad. As an interim measure, senior officers from the Ministry have been carrying out inspections of some of the Missions.

Ministry has taken note of the suggestion of the Standing Committee for strict evaluation of the performance of all officials posted to Indian Missions/Posts for compliance.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee observe that C&AG in Para 9.7 of their Report No.2 of 2002 had commented upon inefficient monitoring system and lack of internal control of Ministry of External Affairs in providing Passport, Visa and Consular services in the Missions/Posts abroad which resulted in loss of revenue to the extent of Rs.8.90 crore. Surprisingly, this has happened despite similar lapses in the past resulting in loss of revenue to the extent of Rs.9.25 crore, having been pointed out by C&AG in paragraphs 8.2 and 8.3 of Report No.2 of 2000. The Committee view such lapses very seriously and recommend the Ministry to devise a uniform system for all Indian Missions/Posts abroad to avoid recurrence of such incidents. They would also like to emphasise the need for regular monitoring of all the Embassies/Missions to ensure strict compliance of all the instructions of the Ministry to bring uniformity in their functioning as far as rules, regulations, procedures etc. are concerned.

XI. Reply of the Government

Loss of revenue has occurred largely due to adoption of incorrect rate of exchange for converting visa fees from US Dollar into local currency. The Ministry has now evolved a procedure that circulars regarding revision of visa fee are sent to all the Missions and the Missions are asked to acknowledge their receipt. A monthly proforma has also been devised to enable all the Missions and Posts to monitor and confirm that they correctly following the procedures and rules regarding fixation of visa and consular fees. Receipt of fresh instructions on revision of visa fees issued in August 2000 and other circulars on visa matters issued from time to time were duly acknowledged by all Missions and implementation confirmed.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

XII.

XIII. Recommendation

The Committee observe that an amount of Rs. 101.23 crore was allocated to the Ministry at BE stage in the year 2002-2003 but the Ministry reduced the amount to Rs. 93.76 at RE stage. The reasons stated by the Ministry for reduction of requirements at RE stage are delay in filling up of additional posts approved by the Government for CPO as also deferment of opening up of new Passport Offices. The Committee further observe that under-utilization of budgetary allocation under the Head "Passport and Emigration" has been a recurring phenomenon as is apparent from the fact that actual expenditure was Rs. 64.93 crore against BE of Rs. 86 crore in 1998-99 and similarly Rs. 94.26 against BE of Rs. 98.48 crore in 2001-02. The higher BE projection of Rs. 103.87 crore for the year 2003-04 is stated to have been made for additional expenditure towards the cost of travel documents i.e. Passport Booklets, Emergency and Identity Certificate, Visa Stickers, Computerisation of Passport Offices at Consular Wings of Missions/Posts abroad and Machine Readable Passport Format. While emphasizing the need for full utilization of the budgetary allocations during the financial year, the Committee desire that estimation of requirement of funds at BE and RE stages should be made after taking into account all inputs so as to avoid variation between BE/RE and actuals.

(Para No. 88)

Reply of the Government

The observations of the Committee have been noted for compliance.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

XIV. Recommendation

The Committee observe that the Ministry had informed on 10th October, 2001 that 12 new Passport Offices were proposed to be opened at Surat, Raipur, Dehradun, Shimla, Ranchi, Shillong, Aizawl, Imphal, Itanagar, Gangtok, Agartala and Kohima. The

Ministry, however, in their subsequent submission during the course of examination of Demands for Grants for 2003-04 stated that as regards the seven North-Eastern States, there was a proposal to authorise the concerned State Governments to issue passports as was being done in the case of Andaman and Nicobar Islands (UT). The reason for change of position in respect of North-Eastern States has been stated to be the recommendation made in this regard in the meeting taken by Secretary (Coordination) in the Cabinet Secretariat on 9th September, 2001. The Committee do not find this as a valid explanation as the proposal for opening of Passport Offices in the places including North-Eastern States was communicated to the Committee on 10th October, 2001 i.e. exactly one month after the meeting held on 9th September, 2001. The Committee would therefore, advise the Ministry to reconcile the facts and furnish the Committee with full information on the basis of which proposals were earlier made for opening up Passport Offices in North-Eastern States and also the reasons for subsequent change of the decision.

(Para No. 89)

Reply of the Government

The confusion was created due to citing of a wrong date on which the Secretary (Coordination) in the Cabinet Secretariat took the meeting. The actual date on which the meeting was taken by Secretary (Coordination) was 9 September, 2002 and not 9th September, 2001 as mentioned during the examination of Demands for Grants for 2003-04. The recommendation of Cabinet Secretariat for authorising State Governments in the North-Eastern States to issue Passports has not been approved by the Security Agencies. Besides, the States of Arunachal Pradesh, Mizoram, Meghalaya, Manipur and Nagaland already have either Passport Application Collection Centres (PACCs) or District Passport Cells (DPCs). Besides, the State of Tripura is affiliated to RPO, Kolkata. The Central Passport Organisation (CPO) is already pressed of resources in terms of manpower and it would not be possible to provide manpower if POs are opened in this region. If needed the PACCs in these states can be converted to DPCs. This would facilitate the dispatch of passport applications alongwith the police report to RPO, Guwahati and the delay in the receipt of passport would be reduced to a large extent.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

XV. Recommendation

The Committee are pleased to be know that out of 29 passport offices in the country, 28 passport offices have already been computerised. Only the Passport Office, Ranchi which has been recently opened is yet to be computerised. The Committee trust that after the computerisation, the enhanced efficiency clubbed with speed and accuracy in processing and issue of passport applications and rendering of other passports services

will bring professionalism in the functioning of passport offices. The Committee would also like to express that efforts should be made to computerise the newly opened Passport Office, Ranchi as early as possible. The Committee also recommend the Ministry to conduct the proposed Cadre Review exercise soon to assess the manpower requirements in different Passport Offices of the country in the wake of computerisation and to ensure appropriate deployment of officials in various grades in the Passport Offices.

(Para No. 90)

Reply of the Government

The Passport Office at Ranchi is being computerised soon. A uniform procedure in the issue of passport and related services in all Passport Offices is being evolved in consultation with the Passport Offices so as to enable the implementation of SIU norms wherever applicable and also the SIU is being requested to assess the manpower requirement by reviewing the functions of Passport Offices in the light of computerisation.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

XVI. Recommendation

The Committee observe that the services of ex-servicemen are being utilized by the Passport Offices for assisting/guiding, illiterate and semi-literate passport applicants and manning the facilitation counters in some of the Passport Offices. Out of 29 Passport Office, 13 Passport Offices are having facilitation counters manned by ex-servicemen. These are Ahmedabad, Bangalore, Chandigarh, Chennai, Cochin, Delhi, Jalandhar, Mumbai, Panaji, Pune, Trichy, Trivandrum and Visakhapatnam. The Committee have been informed that because of lack of space in the remaining Passport Offices, facilitation counters have not become functional. Regarding the fee to be charged by the ex-servicemen, the Ministry had advised the Passport Offices to determine the same locally in consultation with the concerned ex-servicemen association. Since the facilitation counters provide a lot of assistance and help to the applicants particularly illiterate/semi-literate, the Committee would, therefore, recommend the Ministry to sort out the problem of space in the remaining Passport Offices so as to open the facilitation counters in these Passport Offices as early as possible. The Committee also desire that the Ministry should issue broad guidelines to bring uniformity for the fees to be charged by ex-servicemen for the services rendered by them in various Passport Offices.

(Para No. 91)

Reply of the Government

The rest of the 16 Passport Offices have also been asked to contact ex-servicemen's associations and to provide necessary space for opening of facilitation

counters. This will be followed up with each Passport Office. As far as uniformity in fees to be charged by ex-servicemen is concerned, the observation of the Committee to bring uniformity in the fees has been noted and necessary action in this regard has been initiated by the Ministry.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

Under the scheme of decentralisation of passport services, the Ministry of External Affairs are to reimburse the States an amount of Rs. 200 per completed and certified application form. The reimbursement of Rs. 200 is stated to be a composite amount for acceptance, scrutiny, getting Police Verification Report (PVR) and forwarding the completed application with PVR to the Passport Office concerned. Since a substantial amount would be involved towards payment to State Governments as reimbursement for the services rendered, the Committee recommend that the Ministry of External Affairs should evolve a monitoring system to ensure that this amount is spent by the State Governments on various passport related services.

