

06

**STANDING COMMITTEE
ON EXTERNAL AFFAIRS
(2014-2015)**

SIXTEENTH LOK SABHA

MINISTRY OF EXTERNAL AFFAIRS

**DEMANDS FOR GRANTS
(2015-2016)**

SIXTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

APRIL, 2015/VAISAKHA, 1937 (Saka)

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STANDING COMMITTEE ON
EXTERNAL AFFAIRS
(2014-2015)

(SIXTEENTH LOK SABHA)

MINISTRY OF EXTERNAL AFFAIRS
DEMANDS FOR GRANTS
(2015-2016)

Presented to Lok Sabha 28th April, 2015

Laid in Rajya Sabha 28th April, 2015



LOK SABHA SECRETARIAT
NEW DELHI

APRIL, 2015/VAISAKHA, 1937 (Saka)

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CONTENTS		PAGE
COMPOSITION OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS (2014-15).....		(i)
INTRODUCTION.....		(ii)
CHAPTER I	Implementation of the Committee's Recommendations.....	1
CHAPTER II	Budgetary Proposals	2
	A. Overall Budgetary Proposals and Budget Allocation.....	2
	a. Allocation during Revised Estimates 2014-15.....	3
	b. Allocation during Budget Estimates 2015-16.....	11
	B. Plan Outlay.....	16
	C. Non Plan Outlay.....	18
	D. Budgetary Allocation, Expenditure and Revenue Earnings...	23
	E. Budgetary provision for International Commitment	27
CHAPTER III	Establishment Strength.....	32
	A. Establishment strength.....	32
	B. Training	36
CHAPTER IV	Sectoral Allocation.....	40
	A. Special Diplomatic Expenditure.....	41
	B. Entertainment Charges.....	43
	C. Embassies and Missions.....	44
	D. Passport and Emigration.....	50
	a. E-Passport Project.....	58
	E. International Cooperation.....	60
	a. Nalanda University.....	61
	b. South Asian University.....	64
CHAPTER V	India's Developmental Engagement.....	67
	A. Aid to Afghanistan.....	76
	B. Aid to Bangladesh.....	78
	C. Aid to Bhutan/Loan Advances to Bhutan.....	80
	D. Aid to Myanmar.....	84
	E. Aid to Nepal	86
	F. Aid to Sri Lanka	88
	G. Aid to African Countries.....	90
	H. Aid to Latin American Countries.....	93
	I. Aid to Eurasian Countries.....	96
	J. Aid to Developing Countries.....	98
CHAPTER VI	Indian Council for Cultural Relations.....	99
CHAPTER VII	Miscellaneous.....	108
	A. Economic Diplomacy.....	108
	B. Policy Planning and Research Division and Grant-in-Aid to Institutions.....	110
	C. Indian Technical and Economic Cooperation (ITEC Programme)	113
	D. Indian Fishermen being apprehended by Neighbouring Countries	119

APPENDICES

I.	Minutes of the fifteenth sitting of the Committee held on 24.03.2015.....	123
II.	Minutes of the seventeenth sitting of the Committee held on 23.04.2015	125

COMPOSITION OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS (2014-2015)

Sl. No.	<u>Name of Members</u>
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1.	Dr. Shashi Tharoor, Chairperson
----	---------------------------------

Lok Sabha

- | | |
|-----|---------------------------------------|
| 2. | Shri Sirajuddin Ajmal |
| 3. | Prof. (Dr.) Sugata Bose |
| 4. | Shri Ranjit Singh Brahmputra |
| 5. | Shri Arka Keshari Deo |
| 6. | Shri Rahul Gandhi |
| 7. | Shri Anantkumar Hegde |
| 8. | Shrimati Rakshatai Khadse |
| 9. | Shri Raghav Lakhanpal |
| 10. | Shri Jose K. Mani |
| 11. | Shri Feroze Varun Gandhi* |
| 12. | Shri A. Anwar Raajhaa |
| 13. | Shri Magantti Venkateswara Rao (Babu) |
| 14. | Md. Salim |
| 15. | Dr. Mamta Sanghamita |
| 16. | Shri P.R. Senthilnathan |
| 17. | Shri Ram Swaroop Sharma |
| 18. | Shrimati Supriya Sule |
| 19. | Shri Sharad Tripathi |
| 20. | Shri Chhedi Paswan [^] |
| 21. | Shri Vishnu Dayal Ram [#] |

Rajya Sabha

- | | |
|-----|--------------------------------|
| 22. | Shri Satyavrat Chaturvedi |
| 23. | Shri H.K. Dua |
| 24. | Shri Chunibhai Kanjibhai Gohel |
| 25. | Shrimati Kanimozhi |
| 26. | Shri Ram Kumar Kashyap |
| 27. | Dr. Karan Singh |
| 28. | Shri D. P. Tripathi |
| 29. | Shri Pavan Kumar Varma |
| 30. | Shri C.M. Ramesh [@] |
| 31. | Vacant ^{##} |

SECRETARIAT

- | | | | |
|----|---------------------|---|----------------------------|
| 1. | Shri. Cyril John | - | Joint Secretary |
| 2. | Dr. Ram Raj Rai | - | Director |
| 3. | Smt. Rita Jailkhani | - | Additional Director |
| 4. | Ms. Kiran Bhargava | - | Senior Executive Assistant |

* Shri Feroze Varun Gandhi, Member of Parliament, Lok Sabha has been nominated w.e.f.11.09.2014 *vice* Dr. K.C. Patel, Member of Parliament, Lok Sabha who has been nominated to the Committee on Information Technology.

[^] Shri Chhedi Paswan, Member of Parliament, Lok Sabha has been nominated w.e.f.25.03.2015.

[#] Shri Vishnu Dayal Ram, Member of Parliament, Lok Sabha has been nominated w.e.f. 25.03.2015.

[@] Shri Y. S. Chowdary ceased to be Member of the Committee consequent upon his appointment as Minister w.e.f. 09.11.2014 and Shri. C.M. Ramesh has been nominated w.e.f. 28.11.2014.

^{##} Shri Murli Deora, Member of Parliament, Rajya Sabha had been nominated *vice* Shri Anand Sharma, Member of Parliament, Rajya Sabha who had been nominated to the Committee on Chemicals and Fertilizers w.e.f. 25.09.2014. Vacancy arose w.e.f. 24.11.2014 due to his sad demise.

INTRODUCTION

I, the Chairperson of the Standing Committee on External Affairs, having been authorized by the Committee to present the Report on their behalf, present this Sixth Report of the Standing Committee on External Affairs (2014-2015) on Demands for Grants of the Ministry of External Affairs for the year 2015-16.

2. The Committee heard the views of the representatives of the Ministry of External Affairs at their fifteenth sitting held on 24th March 2015.

3. The Committee wish to express their gratitude to the officers of the Ministry of External Affairs for placing before them the material and information that the Committee desired and also appearing before the Committee for placing their considered views before them in connection with the examination of Demands for Grants for the year 2015-16.

4. The Report was considered and adopted by the Committee at their seventeenth sitting held on 23rd April, 2015.

5. The Minutes of the sittings of the Committee held on 24th March, 2015 and 23rd April, 2015 are given in Appendix-I and II to the Report.

6. For facility of reference, the observations/recommendations of the Committee have been printed in bold letters in the Report.

NEW DELHI
27th April, 2015
7 Vaisakha, 1937 (Saka)

DR. SHASHI THAROOR
Chairperson,
Standing Committee on External Affairs

CHAPTER-I

IMPLEMENTATION OF THE COMMITTEE'S RECOMMENDATIONS

The 4th Report (16th Lok Sabha) of the Standing Committee on External Affairs on Demands for Grants of Ministry of External Affairs for the year 2014-2015 was presented to Lok Sabha and laid in Rajya Sabha on 22nd December, 2014. The Report contained 30 recommendations/observations.

1.2 The Action Taken replies are yet to be received from the Ministry of External Affairs on the 4th Report (16th Lok Sabha) of the Standing Committee on External Affairs on Demands for Grants of Ministry of External Affairs for the year 2014-2015.

1.3 As, regards the status of implementation of the Committee's recommendations, the Foreign Secretary informed the Committee, during the course of evidence on the Demands for Grants (2015-16) as under:

“...I would also take the opportunity to affirm that we have noted the recommendations made by the Committee in its Report No. 4 of 16th Lok Sabha and are fully committed to implementing them..”