(Para No. 93)

XVII. Reply of the Government

In order to ensure that the reimbursement of Rs.200/- made to State Governments are utilised for the betterment of District Passport Cells, the Ministry has advised the State Governments to open a new head of account for the purpose so that it could be effectively monitored. On the instructions of the Ministry, the State Governments have also constituted a Coordinating Committee to monitor all activities connected with passport issuance system. The Ministry is in the process of appointing a professional accountant to further consolidate the monitoring system of reimbursement flowing to the State Governments.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

XVIII.

XIX. Recommendation

The Committee have been informed that the Government Policy is to have Passport Offices located in their own buildings and the matter is regularly taken up with the State Governments for allocation of suitable land. The Committee have also been emphasizing the need to acquire/construct buildings for the office as well as residential complexes. However, the Committee are constrained to observe that 17 Passport Offices namely Bhubaneswar, Bangalore, Bhopal, Chandigarh, Guwahati, Jalandhar,

Jammu, Jaipur, Lucknow, Mumbai, Nagpur, Pune, Ranchi, Trichy, Thiruvananthapuram, Thane and Vishakapatnam, are still functioning in the rented buildings involving annual rental outgo of Rs. 1.53 crore. The Committee, therefore, recommend the Ministry either to acquire suitable properties or to take up the matter with the respective State Governments for early allotment of suitable lands for construction of passport offices on priority basis.

(Para No. 94)

Reply of the Government

MEA is also of the view that all Passport Offices should be located in their own buildings. A Passport Offices building at Chandigarh has now been constructed. Foundation stone for Passport Office building at Lucknow has also been laid. Construction proposals for Passport Offices at Bhubaneshwar, Bangalore & Jaipur are in advance stage. Land for Passport Office, Guwahati is being given free of cost by the Government of Assam. All Passport Offices functioning from rented buildings have been asked to send suitable proposals for purchase of land & construction of Passport Offices. This is being followed up regularly

[No. AA/125/Parl/42/2003 dated 20.10.2003]

XX. Recommendation

The Committee were informed that out of 29 Passport Offices, at present 16 Passport Offices have got passport printers and it was expected that all the 29 Passport Offices will completely switch over to Machine Printing of passports by June, 2003. Some security features are also stated to have been added to the passport booklet and the Ministry have been working on a new format for all Indian travel documents including ordinary passports to make them machine readable and to improve security features. Further, scanning of the passport files are proposed to be completed in three years in phased manner. The Committee trust that machine writing of passports and scanning of passport files will be completed by the Ministry within the stipulated time limit. The Committee also hope that the new security features to be added to the passport booklets will effectively prevent the frauds/forgeries.

(Para No. 95)

Reply of the Government

All the projects are being executed as per schedule.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

XXI. Recommendation

Major issues relating to further improving the system of issuance of passports were discussed at a meeting of all Passport Officers held at New Delhi on 27 to 29 January, 2003. Some important decisions were taken which the Ministry would be communicating to the Passport Offices for compliance. The Committee trust that the decisions once implemented will bring substantial improvement in functioning of the passport offices and also change the public perception in a positive way. The Committee desire the Ministry to regularly monitor the compliance of the decisions by all the Passport Offices.

(Para No. 96)

Reply of the Government

Committee's advice has been noted. Decisions taken in the Passport Officers' Conference of January 2003 will be monitored regularly which will help bring about improvement in functioning of Passport Offices.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee in their 9th Report (13th L.S.) had strongly recommended that the budgetary allocations for the ICCR should be substantially enhanced so as to enable it to vigorously pursue its objectives and expand its activities in India and abroad. The Ministry in their Action Taken Note (10th Report – 13th L.S.) had stated that to fund the activities, ICCR would propose augmentation of the budgetary allocation at the RE stage during the current financial year itself. The Committee are amazed to observe that in sharp contrast to their submission, the budgetary allocation was rather reduced to Rs.42.00 crore at RE stage from Rs.42.43 crore at BE stage. Though the amount reduced was negligible but the fact remains that the Ministry failed to honour their commitment made to the Committee that augmentation of allocation will be made at RE stage. While expressing their displeasure, the Committee caution the Ministry to be more vigilant in such matters in future.

(Para No. 111)

XXII. Reply of the Government

The observations of the Hon'ble Standing Committee have been noted for compliance. However, it may be mentioned that Revised Estimates 2002-2003 has been marginally reduced by Rs.43.00 Lakhs over Budget Estimates 2002-2003 due to the

availability of unspent balance of Rs.188.65 Lakhs for the year 2001-2002. This unspent balance was carried forward to the financial year.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee are happy to note that the budgetary allocation of ICCR has been increased from Rs.42.43 crore (BE) for the year 2002-2003 to Rs.54.50 crore (BE) for the year 2003-2004. The enhanced budgetary provisions are stated to have been made to meet the expenditure for expanding activities of ICCR and the new schemes likely to be undertaken in the financial year 2003-2004 like opening of new Regional Offices in India and new Cultural Centres abroad, renovation of ICCR property, construction of Azad Bhavan Annexe etc. Keeping in view the fact that cultural diplomacy is assuming increasingly significant role to strengthen bilateral relations among countries, the Committee feel that proposed activities alone will not be sufficient to project India's rich cultural heritage and its potential strength across the globe. While emphasizing the need for sincere efforts to execute the proposed activities/schemes in right earnest, the Committee desire the ICCR to develop some well defined and articulated programmes of India's diverse cultural preserves so as to present India in proper perspective. The Committee are glad to know that ICCR proposes to send 10 cultural groups overseas from the North-East region. The Committee hope that while according due importance to the North-East region, the Ministry will initiate necessary measures to promote and encourage upcoming artists/troupes from other States/Union Territories also.

(Para No. 112)

XXIII. Reply of the Government

The Governing Body of ICCR has approved the opening of Regional Offices in the North East Region, Jaipur, Bhopal and Bhubneshwar, for better coordination of activities of the Council. The proposal for creation of additional posts required for renovation of Africa House, 5 Nyaya Marg has also been initiated. Consultancy Agreement has been signed with M/S HUDCO in this regard.

In the Action Plan for 2003-04, an emphasis has been made to give balanced representation to all the regions. During the year 2003-04 the Council proposes to send 151 groups abroad, covering neighbouring countries East & West Europe, USA, Latin and Central America, Africa and Gulf countries. The groups proposed to be sent include established as well as upcoming artistes.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee deplore that the Council could not be formed within the stipulated time which resulted in legal hurdles in the formation of the Council thereafter. In the opinion of the Committee, three months' time cannot be construed to be short one by any

yardstick for the purpose of formation of Council. The Committee hope that the Bill to amend the ICWA Act, 2001 will be introduced in the Parliament in the current session. The Committee also expect that the enhanced budgetary allocation of Rs. 1.60 crore in BE 2003-04 will be effectively utilized for strengthening India's International Diplomacy.

(Para No. 116)

XXIV. Reply of the Government

The formation of the Council within the time frame of three months, as stipulated under the ICWA Act, 2001 could not be accomplished as the process involved extensive and wide ranging consultations with various agencies including the Parliament, the academia, the think-tanks, the industry and business etc. In order to remove certain disabilities in the Indian Council of World Affairs Act, 2001, including those that were causing delay in the formation of the Council, the ICWA (Amendment) Bill, 2003 was introduced during the Budget Session 2003 of the Parliament and was passed by the Lok Sabha on 2nd May, 2003. The Bill is now pending in the Rajya Sabha where it would be taken up for consideration during the ensuing Monsoon Session 2003 of the Parliament.

Several activities for improvements in the ICWA have been undertaken since its take-over by the Government in September 2000 and are also planned in the current financial year with a view to achieving the objectives set out in the Act. An enhanced provision of Rs.1.60 crore has been made for the purpose in the BE 2003-04. Since its take-over by the Government, the ICWA has organized over 70 seminars in its premises. The ICWA has also revived the publications, "India Quarterly" and "Foreign Affairs Reports".

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee observe that financial allocation for Government of Bhutan under both the heads "Aid to Bhutan" and "Loan to Government of Bhutan" is Rs. 892.00 crore for the year 2003-04. The three projects namely Tala Hydro-electric Project, Kuruchi Hydro-electric Project and Dungsum Cement Plant are being funded under these heads. The Committee are happy to note that the Kurichu Hydro-electric Project has already been completed. Since a huge allocation of funds is being made regularly under these heads, the Committee recommend the Ministry to regularly and scrupulously monitor the execution/operation of all the projects in Bhutan to ensure that they are completed without involving any time or cost overrun.

(Para No. 123)

XXV. Reply of the Government

The allocation in Budget Estimate to MEA for mega projects in Bhutan is Rs.650 crores (Rs.402.00 Grant and Rs.248.00 Loan)

Kurichu Project

The Committee has commended the Ministry for commissioning the Kurichu Hydroelectric Project. The project is already exporting power to India. It is also proposed to strengthen and improve the associated transmission network of the Kurichu Project with GOI assistance. The Project will be formally inaugurated shortly.

Project Monitoring

The Committee has stressed the importance of regular and scrupulous monitoring of mega Projects in Bhutan. The Ministry concurs with this recommendation. GOI assisted mega-Projects in Bhutan are monitored through the mechanism of a Joint Project Authority, comprising a Chairman and three members from GOI and four from RgoB. The Chairman is the Minister of Trade and Industry, RgoB. The Meetings of the Authority takes place twice in a year. There are also regular visits to the Project site by technical experts.

The Projects are also jointly audited by Office of Comptroller and Auditor General (from India) and Royal Auditor General (from Bhutan).

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee would like to point out that they had recommended in their 9th Report for exploring the effective exploitation of 97% Bhutan's untapped hydro-power potential. The Committee find that the Ministry will be undertaking feasibility studies of three hydro-electric projects namely, Punatsanchu II, Deglia in Zemgang, Kholongchu in T/Yangtse, estimated to generate about 2000 MWs each. In view of the fact that commencement of hydro-electric projects in Bhutan would be highly beneficial not only to Bhutan's development but also to India in terms of bridging the gap between demand and supply of power, the Committee would recommend the Ministry to initiate necessary steps for exploring as much as possible the hydro-power potential of Bhutan. It should also ensure early execution of the Punatsangchu Hydro-electric project already identified for implementation.

(Para No. 124)

XXVI.

XXVII. Reply of the Government

New Projects

The feasibility study for these hydroelectric projects namely, Punatsangchhu II, Deglia in Zemgang and Kholongchu in T/Yangtse would be taken up during the Bhutan's Ninth Five Year Plan period (July 2002 to June 2007) under the GOI assistance package to Bhutan's Ninth Plan.

Punatsangchhu Project

An MoU with Royal Government of Bhutan for undertaken the Detailed Project Report of Punatsangchhu Project was signed on 15th September 2003. M/s Water and Power Consultancy Services (WAPCOS) has been requested to initiate steps towards the preparation of DPR.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee observe that Rs. 20 crore each under the head "Aid to Bangladesh" and "Loan to Govt. of Bangladesh" has been projected at BE stage in 2003-04. While the funds under the head "Aid to Bangladesh" are used to extend support to the Government of Bangladesh during times of natural calamities, the funds under the head "Loan to Govt. of Bangladesh" are mainly used to support development of infrastructure within Bangladesh. The intended objective behind financial assistance to Bangladesh under both the above heads are stated to be socio-economic development of Bangladesh in promotion of economic and commercial linkages between India and Bangladesh. While Committee are shocked to know about the presence of anti-Indian elements in Bangladesh territory, they are somewhat relieved to learn that the Government of Bangladesh has assured that it would not allow its territory to be used for anti-India activities. While underlining the importance of financial assistance by India for socio-economic development of a neighbouring country like Bangladesh, the Committee would emphasize that the matter regarding use of Bangladesh territory for anti-India activities should be taken up by the Government seriously at appropriate fora to curb such undesirable development before it grows out of proportion.

(Para No. 131)

XXVIII. Reply of the Government

The Ministry has been assisting in the socio-economic development of Bangladesh by means of extending lines of credit to Government of Bangladesh. The lines of credit are extended with the purpose of improving the infrastructure and promoting the economic and commercial linkages between India and Bangladesh. Through supply of Indian goods and services, the dependency on the Indian companies would also grow in line with the supply being affected. This also permits growth of our exports to Bangladesh. It also conveys a very strong political message to the Government and people of Bangladesh that India is committed to assisting Bangladesh in its socio-economic development. The Ministry has been able to achieve the objective of increasing our exports to Bangladesh. Our exports, which were US\$227 million in 1991-92, have increased to US\$1080 million in 2000-2001.

2. The financial assistance extended to Government of Bangladesh through the line of credit are reviewed periodically and also before extension of new lines of credit. The slow utilization of the line of credits has also been taken up with Government of Bangladesh appropriately at various levels including political level.

3. The Government of India has shared its serious concerns with Government of Bangladesh over the presence of Indian insurgent groups in Bangladesh territory. Our concern has been expressed at various level including at the highest level. Just this year, the matter was taken up during the Joint Working Group meeting held in January, 2003 in Dhaka. The Bangladesh High Commissioner was summoned in January by the Foreign Secretary to express our misgiving over anti-Indian activities of these insurgent groups in Bangladesh. Subsequently, detailed discussions were also held with the Bangladesh Foreign Minister during his visit to India in February, 2003 when he called on PM, DPM and in talks with the EAM. It has again been discussed during the Foreign Office Consultations on April 29, 2003 in Dhaka. The Government of Bangladesh has assured the Government that it would not allow its territory to be used for anti-Indian activities. The Government would continue to monitor the situation and engage Government of Bangladesh.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee observe that the Indian Technical and Economic Cooperation (ITEC) programme covers training, projects, consultancy and feasibility studies, deputation of Indian experts to developing countries, aid for disaster relief etc. The main objectives behind the ITEC programme are to promote goodwill, share India's experience in development and also to get economic and commercial spin offs by providing training, gifting of machinery and equipment and setting up of projects. Admittedly the ITEC programme has generated goodwill for India and recognition by the developing countries of India's achievements in science, technology, industry, agriculture and human resource development. The Committee, therefore, recommend that the allocated funds under this

Head should be fully utilised to strengthen India's mutual and bilateral relations with recipient countries. The Committee would also like to be apprised of the recommendations made by the Advisory Group on Technical Cooperation which was established in 2001 to identify ways to enhance the level and modernize the Technical Cooperation Programmes and the action taken by Government in pursuance thereof.

(Para No. 135)

XXIX. Reply of the Government

There have been overwhelming requests and response from beneficiary countries under ITEC and SCAAP, especially for civilian and military training. Under Technical Cooperation of the Ministry of External Affairs, 154 countries are eligible out of which 104 countries sent 2,229 persons for training in various civilian training institutes. The Budget for the financial year 2002-03 was 31 crores for ITEC and 5 crores for SCAAP, which was slightly reduced and then enhanced to meet the expenditure. In case of Aid for Disaster Relief, the Ministry spent more than the allocated funds. Cambodia alone received 10,000 tons of rice costing about 15 crores, whereas the Budget was 7 crores. Thus, the funds allocated for Technical Cooperation have been fully utilised.

In its implementation work, the Ministry of External Affairs has taken note of the suggestions and recommendations made by the Advisory Group on Technical Cooperation, which met in 2001. Most of the suggestions and recommendations have been accepted and are being implemented. The Ministry is planning to appoint a Consultant for reform of ITEC programme.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee are happy to note that the Government have accepted three recommendations made by the High Level Committee on Indian Diaspora, namely reduced fee for PIO Cards, *Pravasi Bhartiya Divas* and *Pravasi Bhartiya Samman Awards* and in pursuance thereof the *Pravasi Bhartiya Divas* was celebrated on 9th January, 2003 where ten prominent persons of the overseas Indian community were conferred "Pravasi Bhartiya Samman Awards". The Committee are also happy to observe that the Ministry of Urban Development have agreed to allot a plot of land in Chanakyapuri, New Delhi for construction of Pravasi Bhartiya Bhawan. In regard to other recommendations of the High Level Committee on Indian Diaspora, the Committee find that implementation of these recommendations is at various stages. While appreciating the efforts being made by the Ministry in regard to implementation of various recommendations of the High Level Committee on Indian Diaspora, the Committee expect that the Ministry will start construction of Pravasi Bhartiya Bhawan at the earliest and persuade all the

Ministries/Departments concerned for expeditious implementation of various other recommendations of the High Level Committee.