CHAPTER-II

BUDGETARY PROPOSALS

Background

The Ministry of External Affairs is entrusted with the task of formulating, implementing and managing the foreign policy of India. The dynamics of the foreign policy is determined primarily by fundamental security and strategic interests of the country as well as its developmental priorities. Under these parameters, the Ministry has been building and consolidating India's political, economic, trade, commercial, cultural and consular relations with other countries. The Ministry also endeavours to create and sustain an enabling environment that provides a sustained and predictable basis for India's engagement with the international community for trade, access to natural resources, capital, and energy flows and technology. These objectives are shaped into action through bilateral, regional and international consultations both at Headquarters and abroad through 183 Missions/Posts which constantly engage with the host governments as well as regional and multilateral bodies. The Ministry manages regional passport and branch offices in India and is also responsible for the work of the Indian Council of Cultural Relations and the Indian Council of World Affairs.

A. Overall Budgetary Proposals and Budget Allocation

2.2 The Ministry's budget has both Plan and Non-Plan components. The budgetary allocation of MEA under Plan and Non-Plan Heads has been further apportioned under the Revenue and Capital sections as below:

(Rs. in crore)

S/N	SECTION	BE 2014 - 2015		RE 2014 - 2015		BE 2015 - 2016	
		Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
1	Revenue	2091.99	9172.39	1488.40	8530.00	2095.40	9142.63
2	Capital	3008.01	458.00	2411.60	190.00	3240.80	488.00
	Total	5100.00	9630.39	3900.00	8720.00	5336.20	9630.63
	Grand Total	14730.39		12620.00		14966.83	

2.3 For the financial year 2015-2016, the Budget Estimates has been kept at Rs.14966.83 crore which is 1.6 % more than BE 2014-15 and 18.6% more than RE 2014-15. Out of the BE 2015-16 of Rs 14966.83 crore, Rs.9630.63 crore is under Non-Plan and Rs.5336.20 crore under Plan.

2.4 A noteworthy feature of the budgetary allocation of the Ministry of External Affairs had been its growth over the last few years, which reflected both the increasing importance of India in global affairs and of Ministry's functions and activities. During the Budget Estimates (BE) 2014-15, the Ministry of External Affairs had sought an allocation of Rs. 26,111.23 crore including the 'Plan' component of Rs. 20,161.07 crore. However, the actual Budget Allocation made at BE 2014-15 stage was Rs. 14, 730.39 crore with a 'Plan' component of Rs. 5,100 crore and 'Non-Plan' component of Rs. 9, 630.39 crore. It is pertinent to note that during FY 2014-15, the allocation was reduced at Revised Estimates stage by Rs 2110.39 crore, inspite of registering an overall expenditure of over 68% till December 2014, and at Revised Estimate stage follow-up for additional allocation at Secretarial and Ministerial levels. This resulted in the Ministry having to prioritize expenditure within the available budget.

a. Allocation during Revised Estimates 2014-15

2.5 Elaborating upon the exceptional situation faced by the Ministry during RE 2014-15, the Foreign Secretary during the course of evidence submitted as under:

"In the current Financial Year 2014-15, we received an unprecedented reduction of Rs.2110.39 crore at RE stage. This was a reduction of 14.3 per cent. It consisted of Rs.910 crore in Non Plan and Rs.1200 crore in Plan expenditure. This is inspite of the fact that Ministry had actually sought an additional allocation of Rs.2999.30 crore and registered an expenditure of 68 per cent in BE till December 2014. Interventions were made at the level of External Affairs Minister but the situation could not be alleviated. As of 28th February, 2015 only about 10 per cent of the RE funds remain."

2.6 When the Committee desired to know whether in the past there have been instances of such a huge reduction in budgetary allocation of the Ministry of External Affairs at Revised Estimates stage, The Ministry submitted in a written reply as under:

"There has not been such reduction in allocations at RE stage during the recent past. As has been pointed out earlier, this has impacted on the implementation of various commitments...."

2.7 Elucidating the impact of reduced allocation on achieving the foreign policy objectives and stressing upon the need to have predictable and full funding at BE stage, the Foreign Secretary during the course of evidence submitted as under:

".. a drastic reduction in the budget at the RE stage has led to a slow down of several important projects. For instance, the aid head, which was among the many heads that had to be curtailed, has several pending proposals which will now be rolled over to the next Financial Year. It may be mentioned that development projects supported by us are implemented abroad where due to factors like climatic conditions, political uncertainties, security concerns, etc. the available working period is very limited. Non-availability of funds during this critical working period is detrimental to timely completion of projects and leads to cost overruns as procurement of material and labour cannot be done on the promise of imminent release of funds. Delay in the release of payment to vendors and stalling of projects affects our image and leads to questions on our credibility to complete key projects in a timely manner. MEA thus requires predictable and full funding at the BE stage itself which would aid financial planning and better project management."

2.8 During the course of evidence, the Foreign Secretary further informed the Committee that the severe financial difficulty faced by the Ministry has also impacted upon the working of the Indian Council for Cultural Relations (ICCR) and as a result ICCR has had to decide on closing of four cultural centers abroad.

2.9 The Committee noted that the Ministry has continuously been facing financial crunch in execution of its Projects abroad and making payments to different agencies. In this context, the Committee sought justification from the Ministry for the substantial reduction of Rs. 2110.39 crore in allocation at RE stage during FY 2014-15. The Ministry submitted in a written reply as under:

"The surrender of Rs 2110.39 crore was necessitated in order to conform to the RE ceiling indicated by the Ministry of Finance."

2.10 On Committee's query, the Ministry furnished Head-wise details of the reduced allocation made at RE stage during 2014-15 as under:

"The reduction in RE 2014-15 was broadly in the following heads of accounts:

(Rs in crore)

Head of account	Reduction at RE stage
Aid to Bangladesh	152.00
Aid to Nepal	150.00
Aid to Bhutan (Non Plan)	203.41
Aid to Bhutan (Plan)	999.00
Loan to Maldives	158.00
Aid to Myanmar (Non Plan)	130.00
Aid to Myanmar (Plan)	70.00
Aid to Other Developing Countries	66.87
Aid to Afghanistan (Plan)	56.00
Nalanda University (Plan)	75.00
Aid to African Countries	205.00
Capital Outlay on Public Works	90.00
	2355.28

2.11 The Committee further desired to be furnished with Head-wise details of allocation and reasons for which allocations were enhanced/reduced during RE 2014-15 *vis -a-vis* BE 2014-15.

The Ministry in a written reply submitted the information as under:

(Rs. in crore)

Head of Account	BE 2014-15	RE 2014-15	Reduction	Remarks
Punatsangchu I	2496.58	1900.00	596.58	To conform to the RE limits intimated by Ministry of Finance.
Mangdechhu	1031.00	827.00	204.00	
Punatsangchu II	1174.00	975.66	198.34	
Doshi Charikar (Afgh)	126.00	70.00	56.00	
Kaladan Transit Transport Project (Myanmar)	150.00	80.00	70.00	
Nalanda University	100.00	25.00	70.00	Due to non commencement of construction.
Aid to Bangladesh	350.00	198.00	152.00	Due to non disbursement of grant assistance of US\$ 25 million
Aid to Bhutan	1350.00	1146.59	203.41	Had to be reduced to ensure conformity with the RE ceiling
Aid to Nepal	450.00	300.00	150.00	
Aid to Myanmar	180.00	50.00	130.00	
Aid to Other Developing Countries	122.87	56.00	66.87	
SAARC Programme	20.00	8.00	12.00	
Aid to African Countries	350.00	145.00	205.00	
Investment Promotion and	25.25	15.00	10.25	

Publicity Programme				
Aid to Eurasian Countries	40.00	10.00	30.00	
Aid to LAC Countries	30.00	10.00	20.00	
CAPITAL HEADS				
Capital Outlay on Public Works	200.00	110.00	90.00	
Capital Outlay on Housing	100.00	80.00	20.00	
Loan to Govt. of Maldives	158.00	0.00	158.00	

2.12 When the Committee desired to be furnished with the details of the projects/activities curtailed/ affected due to reduced allocation at RE stage as well as Ministry's prioritization of available 'Plan' and 'Non-Plan' budget. The Ministry submitted in a written reply as under:

"The activities and payment schedule for each project were appropriately revised with a view to achieve to the extent possible continued implementation of on-going projects within the allocations worked out under Plan and Non-Plan Budget Heads at RE stage.

Head of Account	BE	RE	Projects/Activities curtailed
Aid to African countries	350.00	145.00	Pan African E-network project – bills of M/s TCIL kept in abeyance
Aid to Bangladesh	350.00	198.00	Last tranche of grant assistance US\$ 25 m postponed
Aid to Myanmar	180.00	50.00	Border Area Development Projects and Cash Grant Assistance could not be implemented
Loan to Maldives	158.00	0.00	Standby Credit Facility of US\$ 25 million to Govt. Of Maldives postponed
Aid to LAC countries	30.00	10.00	Grant for purchase of ocean ferry to Guyana, Upgradation of ICT system at Caricom Secretariat, Setting up of eight IT Centres of Excellence
Aid to Other Developing countries	122.87	56.00	Supply & installation of Hand Pumps for augmentation of rural water supply In Cambodia, Siem Reap Basin Development of Master Plan, Siem Reap Province, Study of Ground Water Resources of Kampong Spue Province, Cambodia, Torana Gate in Kuala

			Lumpur, India-Singapore Festival, SU -30 conversion training, ICCR Scholarships for PIF countries, India-Thai Exchange Programme
Aid to Nepal	450.00	300.00	Some payments have been deferred to the next FY.