(Para No. 143)

XXX. Reply of the Government

In order that the recommendations of the High Level Committee are implemented expeditiously, Secretary (PCD) in the Ministry of External Affairs has sent letters to all the concerned Secretaries in various Ministries/Departments. External Affairs Minister has addressed letters to the concerned Ministers requesting them to expedite the implementation of the recommendations and for a status report.

As far as Pravasi Bharatiya Bhavan is concerned, the payment for the land is being processed. Action on construction of the Bhavan will be initiated after getting possession of the land and getting various administrative/financial approvals.

The Bill on Dual Nationality for NRIs and PIOs has been introduced in the Parliament on 8 May 2003. Action amending the Foreigner Contribution Regulation Act has been initiated by MHA. The Department of Science & Technology has launched a website <http://indiandiaspora.nic.in/stio> on Scientists and Technologists of Indian Origin (STIOs) on 10th July, 2003. This development provides a web-based mechanism for networking with and among S&T professionals of Indian origin abroad and those in India.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee are glad to observe that a total sum of Rs. 270 lakh has been allocated for Hindi activities in the year 2003-04. Out of this, Rs. 70 lakh is earmarked for regular budget of the Hindi section and remaining Rs. 200 lakh for the 7th World Hindi Conference being held in Surinam. Since the projected expenditure on the World Hindi Conference is approximately Rs. 4.70 crore, the Committee would like to be apprised as to how the additional requirement will be met by the Ministry. Although the Ministry is making efforts in right direction for promotion of Hindi, the Committee feel that a lot still needs to be done to make Hindi popularly known all over the world. The Committee also desire that efforts need to be made to make Hindi as one of the languages of the United Nations.

(Para No. 150)

XXXI. Reply of the Government

Arrangements for the 7th World Hindi Conference began in the previous financial year i.e. 2002-03. While the overall budget of the conference was projected at Rs.4.7 crores a provision existed in the previous year's budget (2002-2003) also to cover part of the expenditure. Increase, if any, in the actual expenditure over the projected expenditure will be taken up at the stage of Revised Estimates (RE 2003-2004).

As regards promotion of Hindi, Ministry is making serious efforts continuously for popularising and promoting Hindi all over the world through the Missions and Posts abroad and also by involving the Indian Diaspora.

As regards efforts to make Hindi one of the languages in the United Nations, a High Level Committee under the Chairmanship of Minister of External Affairs with MOS (DS) as Vice Chairman has been constituted to take steps with a view to getting Hindi recognised as an official language of the UN. A meeting of the Committee has since been held.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee observe that the Foreign Service Institute was established in 1986 to meet the professional training requirements of the officers of the Ministry of External Affairs (MEA), especially those belonging to the Indian Foreign Service. The Institute has however since diversified its activities to include courses for officers of other Ministries as well as for foreign diplomats. Presently the Institute is offering five courses, namely Training Programme for the Trainees of Indian Foreign Service, Basic Professional Course for staff and officials of the MEA, Professional course for Foreign Diplomats, Orientation Programme for the Resident Diplomats and Special Programme for Afghan Diplomats/Officials. The Committee were informed that the Institute will be moving to its own complex some time in July, 2004. The Committee wish that once the Institute starts functioning from its own premises which will reportedly have the state of the art facilities, the training courses will be modernised with full back up of cyber technology. The Committee desire that the training courses should be designed in such a way that the Indian Diplomats and Officials posted in Indian Missions/Posts abroad are well equipped with the necessary skills and expertise to deal with all the exigencies in the arena of foreign diplomacy.

(Para No. 155)

XXXII. Reply of the Government

The Foreign Service Institute is taking all necessary action to incorporate modern information technology in courses designed for it under its various training programmes. Although the Standing Committee's recommendation relates to the period subsequent to our shift to the newly built premises, the work on the incorporating information technology in all its various aspects, in our training schedule is already well at hand. In this regard we have already undertaken the following initiatives:

- i) Devise a course on internet based distant training initiative for providing mid-career training to Indian diplomats posted abroad. The scheme has already been approved in principle by F.S. and EAM and necessary administrative and financial requirements are being processed.
- ii) Under the training programme, FSI organises Basic Professional Courses for officials up to the level of Section Officers. This course includes training basic and practical training in computers.
- iii) As part of our special training programme for Afghan officials/diplomats undertaken in the financial year 2002-03, 54 officials from the Afghan government were provided training in computer methodology and techniques (together with English familiarisation programme). This initiative has been greatly appreciated by the Afghan government and requests have come in for more such training programmes which are likely to be accepted.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee observe that it is the task of Investment and Technology Promotion Division of the Ministry to actively undertake effective investment promotion and publicity efforts through the Indian Missions and Posts abroad for attracting foreign investment in the country. Commercial wings in the Missions are stated to be the first point of contact for the foreign investors. The Committee have been informed that 65 Indian Missions have commercial wings borne on the budget of Department of Commerce and most of the other Missions also undertake commercial work by deploying personnel borne on the budget of the Ministry of External Affairs. The economic and commercial wings of Indian Missions and Posts abroad undertake various activities to encourage inflow of foreign capital in India. The Committee need hardly emphasize that now-a-days foreign investment plays very crucial role in economy particularly of a developing country and therefore, the role of Commercial Wings in Indian Missions/Posts has become increasingly important. Global trends also indicate that countries attempt to acquire supremacy through economic diplomacy and, therefore, this

aspect must be given due importance. The Committee, therefore, desire the Ministry to activate all the Commercial Wings functioning in 65 Indian Missions and other officials entrusted with this job in other Missions so that on the one side India could be made a favourable destination for foreign investors and on the other side India's economic presence is considered valuable in other countries of the world.

(Para No. 165)

XXXIII. Reply of the Government

The recommendation of the Standing Committee has been communicated to all the Missions for compliance. It has been once again emphasized to them that the Government lays high priority on enhancing India's Economic Diplomacy. All possible resources and guidance in this regard is also being provided to them. Two new tools being developed are (I) a dedicated website on Trade and Investment issues and (ii) bringing out the Ministry's prestigious publication "India 2003-04: Reliable Business Partner; Attractive FDI Destination" in English and eight other foreign languages (Japanese, Chinese, Arabic, Italian, Spanish, French, German and Russian). Vol. II of this publication is specifically meant for overseas investors giving them all procedural information on setting up of operations in India. These and other measures like the Weekly Economic News Bulletin would help Missions and Posts further improve their usefulness to the visitors and publicize India's economic and commercial strengths.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

CHAPTER III

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

Recommendation

Examination of the expenses being incurred by the Ministry on account of rents, rates and taxes has revealed that there has been a wide gap between the actual expenditure and the budgetary projections under different heads. The reasons for variation in BE and actual expenditure under these heads have been stated to be the delay in opening of new Passport Offices, deferment of shifting of some of the Passport Offices to more spacious premises, payment of rentals in hard currencies, increased projection on account of devaluation of Indian rupees vis-à-vis major European currencies. The Committee observe that the Ministry have failed to make accurate estimation even at RE stage. They are surprised to find that unrealistic projection of budgetary requirements has become order of the day in the Ministry and the reasons cited therefor appear to be the explanations explored and submitted in a routine manner as is evident from the fact that the Ministry had cited similar reasons last year also for variation in BE/RE and actual expenditure under these heads. The assurances given by the Ministry last year have not yielded any results at ground level as the variation still continues. The proportion of unrealistic assessment of requirements under these heads have even grown at the RE level at least from the year 2000-2001. The actual expenditure was Rs. 157.25 crore in 2000-01 and Rs. 170.68 crore in 2001-02 under the head "Embassies and Missions : 2061 – 00.00.14", against the BE/RE of Rs. 165.00/167.00 crore and Rs. 175.00/180.00 crore respectively during these years. Similarly under the head "Passport and Emigration : 2061 – 00.105 – 00.00.14", the actual expenditure was Rs. 4.16 crore in 2000-01 and Rs. 5.92 crore in 2001-02 against the BE/RE of Rs. 3.80/7.50 crore and Rs. 7.75/8.10 crore respectively. The Committee are of the considered opinion that most of the reasons cited by the Ministry were not such as could not have been anticipated in advance and therefore, the Committee are not at all inclined to accept the explanations given by the Ministry in this regard. In the opinion of the Committee, the variation in actual expenditure and the BE/RE year after year clearly reflects the lack of seriousness with which the requirement of funds are assessed and budgetary projections are made under these heads. The Committee, therefore, strongly recommend the Ministry to take concrete steps at least now to make realistic budgetary projections in future taking into account all the inputs available with the Ministry and anticipated happenings in the financial year so as to avoid huge unspent balances at the close of the year.

(Para No. 39)

XXXIV. Reply of the Government

Revised Budget Estimates for the year 2002-03 for Capital Outlay budget head were projected as Rs.64.81 crores during September 2002. As against these the actual expenditure, as assessed till date, has been Rs.49.677 crores. The revised budget estimates were made taking into consideration the CNE approval for purchase of property in Chicago valued at Rs.8.2 crores. While even the matching remittance was sent to the Post for making the payment, there was an unexpected last minute snag in the purchase deal. Provision for this purchase has accordingly been shifted to the next financial year. On request of the Mission during February 2003, the Ministry had made a provision of Rs.1.65 crores during 2002-03 for the pending payments for our construction project completed in Berlin. However, the Mission has not been able to utilize this provision. As the construction project of ICCR building in Kolkata was at the implementation stage and the work was already awarded to the approved contractors, an amount of Rs.1 crore was provided for during the financial year 2002-03 first due to the belated demands of the Municipal Committee, Kolkata and Kolkata Electric Supply Corporation for certain payments and processing thereof, and then non-clearance of vehicular restrictions near the site on security considerations as the building site is adjacent to the American Consulate. This permission has since been given in early April 2003 and the Contractor is mobilizing materials at the site accordingly. As such it may be seen the requirement of funds has been assessed appropriately and budgeting for the Capital Outlay fund has not been unrealistic.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee observe that “Demarcation of the land frontiers of India” has been allocated to the Ministry of External Affairs in the Second Schedule to the Government of India (Allocation of Business) rules, 1961. The Committee were informed that the Ministry used the services of M/s Survey of India in all matters relating to the international boundary with Bangladesh, Bhutan, Myanmar and Nepal and the expenditure incurred by M/s Survey of India in respect of field surveys, preparation of maps etc. was debited to the Ministry of External Affairs. However, there has been continuous and substantial under utilisation of budgetary allocations under this head. The Committee would, therefore, recommend that budgetary allocation under this head should be made on the basis of requirement of funds in a particular year so as to avoid under-utilization of the allocation.

(Para No. 100)

XXXV. Reply of the Government

BSM Division deals with two countries on boundary-related matters namely Bangladesh and Myanmar. In case of Bangladesh, the activities for which funds have been spent during the last three years include Indo-Bangla boundary demarcation work undertaken by various State Government departments and their Bangladeshi counterparts involving visits to the boundary, inspection of pillars, repair of damaged pillars and report on undemarcated/disputed areas.

2. In case of Myanmar, the activities for which funds have been spent during the last three years include regular meetings between the Surveyors General of the two countries, regular meetings between the Director, Surveys of the two countries, joint inspection, repair and maintenance of boundary pillars as per work plan drawn up at these meetings.

3. Expenditure on these activities in case Bangladesh and Myanmar are as below:-

Bangladesh

(Rs. in thousands)

2061 – External Affairs, 00.800 Other Expenditure, 01 - Demarcation of Boundaries - 01.00.50 Other charges.	BE	RE	Actuals
1	2	3	4
1999-00	21702	22402	18715
2000-01	34093	38593	20212
2001-02	39000	38098	27121
2002-03	47083	32500	15352 (3198 to Jan'03) + (12154 placement up to 12.03.2003)
2003-04	35000	-	-

Myanmar

(Rs. in thousands)

3065 – External Affairs, Technical and Economic Cooperation with other Countries 00.101-14 – Aid to Myanmar 14.00.32 Contributions.	BE	RE	Actuals
1	2	3	4
1999-00	As per actuals	As per actuals	Nil – No work was undertaken
2000-01	-do-	-do-	1579434
2001-02	-do-	-do-	643 – Expenses incurred

			for closing of field operations subsequent to March 31, 2003.
2002-03	-do-	-do-	5583 – Expenditure likely to be incurred by March 31, 2003.

Remarks: In addition to the above tasks, MEA also funded the visit of the Surveyor General of Myanmar to India in October 2002 at an expenditure of Rs.4,18,000/-.

4. In many cases, there is under-utilisation because meetings scheduled do not take place. As interaction involves dealing with foreign Governments, last minute changes/cancellations cannot be predicted.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee observe that budgetary provision of Rs. 68 crore under the Head “Capital Outlay and Public Works” and Rs. 35 crore under the Head “Capital Outlay on Housing” have been made for the year 2003-04 for the projects namely, Muscat (Chancery & ER), Foreign Service Institute, ICCR, Kolkata, Port of Spain (Mahatma Gandhi Institute for Cultural Cooperation), Asian African Legal Consultative Organization (AALCO) Hqrs., New Delhi, Abu Dhabi (Interior works), Berlin (pending payment for Chancery project), Gaborone, (HC’s residence), Moscow (Residential complex), purchase of chancery building in Nairobi and Prague, purchase of residences in Chicago and for the repair and maintenance of Government owned property. The Committee are amazed to observe that only Rs. 25.43 crore was actually spent against BE of Rs. 67.20 crore and Rs. 8.39 crore against BE of Rs. 27.00 crore during the year 2001-2002 under the major Heads 4059 and 4216 respectively which indicate non-utilization of major portion of the allocated funds by the Ministry. The reasons stated by the Ministry for substantial under-utilization of funds under both these heads are not at all acceptable to the Committee because most of them could have been sorted out had the Ministry acted in time. While deploring the lackadaisical approach of the Ministry in regard to various construction projects, the Committee strongly recommend the Ministry to conduct an inquiry into the matter to find out as to how far the officials entrusted with this job were responsible for delay in finalisation/execution/implementation of various projects and consequent non-utilization of substantial funds. The Committee would like to stress the need for devising a system of accountability. The Committee would like to be apprised of the mechanism evolved by the Ministry in this regard and the outcome of the inquiry.

(Para No. 174)

XXXVII. Reply of the Government

As already submitted, the actual expenditure on Capital Outlay during 2001-02 fell short of the estimates due mainly to the then highly probable expenditures on purchase of properties in Hong Kong and in Tehran. A provision of Rs.15.09 crores was made for purchase of property in Hong Kong. After procuring financial approval in January 2002 necessary documentation formalities were immediately started. A letter of intent was issued to the vendor and remittance of funds was also made for purchase of the property. However, unforeseen legal formalities crept up, which caused the deal to be called off. Provision of Rs.21.30 crores was made for purchase of Embassy Residence in Tehran was made after financial approval. As the deal was not coming through because the land-lady remained out of the country, the provision which was retained till RE stage was deleted at the final estimation stage. As such the under-utilisation of the funds was not due to fault of any individuals.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

CHAPTER IV

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

XXXVIII. Recommendation

The Committee observe from the overall analysis of budgetary proposals during the last few years that the BE projection to meet the expenses of administrative natures vis-à-vis capital outlay exhibit a surprising phenomenon. To cite a few, BE under the head “2052 – Secretariat General Services” has gone from Rs. 86.11 crore in 1999-2000 to Rs. 129.40 crore in 2003-04 i.e. 50.27% rise, and BE under the Head “2061 -External Affairs” has gone from Rs. 1212.87 crore to Rs. 1892.50 crore in 2003-04 i.e. 56.03% rise but the BE under the head “4059- Capital Outlay on Public Works” has gone down from Rs. 70.00 crore to Rs. 68.00 crore during the same period and BE under the head “4216 – Capital Outlay on Housing” has shown only a marginal increase i.e. from Rs. 30.00 crore to Rs. 35.00 crore during the period. The Committee observe that this is a clear testimony of the functioning of the Ministry where the administrative expenses have shown a steep rise on one side and the expenses on Capital Outlay have either gone down or have shown a negligible increase during the period from 1999-2000 to 2003-04. The Ministry have not taken seriously the Committee’s oft repeated recommendations for early acquisition of properties and speedy completion of construction projects to enable it to reduce the rental liability of the Ministry. While expressing their anguish over such lopsided increase in the budgetary proposals, the Committee recommend the Ministry to initiate measures not only to enhance the budgetary allocations under the head Capital Outlay with well defined/time bound construction programmes but also to examine the feasibility of reducing the administrative expenses as far as possible.