While WA Division has not been able to settle most of the bills raised by TCIL for the operation and maintenance of the Pan Africa E Network Project due to paucity of funds, this has not been allowed to have any impact upon various activities undertaken under this Project... "

2.13 The Ministry furnished details about the projects/activities curtailed /affected due to Ministry's prioritization of available Plan and Non-Plan budget including the grant for purchase of Ocean Ferry by Guyana, setting up of eight IT Centres of Excellence and upgradation of ICT system at Caricom Secretariat.

2.14 During the examination of budget documents, the Committee observed that at several instances while furnishing the reasons for reduced allocation during RE 2014-15, the Ministry has stated that projections made in BE 2014-15 had to be reduced of RE stage as per the economy cut instruction of the Ministry of Finance. In this context, the Committee desired to know about the measures that were undertaken by the Ministry to ensure that the work on ongoing projects, particularly, the international projects were not hindered during the financial year 2014-15. The Ministry submitted in a written reply as under:

"...It may be mentioned that the Ministry carefully evaluated activities and payment schedule for each project and appropriately revised them, as required, with a view to achieve to the extent possible continued implementation of on-going projects within the allocations worked out under Plan and Non-Plan Budget Heads at RE stage."

2.15 The Ministry further furnished details of project/activities curtailed/ affected due to Ministry's prioritization of available Plan and Non- Plan budget, list of projects deferred to next financial year after approval and sanction order issued as well as the projects that have been included in the list of projects for 2015-16.

2.16 Regarding Actual Expenditure made during each quarter of financial year 2014-15, the Ministry had furnished that expenditure upto December, 2014 was Rs. 10063.62 crore while expenditure upto February, 2015 was Rs. 11366.98 crore. In this context, the Committee desired to know about delay in payments to be made to various project implementing agencies/contractors. The Ministry submitted in a post-evidence reply as under:

(i) "Settlement of some major payments/ bills raised by Implementing Agencies/ Contractors was delayed due to lower allocation of funds. Details are as under:

- a. Establishment of Afghanistan National Agricultural Sciences and Technology University (ANASTU) in Afghanistan: Claim of Rs. 25.3 lakh could be settled in February 2015 after RE allocation.
- b. Administering 614 agricultural scholarships for Afghan students through ICAR/ DARE in Myanmar: Claim of Rs. 3.34 crore could be settled in February 2015 after RE allocations.
- c. Payment of about Rs 45 crore to TCIL for the Pan Africa e Network Project.
- d. A sum of Rs 9 crore could not be placed at the disposal of Ministry of Commerce for the Cotton Technical Assistance Programme.
- e. For projects in Nepal, the deferred payments include Rs.7.39 cr to M/s NHPC Ltd. and Rs. 21.23 cr to M/s EdCIL Ltd. for disbursement of scholarships. New proposals for Small Development Projects for approx. Rs.11.5 cr were also deferred.
- a. For Bhutan the deferred payments include i) Approx. Rs.70 cr for GoI's Project-Tied Assistance; ii) Rs.454.08 cr for the 1200 MW Punatsangchhu-1 Hydroelectric Project; iii) Rs.42.5 cr for the last quarter of the Programme Grant; iv) Rs.175.63 cr towards Excise Duty Refund for 2013; and v) Internal payments to M/s PTC India Ltd. and M/s IOC Ltd."

2.17 The Committee desired to know whether the Ministry was contemplating to forward the Bills by various agencies to the next financial year i.e. FY 2015-16. The Ministry submitted in a post-evidence reply as under:

"Some bills/claims of the Implementing Agencies/Contractors could not be settled in FY 2014-15 due to shortage of funds finally allocated under respective budget sub-heads and had to be carried forward to the current Financial Year. Details are as below:

- a. Supply of 1.5 lakh MT of wheat to Afghanistan: Claim of Rs. 107.4 crore by Food Corporation of India Limited against supply of wheat to Afghanistan could not be settled due to shortage of funds under 'Aid to Afghanistan' budget sub-head.
- b. Supply of medical equipment to Indira Gandhi Institute of Child Health, Kabul in Afghanistan: Bills of Rs. 3.93 crore could not be settled in FY 2014-15 due to shortage of funds under 'Aid to Afghanistan' budget sub-head.
- c. Construction of Salma Dam in Afghanistan: Pending bills of Rs. 136.5 crore approx. could not be paid in FY 2014-15 due to shortage of funds under 'Aid to Afghanistan' budget sub-head.
- d. Construction of Parliament Building in Afghanistan: Pending bill of Rs. 21.4 crore could not be paid in FY 2014-15 due to shortage of funds under 'Aid to Afghanistan' budget sub-head.
- e. Payment of about Rs.45 crore to TCIL for the Pan Africa e Network Project
- f. A sum of Rs 9 crore could not be placed at the disposal of Ministry of Commerce for the Cotton Technical Assistance Programme.
- g. For projects in Nepal the following deferred payments will be considered in 2015-16 subject to availability of funds: i) Rs.7.39 cr to M/s NHPC Ltd; ii) Rs. 21.23 cr to M/s EdCIL Ltd. for disbursement of scholarships; and iii) Approx Rs.11.5 cr towards new proposals for Small Development Projects.
- h. For projects in Bhutan the following deferred payments will be considered in 2015-16 subject to availability of funds: i) Approx. Rs.70 cr for GoI's Project-Tied Assistance; ii) Rs.454.08 cr in respect of 1200 MW Punatsangchhu-1 Hydroelectric Project; iii) Rs.42.5 cr for the last quarter of the Programme Grant; iv) Rs.175.63 cr towards Excise Duty Refund for 2013; and Internal payments to M/s PTC India Ltd. and M/s IOC Ltd."

2.18 The Committee sought clarification regarding the long pending last tranche of US\$ 25 million cash grant to Bangladesh, cash grant of Rs. 50 crore to Myanmar, as well as grant to Palestine and desired to know the reason for not releasing them during the first half of the Financial Year. The Ministry submitted in a post-evidence reply as under:

"Bangladesh- The cash grant was not released in the first quarter of FY 2014-15 due to Vote on Account limitations. Thereafter, the third tranche of US\$25 million was released. The planned release of the fourth tranche during the last quarter of the year could not materialize due to budgetary cut in non-plan expenditure of MEA.

Myanmar- SFC approval for Cash Grant of Rs. 50 crore to the Government of Myanmar for the specific purpose of undertaking up-gradation work on the critical segments of the Shwebo-Putta-O Road was obtained on September 23, 2014. Subsequently, this decision was conveyed to the Government of Myanmar.

Myanmar's concurrence was conveyed to us only in March 2015, by which time allocation to 'Aid to Myanmar' budget head was reduced on account of reduction of RE budget of MEA.

Palestine- Prime Minister of India had announced a grant of US\$ 10 million during the visit of Palestinian President in September 2012. First tranche of US\$ 1 million was released in 2013. Second tranche of USD 4 million was released in December 2014. The payments have been delayed due to budgetary constraints. Ministry is proposing to release the remaining sum of US\$ 5 million by June/July 2015."

2.19 In the context of delays in grant of Lines of Credit, the Committee desired to know about the Lines of Credit committed during the last ten years and are still pending. The Ministry submitted in a post-evidence reply as under:

"A Line of Credit of US\$ 50 mn offered to Afghanistan in July 2006 is yet to be formalized. A confirmation on Sovereign Guarantee required for operationalization of the Credit Line is awaited. The most recent announcements in March 2015 of US\$ 500 mn credit line to Mauritius and US\$ 318 mn credit line to Sri Lanka have already been taken up with the concerned governments for early formalization."

2.20 The Committee sought clarification from the Ministry whether due to reduced allocation at RE stage during the financial year 2014-15, there have been instances of re-appropriation of resources from one Head to other. The Ministry submitted in a written reply as under:

"The re-appropriation of funds is not due to reduced allocation at RE stage. Re-appropriation is done for augmenting funds of certain heads by utilizing savings from other heads."