(Para No. 23)

Reply of the Government

The reason for increase in expenditure of administrative nature is due to appreciation of foreign currency vis-à-vis Indian rupee and rise in UN price indexes which is the base for fixation of allowances, in certain countries. With an aim to reduce rental liability of the Ministry, Missions/Posts are regularly advised to sign long-term lease deeds without any rental escalation. Further, the Ministry has drawn up a plan for acquiring properties for chanceries and residences of India-based officers and staff either through purchase of built-up properties or through construction of properties abroad.

Budgetary projections are made by Ministry taking into consideration the requirements during the currency of each financial year depending on the progress of ongoing construction projects and anticipated purchase of built up properties. However, planned projects/purchases sometime do not materialize or the completion of ongoing projects are delayed due to changes in local laws or delayed clearances from local Governments. Marginal decrease in budgetary projections under Capital Outlay (public works) has been made based on realistic assessment of the progress of existing ongoing construction projects. The Ministry has instituted a mechanism of regular review of ongoing construction projects by constituting a Monitoring Committee to review progress and take follow-up action on construction projects and purchase proposals, which is headed by the Foreign Secretary. Missions/Posts are constantly reminded to look for suitable built-up properties for purchase. Progress in construction of projects and purchase of properties would result in reduction of the rental liability of the Ministry.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

XXXIX. Recommendation

The Committee observe that in spite of several recommendations of the Committee to reduce the rental liability of the Ministry, there is an alarming increasing trend which is evident from the fact that it has gone up from Rs. 153.66 crore in 1998-99 to Rs. 215.02 crore in 2003-04 which constitutes 39.93% increase during the last five years. The explanation of the Ministry that considering the total figure of BE for 2003-04 over 2002-03, the percentage hike of 1.95 is negligible, is in isolation and therefore does not present the true picture about the abnormal increase in the rental liabilities of the Ministry year after year. It is observed that only four offices/residences have been shifted to Government owned premises during the year 2002-2003 involving rental savings of mere Rs. 1.41 crore. The Committee find from the submission made by the Ministry that 14 Missions have been identified where rental liabilities are the most. These Missions are Prague, Chicago, Houston, Muscat, Sanghai, Geneva, Baku, Sofia, Tashkent, Panama, Kathmandu, Dhaka, Moscow and Beijing. Interestingly, the Ministry in their action taken note (10th report – 13th L.S.) had mentioned that the Heads of Missions and Posts are sounded from time to time to send comprehensive proposals to the Ministry for examination so that based on economic viability of the proposals, decisions can be taken. But the Committee are surprised to find that despite Ministry's claim about sounding of Missions in this regard, only 3 Missions namely Prague, Panama and Kathmandu, out of the above 14 identified Missions, have sent the proposals for purchase of properties. Curiously enough, out of 20 proposals received during the last three years from 2000 to 2002, some of them being repetitions, only a few of them have materialized and most of them are still awaiting final decision. The Committee are unable to understand as to how the Ministry would be able to substantially reduce the rental liabilities in the near future. The Committee therefore recommend the Ministry to initiate immediate steps to acquire/purchase properties during the current year at least for the 14 Missions which have already been identified incurring high rentals. The

Committee further recommend the Ministry to take early decisions in respect of all those proposals received from the Missions in the past but still lying undecided. The Committee would also like to emphasize the need for timely completion of all the ongoing construction projects and recommend the Ministry to initiate suitable measures in this regard.

(Para No. 40)

Reply of the Government

Focused attention is being paid to the stations, which have been identified as involving high rentals. Proposals earlier received from different Missions for acquisition of properties would also be reviewed and renewed. The ongoing projects area already receiving high attention of the Ministry and are at different stages of planning and implementation, progress on which is being regularly monitored.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee had recommended in their 9th Report (13th L.S) that the Ministry should draw a comprehensive long term policy to gradually accommodate all their offices, Missions, residences in their own buildings to be acquired/constructed in a time-bound manner with adequate budgetary support and regular monitoring. The Ministry in their action taken note (10th Report-13th L.S.) had inter alia stated that as a part of the long term policy, it has been aiming to acquire and construct own properties through short and medium term planning. The Committee however observe that except follow-up of earlier proposals and recent identification of Missions, the Ministry have not been able to draw a long term comprehensive policy in this regard. The Ministry's view that it is not economically viable to accommodate all offices, Missions and residences in own buildings is also not acceptable to the Committee. In their opinion whether a property is on rent or there is delay in completion of construction projects or acquisition of built up properties, the ultimate result is loss for Exchequer. Considering the long term benefits, the Committee, therefore, strongly recommend the Ministry to devise a well defined long term policy to accommodate their offices, Missions, residences in their own buildings to be acquired/constructed in time-bound manner with sufficient budgetary allocations and continuous monitoring, evaluation and control.

(Para No. 41)

XL. Reply of the Government

The Ministry endeavours to acquire own properties in India and abroad through purchase and construction. The proposals on hand, like where the Ministry already owns land for construction, are accordingly given priorities and fresh proposals are sought from focused stations where the Ministry has high rental liabilities. However, as per the norms of the Government of India, the Ministry must establish the economic viability of a

proposal in terms of the rentals being paid and the investment to be made before the financial concurrence is given by the concerned authority.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

XLI. Recommendation

While observing that the Ministry had not taken any decision for more than three decades on construction of the Embassy complex on the plot gifted by the Government of Brazil in 1965, the Committee had recommended in their 9th Report (13th L.S.) the preparation within 3 months of a schedule of construction and to initiate all necessary steps to complete the project on priority basis. On examining the time schedule furnished by the Ministry, the Committee in their 10th Report (13th L.S.) had observed that the project had already been delayed for over 37 long years resulting in cost escalation from an estimated US\$ 3.37 lakh in 1971 to an estimated US\$ 20 lakh in June, 2000 and the time frame for construction ranging from 1.7.2002 to 31.12.2005 had been unduly prolonged. The Committee had therefore recommended for substantial shortening of time span and to make earnest efforts to complete the construction project in Brazil on priority basis. Instead of enumerating the specific steps taken in this regard, the Ministry have now just informed that “all endeavours” are being made to cut down the estimated time schedule by giving the project a top priority. The Committee would again emphasize the need for early completion of the project in Brazil not only by shortening the time span of construction work but also by regular follow-up and persuasion with the agencies concerned.

(Para No. 42)

Reply of the Government

The Ministry has already put the Brasilia project in the fast track and the project is being monitored at level of very senior officers in the Ministry. New Brazil-based architects have been short-listed to cut down on the likely delays involving monitoring by India-based architect. Design briefs have been given to Brazil-based architects for participation in the design competition. Regular follow-up and persuasion with the concerned agencies is made.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

XLII. Recommendation

The Committee are informed that the District Passport Centre Scheme which was launched in January, 2002 has been received well by the States as well as by the public. The scheme envisaged providing of passport services either in the office of District Magistrate or Superintendent of Police at the

discretion of the State Governments. Out of 28 States, 22 States have already implemented the scheme. Goa being a small State with only two districts and already having a Passport Office at Panaji, the need for implementing the scheme had not been felt. The Committee, however, desire that the Ministry should persuade the remaining States viz. Bihar, Karnataka, Rajasthan, Uttranchal and West Bengal to implement the District Passport Centre Scheme so that the applicants in these States could be benefited by decentralisation of passport services.

(Para No. 92)

Reply of the Government

Out of the 28 states, 22 state governments have already implemented the scheme.

The Chief Secretaries of Kerala, West Bengal and Karnataka are being persuaded to start DPCs in their respective states at the earliest.