2.21 The Ministry furnished the details of Cash Supplementary as well as Token Supplementary demanded and granted during the year 2014-15, both in the First and Second Batch of Supplementary Demands for Grants for the year 2014-15 and elaborated upon the salient details. On Committee's query regarding seeking cash supplementary of Rs. 400 crore for Technical and Economic Cooperation and the details of allocation under cash supplementary, along with total allocation to various countries during the Financial Year 2014-15 at various stages, The Ministry submitted in a written reply as under:

"Rs 400 crore was sought for ongoing projects in Afghanistan such as construction of Salma Dam, Construction of Parliament Building, Supply of Wheat etc. No Cash supplementary was given during FY 2014-15."

2.22 The Committee observe that during Budget Estimates 2014-15, the Ministry of External Affairs had sought an allocation of Rs. 26,111.23 crore; however, the actual allocation at the Budget Estimate(BE) stage was Rs. 14,730.39 crore. The Committee, therefore, had recommended to the Ministry to vigorously pursue substantially enhanced allocations at Revised Estimates (RE) stage. The Committee, however, are dismayed to note that instead of increasing the allocation, in an unprecedented move, the budgetary allocation of the Ministry of External Affairs was reduced by Rs. 2,110.39 crore at RE stage. This reduction was inspite of the fact that the Ministry had registered an expenditure of 68% in BE till December, 2014 and had actually sought an additional allocation of Rs. 2999.30 crore at RE stage. The Committee are concerned to note that inspite of the intervention made at the level of External Affairs Minister, the situation was not improved. The Committee are unhappy to note that even at the supplementary stage, no cash supplementary was provided initially to the Ministry.

The Committee are particularly dismayed to note that there was substantial reduction in allocation at the RE stage when there were several visits by Head of Government/Minister of External Affairs and requirement of more resources by the concerned Missions/Posts and resources to execute the commitments for aid/ assistance made with various countries as well as several high level visits to India by foreign dignitaries and commitments made therein. The Committee are distressed to take note of the lukewarm attitude of the Government of India and in particular the Ministry of Finance towards the conduct of India's foreign policy and hope that this approach will change during the current Financial Year.

(Recommendation No. 1)

b. Allocation during Budget Estimates 2015-16

2.23 Elaborating upon the budgetary proposals for the financial year 2015-16, the Foreign Secretary during the course of evidence submitted as under:

"We had sought an allocation of Rs. 20,034.62 crore in our Budget Estimates for 2015-16 comprising a Plan component of Rs. 5,583.69 crore and non-Plan

component of Rs. 14,450.93 crore. Against this, the overall budget proposed to Parliament is Rs. 14,966.83 crore, with a plan component of Rs. 5,336.20 crore and Non- Plan component of RS. 9630.63 crore. ...the allocation sought was in excess of Rs. 20,000 crore, the budget proposed is below Rs. 15,000 crore. "

2.24 Stressing upon the resource challenge being faced by the Ministry of External Affairs, the Foreign Secretary during the course of evidence submitted as under:

"..Our allocations are just 1.6 per cent more than the overall BE of 2014-15, which..had been substantially cut at the Revised Estimates stage. Equally significantly, it is 25.3 per cent less than our request. Further, there is an augmentation of only Rs. 24 lakh in the Non-Plan Budget at BE stage between 2014-15 and 2015-16."

2.25 The Committee enquired about the reasons for increase of mere 1.6% in budgetary allocations for BE 2015-16 over the BE 2014-15 and desired to know whether the Ministry is satisfied with the increase in budgetary allocation as well as whether in Ministry's opinion it would be able to execute and deliver effectively. The Ministry submitted in a written reply as under:

"The Ministry had submitted a demand for Rs 20034.62 crore (Rs 5583.69 crore under Plan and Rs 14450.93 crore under Non Plan). Against this, the allocation by the Ministry of Finance is Rs 5336.20 crore on Plan side and Rs 9630.63 crore on Non Plan side. The overall increase in allocation under BE 2015-16 owes entirely to an increase in Plan allocations. The allocation under Non Plan has largely remained same (Rs 9630.63 crore in BE 2015-16 as against Rs 9630.39 crore in BE 2014-15). The Ministry's Plan demand has been met to the extent of 96%, however, Non-Plan demand has been met only to the extent of 67%. While the allocations have been less than budgetary requirements, which were projected keeping in view our foreign policy priorities and objectives, Ministry would strive to meet its objectives and deliver effectively within presently available resources. Simultaneously, the Ministry would continue its endeavor to seek augmentation of its allocation from the Ministry of Finance."

2.26 On the impact of the budgetary allocation during FY 2015-16, the Foreign Secretary informed the Committee as under:

"we are cognizant to the tight fiscal situation, the reduced allocation in our budget demand for FY 15-16 will affect the fulfillment of some of our major international commitments. The Ministry would continue to keep up its efforts for the fulfillment of its objectives and priorities. We would strive to address this budgetary constraint in consultation with the Ministry of Finance..."

2.27 On Committee's query about the Ministry's expenditure prioritization for utilization of budgetary allocation during the financial year 2015-16, the Ministry submitted in a post-evidence reply as under:

"Broadly, the essential establishment expenses, including Salaries, had to be provided for. The commitments/expenditure on ongoing projects for countries in the immediate neighbourhood were also provided for within the overall BE 2015-16 ceiling. There were requests for allocation of additional funds under some Aid heads. However, they could not be met from balance available funds."

2.28 The Committee noted that the Ministry submitted in a written reply that while the allocations have been less, these budgetary requirements which are projected keeping in view our foreign policy priorities and objectives; Ministry would strive to meet its objectives and deliver effectively within presently available resources. In this context, the Committee desired to know how the Ministry will meet these objectives and deliver effectively and sought information about Ministry's blueprint in this regard. The Ministry submitted in a post-evidence reply as under:

"The Ministry has allocated funds under "Technical and Economic Cooperation" head, which deals with various Aid heads, for the various projects/activities thereunder, within the overall BE 2015-16 ceiling. Only bare necessary allocations have been made under Establishment heads. Amongst the Aid heads, allocations have been made taking into account the ongoing projects and commitments made. Though the Non Plan portion is bereft of funds, Ministry has made a conscious effort to allocate the available funds taking into account foreign policy priorities and objectives. Ministry will also continue its efforts to obtain additional funds at Supplementary Demands/Revised Estimates stage."

2.29 On Committee's query regarding Head-wise details of allocations and reasons for which allocations were enhanced/reduced during BE 2015-16 vis BE 2014-15, The Ministry submitted in a written reply as under:

Head of Account	BE 2014-15	BE 2015-16	Reduction/ Augmentation	Remarks
Embassies and Missions	1832.31	2265.01	432.70	For essential establishment expenditure, including for payment of Salaries.

Passport and Emigration	542.83	591.72	48.89	For essential establishment expenditure, including for payment of Salaries
Special Diplomatic Expenditure	1596.01	1650.01	54.00	Discretionary expenditure
International Cooperation	417.59	386.03	-31.56	Lesser requirement towards contributions for South Asian University
Punatsangchu I	2496.58	1623.34	-873.24	Due to geological surprise in Punatsangchu I HEP, the pace of expenditure is expected to come down. Construction in the other two HEPs are in full swing, and more allocation has been made for them.
Mangdechu	1031.00	1330.00	299.00	
Punatsangchu II	1174.00	1898.00	724.00	
ICCR	176.00	192.00	16.00	To alleviate the cash crunch issue faced by ICCR for its regular activities.
Aid to Bangladesh	350.00	250.00	-100.00	Allocations within the overall BE ceiling with a view to keep the projects/ activities going.
Aid to Bhutan	1350.00	1200.00	-150.00	
Aid to Nepal	450.00	420.00	-30.00	
Aid to Myanmar	180.00	120.00	-60.00	
Aid to Other Developing Countries	122.87	83.44	-39.43	
Aid to African Countries	350.00	200.00	-150.00	In anticipation of fruition of more number of construction/ renovation/ purchase related proposals.
Capital Outlay on Public Works	200.00	220.00	20.00	

2.30 Lack of allocation of desired funds by Ministry of Finance/Planning Commission has been a practice in the past as well. The delays in honouring international commitments made at highest level during various international meetings have implications in terms of India's international standing and prestige. In this context, the Committee desired to know about Ministry's strategy to deal with the issue in future along with the steps undertaken by the Ministry to resolve the issue. The Ministry submitted in a post-evidence reply as under:

"Ministry will continue its efforts to obtain additional funds at Supplementary Demands for Grants/Revised Estimates stage."

2.31 In context of reduced allocation over the years, the Committee desired to be furnished with the details of the follow up action for additional allocation at Secretariat and Ministerial level for additional allocation. The Ministry in a post-evidence reply submitted as under:

"Even before the communication of the Revised Estimates 2014-15 ceilings by the Ministry of Finance, conveying RE ceiling of Rs 12500 crore, (i.e., a deduction of Rs 2230.39 crore from BE) initially, the Ministry took up the matter with the Ministry of Finance by issue of a letter by Foreign Secretary for augmentation of funds. This was followed by a letter from the Hon'ble EAM. However, a later communication from Ministry of Finance conveyed revised RE ceiling of Rs 12620 crore (i.e., a deduction of Rs 2110.39 crore). The additional Rs 120 crore was to be used only for Special Diplomatic Expenditure."