The Passport Officers have been advised to take the matter vigorously with the respective State Governments drawing their attention to the benefits that the scheme would offer to the public as well as to the revenues of the State Governments by way of reimbursement.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee have been informed that proposals from 21 Missions have been received since 1993 for setting up of new Cultural Centres. The eight proposals taken up during 2002-2003 include only 2 proposals (Kuala Lumpur and Phnom Penh) out of the 21 proposals received from the Missions since 1993. As earlier stated by the Ministry itself, large financial outlay of Rs.30 crore in capital expenditure and Rs.10 crore in recurring expenditure are needed for opening of new cultural centres against which budgetary allocation of mere Rs.1.45 crore has been made in the Demands for Grants for the year 2003-04. This in the opinion of the Committee is highly insufficient. The Committee strongly recommend the Ministry to take early decision to open Cultural Centres abroad from where proposals have been received and a well defined policy of opening Cultural Centres abroad should be formulated immediately with sufficient budgetary support so as to give impetus to the cultural diplomacy.

(Para No. 113)

XLIII. Reply of the Government

The Governing Body was of the opinion that the commitments made at the highest levels should be undertaken on a priority basis. Therefore, the Council has initiated action

on the opening of new Cultural Centres in U.S.A., Malaysia and Fiji. A cultural center has recently been opened in Dushanbe, Tajikistan.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee are shocked to know that in spite of repeated recommendation of the Committee, no suitable building has been located till now for setting up Cultural Centre in Washington. It appears that sincere efforts have not been made either by the Ministry or Indian Mission in USA in this direction during all these years. There is no plausible explanation as to why the Indian Mission in USA has even not succeeded in identifying 3-4 suitable properties during the last six months since the visit of a team from the Ministry on 7th October, 2002 for which they were specifically advised by the Ministry. Taking into account the degree of indifference being exhibited in this matter both by the Ministry as well as the Indian Mission in USA, the prospects of coming up of Cultural Centre in Washington in near future appear very bleak. While expressing their anguish, the Committee strongly recommend the Ministry to ensure early setting up of Cultural Centre in Washington by accelerating all the processes involved. The Committee would like to be regularly apprised of the developments in the matter.

(Para No. 114)

XLIV. Reply of the Government

In this context, the Ministry of External Affairs had issued fresh instructions to our Mission in Washington that efforts should be made to resolve the issue of identifying the property to house the Indian Cultural Centre, Washington.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

Recommendation

The Committee are shocked to observe that the construction project of Doha Chancery which was approved in the year 1989 took 12 years to reach at the stage of CNE approval in 2001. Similarly, land has not so far been acquired for the new diplomatic enclave for which a proposal was mooted in 1970 and requests of 31 diplomatic missions were pending from 1975 to 1998. The proposal for construction of Videsh Bhawan to accommodate the offices of the Ministry is yet to cross the stage of planning. These projects are clear testimony of the poor state of affairs in the Ministry in regard to the pending projects. While deploring the inaction on the part of the Ministry for all these long years in the above projects, the Committee strongly recommend the immediate initiation of measures for expeditious completion of the projects and also to

enquire into the real reasons responsible for such long delays so as to avoid recurrence of such happenings in future.

(Para No. 175)

XLV. Reply of the Government

Financial approval for Doha construction project was first obtained in 1991. However, the Government of Qatar delayed handing over of the plot till 1994 linking it to the question of reciprocity. Consequently, the initial exercise of preparation of drawings and local body approvals had to be obtained afresh. This led to demands of higher fees by the Consultants and the resultant time consuming negotiations and signing of a supplementary agreement. The delay in taking up construction activities in Doha was mainly due to the reasons beyond the control of the Ministry.

The Videsh Bhavan plot was handed over in two phases in 1992 to 1994 and the encroachments were removed only 1997. After due planning a design competition was held in 2001. But as no entry could be declared successful and that the design requirements have been revised due to changed security and functional reasons, the matter was being reviewed as to whether to go for an open design competition. The issue has also been a subject matter of a court dispute. The court has now ruled that result of the competition may be declared. This necessitates review of the subject matter afresh. The matter will be pursued accordingly. As such there have not been any delays of avoidable nature.

[No. AA/125/Parl/42/2003 dated 20.10.2003]

CHAPTER V

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

XLVI. NIL

**NEW DELHI;
December, 2003
Agrahayana, 1925 (Saka)**

**KRISHNA BOSE,
Chairperson,
Standing Committee on External Affairs.**

APPENDIX I

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS HELD ON 15th DECEMBER, 2003

The Committee sat from 1500 hrs. to 1530 hrs.

PRESENT

Smt. Krishna Bose – Chairperson

MEMBERS

Lok Sabha

2. Shri E. Ahamad
3. Shri R.L. Bhatia
4. Shri Satyavrat Chaturvedi
5. Shri Manibhai Ramjibhai Chaudhri
6. Shri Bikram Keshari Deo
7. Dr. A.D.K. Jeyaseelan
8. Shri Zora Singh Mann
9. Shri Suresh Prabhu

MEMBERS

Rajya Sabha

10. Shri R.P. Goenka
11. Shri Ranganath Misra
12. Shri P.G. Narayanan
13. Shri Mahendra Prasad
14. Dr. Arun Kumar Sarma
15. Dr. Karan Singh
16. Dr. L.M. Singhvi

Secretariat

- | | | | |
|----|------------------|---|------------------|
| 1. | Shri P.K. Grover | - | Director |
| 2. | Shri R.K. Saxena | - | Deputy Secretary |

At the outset the Chairperson welcomed the Members to the sitting of the Committee. The Committee then took up for consideration the draft Action Taken Report on the recommendations contained in the 11th Report (13th Lok Sabha) of the Committee on “Demands for Grants of the Ministry of External Affairs for the year 2003-2004” and adopted the same.

2. The Committee also authorized the Chairman to finalise the Action Taken Report and present the same to Parliament.

The Committee then adjourned.

APPENDIX II
(Vide Introduction of Report)

**ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON
THE ELEVENTH REPORT OF STANDING COMMITTEE ON
EXTERNAL AFFAIRS (13TH LOK SABHA)**

III.	I. Total Number of Recommendations	38
	II. Recommendations/Conclusions which have been accepted by Government	
	Recommendations Sl. Nos. 1, 2, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 24, 25, 28, 29, 30, 31, 32, 33, 34, 35, 36	
	Total	27
	Percentage	
	71%	
III	Recommendations/Conclusions which the Committee do not desire to pursue in view of the Government replies	
	Recommendations Sl. Nos. 4, 23, 37	
	Total	3
	Percentage	8%
IV	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee	
	Recommendations Sl. Nos. 3, 5, 6, 7, 18, 26, 27, 38	
	Total	8
	Percentage	21%
V	Observations/Recommendations in respect of which final replies of the Government are still awaited	
	Recommendations Sl. Nos. Nil	
	Total	Nil
	Percentage	Nil

APPENDIX III

STATEMENT OF OBSERVATIONS AND RECOMMENDATIONS

Sl. No.	Para No.	Ministry	Observations/Recommendations
1.	6	External Affairs	<p>The Committee are constrained to observe that the reply of the Ministry does not address their serious concern on the important aspect of financial management in revenue as well as capital section of the grants of the Ministry. The Committee are of the opinion that the reasons cited by the Ministry such as appreciation of foreign currency <i>vis-à-vis</i> Indian currency and delay in ongoing projects due to changes in local laws could have only marginal effect in the matter. They are also not satisfied with the measures being taken by the Ministry for reducing their rental liability since in the opinion of the Committee the routine advice to the Missions to sign long-term lease deeds without any rental escalation or drawing up a plan for acquiring properties for chanceries and residences either through purchases or construction would not suffice. It is apparent that the Ministry are not serious in the matter and the present state of affairs reflects the casual approach of the Ministry in vital areas of financial management. The Committee, therefore, desire the Ministry to play a more proactive role in such matters with some binding guidelines to make the Missions more accountable in financial matters. The Committee would also like to be apprised of the progress made by the Monitoring Committee constituted by the Ministry to review progress and take follow-up action on construction projects and purchase proposals.</p>
2.	9.	External Affairs	<p>The Committee are dismayed to note that the Ministry have taken six long months to furnish a vague reply to a very specific recommendation of the Committee. The</p>