2.32 The Committee sought clarification as to whether the specific issue of impact of reduced allocation to the Ministry on the execution of international projects/commitments for aid/loan to other countries has been taken up with the Ministry of Finance. The Ministry submitted in a written reply as under:

"Keeping in view the need to meet our international aid commitments, the Ministry has been repeatedly taking up with the Ministry of Finance the issue of under-allocation of resources and the need for predictability in budgetary support, both over the short and medium term."

2.33 The Ministry further submitted in a written reply as under:

"Issue of additional allocation was taken up at the level of External Affairs Minister and Foreign Secretary. However, the ceilings communicated by the Ministry of Finance were not changed."

2.34 The Committee sought clarification from the Ministry whether the element of inflation has been factored in during the allocation for RE 2014-15 as well as BE 2015-16. The Ministry submitted in a written reply as under:

"The projections made by the Spending Units have factored in the element of inflation. However, in view of the ceiling intimated under Non Plan by Ministry of Finance, it may not be possible to provide for it entirely."

2.35 The Committee observed that in their fourth Report on Demands for Grants for the year 2014-15, the Committee had conveyed their displeasure over the practise of shifting of funds mid-year based upon exigency. The Committee desired to know whether the same practice was continued during Financial Year 2014-15. The Ministry submitted in a post-evidence reply as under:

"The need for shifting of funds in FY 2014-15 arose consequent upon the communication of reduced allocations at RE stage by the Ministry of Finance. The Ministry had to meet its priorities and some essential Establishment expenditure by way of reallocation of funds within the Revised Estimates ceilings. This necessitated shifting of funds by way of re-appropriation."

2.36 Furnishing the figures for the Actual Expenditure made during each quarter of the year 2014-15 against the Revised Estimates of Rs. 12620.00 crore and expenditure figures upto February 28, 2015, The Ministry submitted in a written reply as under:

(Rs. in crore)

	Exp upto June 2014	Exp upto Sep 2014	Exp upto Dec 2014	Exp upto Feb 2015
Actual Expdr	3496.23	6076.24	10063.62	11366.98

2.37 The Committee desired to know whether any shortfall/excess in utilization of the revised allocation has also been made/anticipated during 2014-15. The Ministry in a written reply submitted that the Ministry expects to utilize the entire RE allocation in full.

B. Plan Outlay

2.38 Elaborating upon the components of Plan Budget, the Foreign Secretary during the course of evidence informed the Committee as under:

"A large part of the Plan budget goes to support the construction of hydroelectric projects in Bhutan. For BE 2015-16, it has been proposed at Rs.5,336.20 crore. These projects serve the dual purpose of furthering Bhutan's economic

development as well as catering to our energy requirements. Two substations at Doshi Charikar in Afghanistan, which are a part of the construction of the 220 KV transmission line from Pul-e-Khumri to Kabul, the Kaladan Multi-Modal Transit and Transport Project in Myanmar and the establishment of Nalanda University in Bihar are the other projects under Plan allocations. "

2.39 The Committee observed that under the 'Plan' Head, BE 2014-15 was pegged at Rs. 5100.00 crore which was reduced to Rs. 3900.00 crore at RE stage. However, there is an increase in budgetary allocations for BE 2015-16 to the tune of Rs. 5336.20 crore. In this context, the Committee desired to be furnished with the figures Head-wise for allocations sought during BE 2014-15 and RE 2014-15 under the Plan Head and sought clarification regarding implications of reduced allocations during RE 2014-15 on projects/activities to be carried out under 'Plan' Head. The Committee desired to know the reasons and Head-wise details for enhanced allocation and justification for the reduction and thereafter an enhancement in Budget under 'Plan' Head. The Ministry submitted in a written reply as under:

"The Plan allocations for RE 2014-15 and BE 2015-16 were decided by the Ministry of Finance. Project-wise allocations had to be adjusted in such manner that the project would not come to a halt, and at the same time, it conformed to the ceiling intimated by MoF. The allocations under RE 2014-15 and BE 2015-16 are as below:

(Rs in crore)

Project	BE 2014-15 demand	BE 2014-15	RE 2014-15 demand	RE 2014-15	BE 2015-16
Punatsangchu I HEP	2890.00	2496.58	2154.00	1900.00	1623.34
Mangdechu HEP	1100.00	1031.00	1031.00	827.00	1330.00
Punatsangchu II HEP	1210.00	1174.00	1324.00	975.66	1898.00
Kholongchu HEP	1.00	22.38	22.38	22.34	57.86
Chamkharchu HEP	1.00	.01	0	0	1.00
Bunakha HEP	1.00	.01	0	0	25.00
Wangchu HEP	1.00	.01	0	0	25.00
Sankosh HEP	1.00	.01	0	0	0
Kaladan Multimodal Transit Transport Project	225.00	150.00	305.00	80.00	150.00
Doshi Charikar Electric Sub stations	153.16	126.00	126.00	70.00	126.00
Nalanda University	367.00	100.00	68.55	25.00	100.00
TOTAL	5950.16	5100.00	5030.93	3900.00	5336.20

The allocations within Aid to Bhutan under BE 2015-16 have been made after deliberations with the spending units."

2.40 The Committee noted that in the 'Plan' Head, in the 'Revenue' Section, the BE 2014-15 was Rs. 2091.99 which was reduced by more than one fourth of original allocation to the tune of Rs. 1488.40 crore during RE 2014-15 and was pegged at Rs. 2095.40 crore in BE 2015-16. Under the 'Capital Section' allocation during BE 2014-15 was pegged at Rs. 3008.01 crore which was reduced to Rs. 2411.60 crore at RE stage. However, it is increased to Rs. 3240.80 crore during BE 2015-16. While furnishing the reasons for reduced allocations at RE stage as well as enhanced allocations during BE 2015-16 under these Head, the Ministry submitted in a written reply as under:

"Inter se allocations between capital and revenue have been made in such a manner that the agreed Revenue-Capital ratio of 40:60 (in case of Punatsangchu I) and 30:70 (in case of Mangdechu and Punatsangchu II) are maintained."

2.41 The Committee noted that as per the Statement regarding 'Proposal sent by Ministry of External Affairs and amount actually sanctioned by Planning Commission, it seems that the actual BE 2015-16 is more than the proposed BE 2015-16. While furnishing the reason, the Ministry submitted in a written reply as under:

"During 2014-15, the demand made with Planning Commission during formulation of interim budget was followed up with another request from the Ministry for Punatsangchu I and Doshi Charikar projects. The total demand was therefore Rs 5950.16 crore. It is submitted that the allocation during 2014-15 in other projects was less than the overall demand.

The Plan allocation in BE 2015-16 was intimated by Ministry of Finance under the heads Aid to Bhutan, Aid to Myanmar, Aid to Afghanistan and Nalanda University. The allocation under BE 2015-16 was made by the Ministry of Finance, perhaps taking into account the fact that the Ministry faced a reduction at RE stage in all these Plan projects."

C. Non-Plan Outlay

2.42 Elaborating upon the Non-Plan component of the Ministry's budget, the Foreign Secretary during the course of evidence submitted as under:

"Around 40.2 per cent of the Non-Plan outlay of the Ministry in BE 2015-16 has been allocated towards supporting our development partnership projects. However, as mentioned earlier, the usual year-on-year augmentation required in Non-Plan to sustain these activities has not materialized this year. We would try to address this situation through careful prioritization of projects and expenditure within available budgetary resources while simultaneously seeking additional funds from the Ministry of Finance by way of Supplementary Demands for Grants and an enhanced Revised Estimates ceiling."

2.43 The Committee observed that in the 'Non Plan' Head the allocation during BE 2014-15 was Rs. 9630.39 crore, which was reduced to Rs. 8720.00 crore at RE stage. It has been kept at almost same at Rs. 9630.63 crore during BE 2015-16. In this context, the Committee desired to be furnished with the reasons for reduced allocation during RE 2014-15 and desired to know the impact of reduced allocation on the functioning of the Ministry. The Committee further desired to know the reasons for keeping the BE 2015-16 at almost at the same level as BE 2014-15. The Ministry submitted in a written reply as under:

"The Ministry had submitted a demand for Rs 20034.62 crore (Rs 5583.69 crore on the Plan side and Rs 14450.93 crore on the Non Plan side). Against this, the allocation by the Ministry of Finance is Rs. 5336.20 crore on Plan side and Rs. 9630.63 crore on Non Plan side. Ministry has necessarily to conform to these ceilings while deciding the allocations across various heads of account.

The impact of reduced allocations would be that some of the payments, which could have otherwise been made in the financial year, would have to be postponed to the next financial year. In some cases, there could be a delay in the execution of projects in the absence of constant flow of funds."

2.44 In the 'Non Plan' Head under the 'Revenue Section', the BE 2014-15 was Rs. 9172.39 crore which was reduced Rs. 8530.00 during RE 2014-15. In this context, the Committee sought Ministry's justification for the allocations during RE 2014-15. The Ministry submitted in a written reply as under:

"Allocations under RE 2014-15 had to be made so as to match the overall RE ceiling intimated by Ministry of Finance. As a result, most heads of account under 'Technical and Economic Cooperation' had to be reduced at RE stage. Some of the commitments such as release of US\$ 25 million grant assistance to Govt. of Bangladesh, grant assistance to Govt. of Palestine etc. had to be kept on hold."

2.45 In the 'Non-Plan' Head under the 'Revenue Section', the BE 2014-15 was Rs. 9172.39 crore, which has been reduced to Rs. 9142.63 crore during BE 2015-16. In this context, the Committee desired to know the Head-wise reasons for reduced allocations during BE 2015-16 under this Head. The Ministry submitted in a written reply as under:

"It is submitted that BE 2015-16 is comparable with that of 2014-15. An additional Rs 30 crore has been allocated under Capital Outlay on Public Works and Housing in anticipation of fruition of more construction/renovation projects as well as purchase of properties abroad.

Within the Revenue Non Plan heads, the variance in allocations is briefly explained below:

(Rs. in crore)

Head of account	BE 2014-15	BE 2015-16	Remarks
Embassies and Missions	1832.31	2265.01	Adequate funds have now been allocated for Salaries and other essential Establishment expenditure.
Special Diplomatic Expenditure	1596.01	1650.01	Discretionary expenditure
Passport and Emigration	542.83	591.72	Increase in Salaries and essential Establishment expenditure provisions.
International Cooperation	317.59	277.89	Lesser provision for operational contributions to South Asian University.
Technical and Economic Cooperation	4276.82	3712.82	Rationalisation of allocations on need basis, after prioritization of expenditure within the overall allocations.

2.46 In the 'Non-Plan' Head under the Capital Section, the budgetary allocation for BE 2014-15 was Rs.488.00 crore which was reduced to Rs. 190.00 crore at RE 2014-15 stage, while it has been increased to Rs. 486.00 crore during BE 2014-15. On Committee's query, the Ministry specified the Heads covered under this Section, alongwith Head-wise details of allocation as under:

"...Allocation in RE 2014-15 had to be reduced in order to conform to the RE ceilings prescribed by Ministry of Finance.

As depicted in the Detailed Demands for Grants allocations under Capital head (Non Plan) in BE 2015-16 are for Construction/renovation/purchase of

chanceries/ residences abroad and for Passport Offices in India and for Standby Credit Facility for Govt. of Maldives. Allocations are Rs 220 crore, Rs 110 crore and Rs 158 crore respectively."

2.47 While furnishing the reason for substantial reduction under this Head during RE 2014-15. The Ministry in a written reply submitted that allocation in RE 2014-15 had to be reprioritized in order to conform to the RE ceilings prescribed by Ministry of Finance. While elaborating upon the impact of the reduced allocation on the activities proposed to be carried out under this Head, the Ministry submitted in a written reply as under:

"while assessing the impact of reduced allocation under the Capital Outlay head, it should be noted that the Ministry has to reprioritise some of our acquisition/construction/renovation projects at Kabul, Jeddah, Kyiv, Colombo, Paris, Port of Spain, Port Louis and Wellington in view of reduced budgetary allocations. Progress and expenditure on some on-going projects at Dhaka, Islamabad and Kathmandu was also slower than anticipated due to emerging local challenges."

2.48 Furnishing the reasons for enhanced allocation during BE 2015-16 under 'Non-Plan' Capital Section and the activities likely to be carried out, the Ministry submitted in a written reply as under:

"Primary reason for increase in allocation for 2015-16 is that some of the projects planned to be undertaken in 2014-15 could not be undertaken due to circumstances beyond the control of the Ministry. These projects are to be executed during the financial year 2015-16. Fifteen construction Projects are expected to be launched in the financial year 2015-16. Acquisitions at Kabul, Guangzhou and in Russia at Saint Petersburg, Vladivostok and Moscow are to fructify during financial year 2015-2016. Some of the ongoing projects like those in Kathmandu and Dhaka which were envisaged to be completed in the financial Year 2014-15 have spilled over to the next financial Year and are targeted to have closure in 2015-16. Cumulatively, all these acquisition and construction activities targeted, in a planned way, need adequate budgetary resources which have been factored in during the financial year 2015-16 and hence, the projected need of funds under this head."

2.49 The Committee note that the Ministry of External Affairs during the Budget Estimates (BE) 2015-16 had sought an allocation of Rs. 20,034. 62 crore comprising a Plan component of Rs. 5,583.69 crore and a Non-Plan component of Rs. 14,450.93 crore. The

Committee, however, are distressed to note that the proposed budgetary allocation is only Rs. 14,966.83 crore with a Plan component of Rs. 5,336.20 crore and Non-Plan component of Rs. 9,630.63 crore. The Committee are concerned that the budgetary allocation during BE 2015-16 is only 1.6% more than the overall BE 2014-15 allocation and is 25.3% less than the sought budgetary allocation. The Committee are deeply concerned about the budgetary allocation of the Ministry and wonder whether this allocation is reflective of the priority being attached by the Government of India to foreign policy, particularly when India aspires to be a big power in the twenty-first century and is the third largest emerging economy. Considering the global nature of the Ministry's engagement, the task laid before the Ministry and the responsibility to execute India's aid commitments and the nature of the Ministry's expenditure, the Committee strongly recommend that the Government should ensure the predictability and full funding of the Ministry at the BE stage itself. The Committee, however, are of the firm opinion that in view of substantially reduced allocation as compared to the allocation sought by the Ministry at BE stage, the Ministry of Finance should allocate suitably enhanced allocations to the Ministry at the RE 2015-16 stage. The Committee, therefore, recommend that the Ministry of External Affairs pursue the request for enhanced budgetary allocation not only with the Ministry of Finance but also at the highest level at RE 2015-16 stage as well as well as during discussions for BE 2016-17.

(Recommendation No. 2)

2.50 The Committee note that due to the lack of resources available with the Ministry of External Affairs, expenditure under several Heads relating to aid to various countries had been reduced and the payments were curtailed/deferred to the next Financial Year i.e. 2015-16. The Committee are concerned to take note of the lack of additional allocation during BE 2015-16 to the Ministry of External Affairs to accommodate for last year's payment as well as any provision for new announcements/commitments to be made at international fora. The Committee are concerned at the paradox of pursuing an active foreign policy and simultaneously, cutting the allocations of Ministry of External Affairs. The Committee, therefore, recommend that the Government should ensure that the Ministry's allocation is in tune with the Government's policy and under no circumstance the Ministry is forced to adhere to the economy cut at RE stage on lines of other

Ministries/Departments in view of peculiar character of the Ministry's expenditure. The Committee further recommend a substantial enhancement of the budgetary allocation at RE 2015-16 stage in tune with the requirements and commitments for aid/assistance being made internationally. The Committee further recommend that if new international commitments are made during the first three quarters of the financial year then the Ministry must be provided additional grants at the Supplementary Grants stage and the cash supplementary may be provided to the Ministry for fulfilment of those international commitments. The Committee reiterate that the Ministry of Finance must not jeopardize the nation's prestige in this manner.