			<p>Committee in their recommendation had very clearly indicated the problem areas and solutions. The least the Committee expected was acquisition/purchase of properties in the current year in respect of 14 Missions having highest liability. Sadly, the Ministry's response does not have even a mention of the same. Six precious months of the current year have already been wasted in the process. The Committee, therefore, reiterate their recommendation and desire that premises for at least the 14 highest liability Missions should be acquired/purchased in the current year itself in order to reduce rental liabilities. The Committee also desire that a time bound and well defined long term action plan may be formulated by the Ministry for purchasing/constructing the buildings for their offices and residential complexes in the country with an enhanced budgetary allocation under the head "Capital Outlay on Public Works". The Committee would like to be apprised of the tangible results in this regard.</p>
3.	12	External Affairs	<p>The Committee are not satisfied with the reply furnished by the Government. They would again like to point out that the economic viability of owning a property should not be viewed only in terms of making an investment in the short or medium term. Instead, the long term benefits of acquiring/constructing a property such as saving on rentals and making assets should be considered. The Committee, therefore, reiterate that the Ministry should formulate a long-term policy to accommodate their offices, Missions and residences in their own buildings which should be acquired/constructed in a time bound manner.</p>
4.	15	External Affairs	<p>Considering the undue delay of more than 37 long years in the construction of the Embassy complex in Brazil, that too when the Brazil Government had itself donated the land for the purpose, the Committee in</p>

			<p>their previous Report had recommended for prioritising the Brazil project and expediting the construction of the Embassy premises. However, the Ministry, in their reply have once again simply stated that they have already put the Brasilia project in the fast track and the project is being monitored at the level of very senior officers in the Ministry. The Ministry's plea that new Brazil-based architects have been short-listed to cut down on the likely delays involving monitoring by India-based architect and that design briefs have been given to Brazil-based architects for participation in the design competition are not convincing as sixteen months have already elapsed from the project schedule given by the Ministry and even the designing stage is yet to be finalised. The Committee would like the Ministry to come up with a concrete proposal in the matter alongwith a comprehensive time schedule for the remaining 26 months of the schedule submitted by the Ministry in this regard for completion of the project in Brazil. The Committee also desire that responsibility be fixed at senior levels to account for the wastage of 16 precious months gone by under intimation to the Committee.</p>
5.	18	External Affairs	<p>The Committee during their examination of the BE/RE and the actual expenditure for advertising and publicity namely "Secretariat" and "Embassies and Missions" found a lot of mismatch between allocations and spending in our Missions abroad. Time and again they have recommended the Ministry to remedy the situation. The Ministry instead of taking any cogent action have been furnishing to the Committee oft-repeated and unconvincing reasons for these shortcomings. In their latest recommendation on the subject, the Committee had clearly stated that mere higher allocation of funds could not improve the situation. What was required was making available more effective</p>

			<p>publicity material to our Missions/Posts for distribution, use of modern communication systems and stepping up of lobbying efforts. The Committee had also asked the Ministry to ensure that in future funds under this Head should not remain unutilised. The Ministry in their reply have admitted that some of the Missions have not been able to utilise their budgetary allocation under this head. The Committee recommend that the Ministry should draw up broad publicity objectives for the Missions and ensure that sufficient thought is put into planning publicity activities keeping in view local conditions and requirements. They also desire that the overseas Indian community, NRIs and PIOs should also be involved in the efforts aimed at projecting India's image abroad. The Missions abroad should be geared up to create greater awareness and perception for a more effective projection of India's foreign policy objectives and concerns. The Ministry should also ensure close monitoring of publicity activities as well as expenditure thereupon so that not only effective supervision can be maintained but it is also ensured that funds made available for publicity are fully utilised.</p>
6.	21	External Affairs	<p>The Committee express their happiness that the Ministry have agreed to one of their important recommendations i.e., the need for an effective mechanism for evaluating the performance of personnel posted in Indian Missions/Posts and is in the process of setting up a Foreign Service Inspectorate (FSI) for carrying out performance audit of Indian Missions abroad. The Committee would like to be apprised of the time schedule drawn for constitution of such a body. Till such time FSI becomes a reality, the Ministry should formulate a detailed plan for periodic inspection of Missions/Posts. All our Missions/Posts abroad should be grouped in such a way that all of them are invariably inspected at</p>

			regular intervals with a view to identifying weaknesses and recommending corrective measures to improve the efficiency of the Missions and also to evaluate the performance of personnel posted therein. In order to prevent similar lapses/shortcomings elsewhere, the Committee desire that any deficiencies as and when noticed at any Mission should be brought to the notice of all our Missions/Posts abroad along with remedial measures required to be taken.
7.	24	External Affairs	Keeping in view the fact that District Passport Centre Scheme has been well received by the States and is already operational in 22 States, the Committee had recommended the Ministry to persuade the remaining States to implement this Scheme so that the applicants in these States could also be benefited by the process of decentralisation of passport services. In response, the Ministry have informed that while Government of Karnataka have introduced this scheme in all districts, the Government of Kerala have introduced it in four districts. The Government of West Bengal are being persuaded to start this scheme in their State at the earliest. Surprisingly, there is no mention of action taken by the Ministry with regard to the remaining three States viz. Bihar, Rajasthan and Uttaranchal. The Committee desire the Ministry to take immediate steps to ensure that the aforesaid scheme is implemented by all the remaining States in all the districts at the earliest so that the applicants in these States could also be benefited by decentralisation of passport services and also to avoid inordinate delay in issuance of passports.
8.	27	External Affairs	The Committee, in their earlier Reports, had strongly recommended for opening up more Cultural Centres abroad, particularly at places from where such proposals had been received. The Council in turn had informed the Committee that the budgetary allocation for this was not sufficient and within the

			<p>meagre allocation earmarked for the purpose, the Council had been trying to prioritise opening up new Cultural Centres. However, the Committee once again emphasise that the rich and diverse cultural heritage of India continues to be our biggest asset and that the Cultural Centres play a very important role in projecting our country abroad. Keeping this important aspect in view the Government should ensure that budgetary allocations should not act as constraints in the way of setting up new Cultural Centres abroad. They, therefore, desire that sufficient funds be allocated for the purpose in the next financial year so that all pendency in this respect since 1993 is liquidated.</p>
9.	30	External Affairs	<p>The setting up of a Cultural Centre in Washington is one conspicuous case where in spite of repeated recommendations by the Committee, the Ministry have not been able to take up any tangible action and the idea of having a Cultural Centre in Washington has not materialised as yet. The project has been hanging fire for the last several years like several other proposed Cultural Centres elsewhere. Considering the tremendous importance of cultural diplomacy, the Committee had recommended expeditious setting up of a Cultural Centre in Washington. But it is unfortunate that the Ministry responsible for formulating the foreign policy of our country have not been able to appreciate and comprehend the urgency in the matter. In the age of Information Technology and fast communications, decision making is expected to be fast. On several past occasions the Mission had identified properties and informed Ministry of External Affairs but delay in response resulted in the loss of the property. The Committee, therefore, expect a concrete action in this direction from the Ministry than the mere issue of fresh instructions to our Mission in Washington and desire that a</p>

			property to house the Indian Cultural Centre, Washington should be identified and acquired without any delay.
10.	33	External Affairs	The Committee note that the feasibility study for the three hydro-electric projects in Bhutan namely, Punatsangchhu II, Deglia in Zemgang, Kholongchu in T/Y angse is to be taken up during Bhutan's Ninth Five Year Plan period. The Committee feel that at a time when our energy requirements are burgeoning with each passing day, the untapped potential of energy from these three projects ought to be pursued with the alacrity it requires. The Committee, therefore desire that Government of India assistance package to Bhutan's Ninth Plan in regard to these three Hydel Projects should be accorded top most priority and work on these projects be taken up on a war footing to ensure early execution of these projects.
11.	36.	External Affairs	The Committee are not convinced of the reasons adduced by the Ministry for the extraordinary delay in the completion of the Doha Chancery since after the initial delay by the Qatari side the plot was handed over to the Ministry way back in 1994. Almost a decade has elapsed since then and what the Ministry has achieved in these ten years is virtually no progress at all. Likewise, in the case of Videsh Bhavan the Committee would like to be informed as to when the court ruling regarding the declaration of the result of the open competition came and what the Ministry have done after that till date. The Committee also express their unhappiness over the silence of the Ministry in regard to the new diplomatic enclave. They would like to be apprised of the latest status of this project.