(Recommendation No. 3)

D. Budgetary Allocation, Expenditure and Revenue Earnings

2.51 The Committee observed that the Total Budgetary Allocation for the Ministry of External Affairs (MEA) during the last 4 years along with Budget Estimates (BE) and Revised Estimates (RE) for the respective years including Actual & shortfall/excess in utilization of RE is as follows:

(Rs. in crore)

Year	BE	RE	Actual Expenditure	Increase/Decrease at RE Stage	Shortfall/Excess in Utilization of RE
2011-12	7106.00	7836.00	7872.76	+730.00	+36.76
2012-13	9661.97	10062.00	10120.70	+400.03	+58.7
2013-14	11719.00	11793.65	11807.35	+74.65	+13.7
2014-15	14730.39	12620.00		-2110.39	
2015-16	14966.83				

2.52 The above table indicates that the initial budgetary allocations during the last 3 years were raised at RE stage, however, during the FY 2014-15, the budgetary allocation was reduced at RE stage. The revised allocation made during 2012-2013 was Rs. 10062.97crore, which was Rs. 400.03 crore more than the allocation made at BE stage. Yet, the actual utilization was excess to the tune of Rs. 58.70 crore. In 2013-14, there was an increase of Rs. 74.65 crore at RE stage pegging RE 2013-14 at Rs. 11793.65 crore. Yet, the actual utilization was excess to the tune of Rs. 13.70 crore. The BE 2014-15 was Rs. 14730.39 crore however the revised allocation during 2014-15 was Rs. 12620.00 crore which was Rs. 2110.39 crore less than allocations made at BE stage. In this context the Committee desired to know the reasons for such trend of excess

expenditure during all these years including need for excess resources and the system of cash management under such situation. The Committee sought explanation as to how additional resources were augmented during the year 2013-14. The Ministry in a written reply submitted the copies of the Excess note of 2011-12 and 2013-14 detailing the reasons for excess expenditure as per Appropriation Accounts of the respective years are submitted as under:

"Broadly, the reasons for excess were additional funds needed for construction/purchase of properties abroad and exchange rate variation while disbursing the Standby Credit Facility to Govt. of Maldives. While excess expenditure should not be incurred and various checks and balances have been built in the system to prevent such situations, whenever, such excesses do occur, regularisation by passage of Excess Grants by the Parliament, as provided in the Article 115 of the Constitution of India is sought.

During 2013-14, the excess expenditure as per Appropriation Accounts is Rs 2.95 crore only (incurred in Capital Section of the Ministry's Grant). This was in excess of the allocations, and the process for regularization by Parliamentary approval is underway."

2.53 In view of the budgetary trend of lesser allocations as compared to the allocation sought by the Ministry of External Affairs from Ministry of Finance as well as Planning Commission at BE and RE stages over the years, the Committee sought details of demands for budgetary allocation at BE and RE stages as well as actual allocation during the last three years. The Ministry furnished the following figures in a written reply as under:

"Demand made with Ministry of Finance (Non Plan):

Year	BE demand	BE allocation	RE demand	RE allocation
2012-13	10943.20	8161.97	14654.29	10062.00
2013-14	14204.27	8719.00	16585.18	11793.65
2014-15	15029.33	9630.39	17729.05	12620.00

Demand made with Planning Commission:

Year	BE demand	BE allocation
2012-13	3483.61	1500.00
2013-14	5026.37	3000.00
2014-15	5950.16	5100.00

RE allocation under Plan is done by Ministry of Finance."

2.54 On Committee's query, the Ministry also furnished the Head-wise details of allocation sought initially at BE and RE stage at both the stages alongwith figures for actual allocation

during the last three years. The Committee desired to know whether the issue of reduced budgetary allocation as compared to the proposed allocations over the years has been taken up with the Ministry of Finance as well as at the highest level. The Ministry stated in a written reply as under:

"The matter of reduced allocations has been repeatedly taken up with the Ministry of Finance at the levels of the External Affairs Minister and the Foreign Secretary during FY 2014-15. However, the allocations to the Ministry have remained unchanged."

2.55 While furnishing figures regarding quarterly allocation and utilization during the last three financial years and highlighting the steps taken/being taken by the Ministry for balanced expenditure during each quarter of the financial year during this period year wise, the Ministry submitted in a written reply as under:

"The quarter-wise data is as below:

FY	Expenditure* upto 30 th June	Expenditure* upto 30 th Sep	Expenditure* upto 31 st Dec	Expenditure** upto 31 st Mar
2011-12	2028.25 (28.54%)	3647.22 (51.33%)	5264.62 (74.09%)	7872.76 (100.47%)
2012-13	2668.57 (27.62%)	4883.90 (50.55%)	6565.57 (67.95%)	10120.89 (100.58%)
2013-14	3496.23 (29.83%)	6076.24 (51.85%)	8009.17 (68.34%)	11087.34 (100.11%)

* Percentage of BE

** Percentage of RE

Expenditure incurred is closely monitored by the Financial Advisor and meetings are held with major Spending Units every quarter and more frequently in the last quarter of the Financial Year. The release of funds particularly in relation to projects/schemes are carefully monitored. Release of funds to be made through Missions/Posts abroad are also monitored."

2.56 The Committee desired to know about the measures of economy that have been followed in budget utilization over these years and whether there is any mechanism to ensure optimal utilization of budgetary resources during each quarter of the year. The Ministry submitted in a written reply as under:

"The instructions contained in the circulars of Ministry of Finance imposing economy cuts and rationalization of expenditure are scrupulously followed by the Ministry. Accordingly, the number of personnel sent on foreign visits is limited to

bare essential. The conduct of seminars, etc., in five star hotels is discouraged. Purchase of cars, except against condemned ones, is banned. Creation of posts is only done with approval of Ministry of Finance.

In order to ensure optimal utilization of budgetary resources, expenditure is closely monitored by the Financial Advisor in consultation with the Divisional heads. As a result of these measures, the Ministry has been able to maintain optimal expenditure in each quarter."

2.57 Furnishing the comparative figures for expenditure and revenue generated by the Ministry during 2014-15, the Foreign Secretary during the course of evidence informed the Committee as under:

"The establishment costs of the Ministry, including expenditure on MEA Secretariat, Missions and Posts abroad and the Central Passport Organization account for just 21.18 per cent of our budget. More significantly, our revenues earned in the financial year 2014-15 till February 2015 from passport, visa and other services were Rs.4,044 crore, which incidentally was an increase of over seven per cent year-on-year. The total establishment related expenditure of the Ministry, including Headquarters, Missions and Posts, Foreign Service Institute, Central Passport Organization, etc., for the same period was Rs.2,743 crore. So, we had a revenue of more than Rs.4,000 crore and our expenditure was less than Rs.2,800 crore. In other words, the Ministry has already earned more than 47 per cent of what it has spent on its entire establishment in India and abroad."

2.58 On Committee's query, the Ministry furnished the comparative figures for budgetary allocation for the Ministry at BE and RE stage alongwith Revenue earnings of the Ministry during the last three years in a post evidence reply as under: **(Rs in crore)**

Year	BE	RE	Revenue earnings
2011-12	7106.00	7836.00	2895.41
2012-13	9661.97	10062.00	3480.51
2013-14	11719.00	11793.65	4505.46

2.59 The Committee note that out of the total BE 2015-16 allocation of Rs. 14,966.83 crore, 38.14% budget of the Ministry pertains to technical and economic cooperation with other countries, 22.7% pertains to loans to foreign governments and nearly 15.04% pertains to obligatory expenditure such as expenditure on SDE, mandatory contribution to international organisations of which India is a Member, Grants in Aid, etc. The Committee observe that only 21.8% of the total budgetary allocation of the Ministry is earmarked for

the establishment cost including expenditure on the Ministry of External Affairs Secretariat and Missions/Posts abroad as well as the expenditure on the overall establishment of the Central Passport Organization and 0.73 percent on other expenditure. The Committee, therefore, note that even if expenditure on Special Diplomatic Expenditure and Grants to various Institutions is included, less than 40 percent of the Ministry's budget is meant for its consumption and most of the expenditure is meant to fulfil international commitments/obligations.

Furthermore, the Committee note that the revenue earned by the Ministry from Passport, Visa and other services was Rs. 4,044 crore till February, 2015 while the total establishment cost of the Ministry during the same period was Rs. 2,743 crore. The Committee, therefore, observe that the Ministry has earned more than 47% of expenditure on its entire establishment in India and abroad. The Committee, therefore, are of the opinion that in view of the peculiar needs of the Ministry as well as revenues generated by the Ministry, the Government/ Ministry of Finance should pursue a policy of minimum reduction of budgetary allocation *vis-à-vis* budgetary allocation sought by the Ministry of External Affairs.

(Recommendation No. 4)

E. Budgetary provision for International Commitment

2.60 The Committee noted that the preceding year was marked by high-level political exchange. On Committee's query, the Ministry furnished details of the visits undertaken by India's Head of State, Head of Government as well as Minister of External Affairs during the year 2014-15. In this context, the Committee categorically asked the Ministry to justify the decreased allocation made during BE 2015-16 *vis-a-vis* BE 2014-15 particularly in view of several visits by Prime Minister to foreign countries and announcements made therein as well as agreements made during the visits of foreign dignitaries to India. The Ministry submitted in a written reply as under:

"Allocations have been made within the BE 2015-16 ceiling intimated by the Ministry of Finance. Since there was no augmentation in the Non Plan allocations in BE 2015-16 as compared to the BE 2014-15, additional allocations could not be made under this head."

2.61 In view of the number of visits by Head of State/Head of Government/Minister of External Affairs the Committee desired to know whether any additional allocation/grants were

made for the specific Missions/Posts abroad for such visits. The Ministry submitted in a written reply as under:

"Only additional grants from within the Ministry's budget were provided to these Missions/Posts for hosting receptions/community events during the visits."

2.62 On Committee's query, the Ministry furnished list of Projects/Initiatives announced by Head of Government/Head of State/Ministry of External Affairs during financial year 2014-15 including commitments made for UN Ebola First Find, Special Facility to finance ASEAN-India Connectivity Projects, Seychelles, Bhutan, Nepal. The Committee desired to know whether the economic implications of each of the announcement have been considered while formulating the proposed figures for BE 2015-16. The Ministry submitted in a written reply as under:

"Yes, the economic implications of the announcements have been considered while formulating the demand sent to Ministry of Finance for BE 2015-16.

With respect to commitment made for fight against Ebola, since the expenditure has already been met, these initiatives will have no financial implications in 2015-16. With respect to the gift of a Dornier aircraft, the expenditure will likely be made in BE 2016-17 since an order is yet to be placed with HAL."

2.63 Regarding the usual practice of announcement for grants/projects made by the Head of State/Head of Governments/Ministry of External Affairs during their visits abroad as well as during visits of dignitaries from various countries, the Committee desired to know whether these high offices are apprised about the progress and performance of the projects/grants announced by them in the past. The Ministry submitted in a post-evidence reply as under:

"The Ministry monitors the progress of projects/grants on a regular basis. Monthly project status report on ongoing projects is submitted to the Prime Minister's Office for information and facilitation as required. Progress report of projects approved by the Cabinet is forwarded to the Cabinet Secretariat on a monthly basis. Project status reports are forwarded to higher offices in the context of incoming/outgoing visits related to the respective countries, bilateral consultations, etc. dignitaries are briefed before the incoming/ outgoing visits."

2.64 The Committee particularly desired to know whether the Prime Minister's Office has been apprised about the non-implementation of the grants/projects during Financial Year 2014-15 due to lack of funds. The Ministry submitted in a post-evidence reply as under:

"With regard to Nepal and Bhutan the Ministry is regularly appraising the Prime Minister's Office and Cabinet Secretariat about the progress/status of

schemes/projects announced during the PM's visit to Bhutan in June, 2014, PM's visit to Nepal in August 2014 and November 2014 and Hon'ble Rashtrapati's visit to Bhutan in November 2014. Follow up charts are sent to PMO regularly. The allocation of funds under 'Aid to Nepal' and 'Aid to Bhutan' at the RE stage had to be reduced in order to conform to the overall RE ceiling communicated by Ministry of Finance. While ongoing projects in Nepal and Bhutan were not curtailed due to Ministry's prioritization of available 'Plan' and 'Non-Plan' budget, payments for some of them were deferred to the next financial year without curtailing ongoing cooperation.

The PMO was apprised about the non-implementation of grant to Palestine."

2.65 The Committee sought Ministry's justification for the practice of extension of grant/loan/ announcement of new project during the high level visits, when the Government of India is unable to deliver on its past commitments. The Ministry submitted in a written reply as under:

"The development assistance activities of the Government of India are demand-driven. The nature and extent of projects is decided on the basis of requests from partner countries in accordance with their development priorities and our own national priorities. Efforts are ongoing to fulfil all past commitments. The announcement of new development assistance activities or initiatives during high level visits is based on mutual agreement and has a greater impact on bilateral relationship. Announcements of new projects and extension of grant/loans during high level visits are based on the strength of our bilateral relations and strategic considerations."

2.66 In view of discretionary reduction of allocation by Ministry of Finance and Planning Commission, the Committee in their previous Report (20th Report) (15th Lok Sabha) had desired that a separate Head may be created for India's international commitments announced by the Head of the State/Government/Minister of External Affairs at international fora. In this context, the Committee desired to know whether the issue has been considered within the Ministry and taken up with the Ministry of Finance. The Ministry submitted in a written reply as under:

"Ministry had addressed the issue to Ministry of Finance vide letter dated 13th January 2014. The response thereof is awaited."

2.67 On Committee's further query on the issue, the Ministry submitted in a post-evidence reply as under:

"Ministry has sought to have a separate head of account to cater to India's international commitment announced by Heads of State etc. As desired by the Hon'ble Committee, the Ministry has addressed the request to Ministry of Finance. Since no response has been received, a reminder is being separately issued to the Ministry of Finance seeking their response in the matter."

2.68 The Committee in their fourth Report on Demands for Grants for the year 2014-15 had recommended that if international commitments are made after budgetary allocation at the BE stage, the Ministry must come to an arrangement with the Ministry of Finance so that the entire amount committed internationally is provided at the RE stage or at supplementary stage as per the time frame of such declaration rather than arranging such funds from internal resources of Ministry. In this context, the Committee desired to know the details of the measures undertaken by the Ministry in this regard. The Ministry submitted in a post-evidence reply as under:

"The Ministry had highlighted the requirements for various projects during the pre-budget meeting with Ministry of Finance, This was followed up by the Ministry in writing, highlighting the matter of under allocation of funds with the Ministry of Finance by issue of letter by Foreign Secretary. This was again followed up by a letter from the Hon'ble EAM. The letters cited commitments at the highest levels for which funds were required. However, the final communication from Ministry of Finance conveyed revised RE ceiling of Rs 12620 crore, which was Rs 2110.39 crore less than the BE 2014-15. The RE ceiling was not revised thereafter.

It is also pertinent to mention that the allocation of additional funds by Ministry of Finance at Supplementary/RE stages remains uncertain."

2.69 The Committee note that several commitments were made by the Prime Minister during Financial year 2014-15, but the economic implications were not factored in the allocations at RE 2014-15 stage. The Committee are doubtful whether the full financial implication of Prime Minister's announcement for aid/assistance have been accommodated in the budgetary allocation during BE 2015-16. The Committee are concerned about such lack of allocation by the Ministry of Finance. The Committee, therefore, recommend that the Ministry should engage with the Ministry of Finance for obtaining additional resources and give due priority to execution of the international commitments made at the highest levels.

Furthermore, in view of the several international commitments made at the level of Head of State/Head of Government/External Affairs Minister, the Committee suggest that the Ministry must keep the concerned offices apprised about the pace of the project as well as constraints, if any, in implementation of the projects including the financial constraints due to lack of allocation by the Ministry of Finance. In the Committee's view, involvement of the concerned high offices may facilitate taking up the issue of lack of allocation with the Ministry of Finance.

(Recommendation No. 5)

2.70 The Committee take note of the budgetary cuts during RE 2014-15 for aid/assistance to countries under various Heads. The Committee note that provision for grants/projects were made in allocation during BE 2014-15, yet grant assistance to Bangladesh, Myanmar and Palestine was deferred to the Financial Year 2015-16 due to budgetary cuts during RE 2014-15. The Committee are of the view that such delays in execution of commitments/project adversely reflects upon India's credibility. In the context of the severe financial constraints faced by the Ministry over the years and its impact on execution of the projects abroad, the Committee in their previous Report had suggested to create a separate Head for announcement of aid/assistance made by Head of State/Head of Government/Minister of External Affairs. The Committee observe that not much progress has been made in this regard except for issuing of a letter and a reminder by the Ministry. The Committee, therefore, would like to reiterate that Ministry should pursue the matter with the Ministry of Finance for creation of this Head and ensure availability of sufficient funds under this Head.

The Committee would further like to suggest to the Ministry to engage with Ministry of Finance to explore the possibility of bifurcation of Ministry's budget to include allocations earmarked for the internal usage of the Ministry in one part while a separate budget for all the international/bilateral commitments for aid and assistance so that the aid and assistance programme are not affected by the economy cut by the Ministry of Finance, which has over the years become a regular feature at RE stage.

(Recommendation No. 6)

CHAPTER - III

ESTABLISHMENT STRENGTH

A. Establishment Strength

The Committee desired to know about the efforts that have been made by MEA to assess the requirements of human resources at Headquarters as well as Missions/Posts or any other establishment of MEA. The Committee enquired about the efforts being made by the Ministry to fasten the pace of its expansion programme. The Ministry submitted in a post-evidence reply as under:

"Assessments of requirements of human resources at Headquarters as well as Missions/ Posts abroad is an ongoing exercise in the Ministry. Based on such assessments, the Ministry is in the process of formulating the next stage of the MEA Expansion Plan which will further strengthen India's diplomatic presence abroad."

3.2 In the Budget documents, the Ministry has furnished details of cadre strength at Headquarters and Missions/Posts abroad as on 31st March, 2015, including posts budgeted by Ministry of Commerce and those of ex-cadre etc. The Committee sought a note on the current status of the lateral entry scheme. The Ministry submitted in a post-evidence reply as under:

"In order to meet the growing requirements of diplomacy, the Union Cabinet approved the MEA Expansion Plan in August 2008 for creation of 314 posts of Group A at Headquarters and Missions over a period of 10 years.

Every year 32 new posts are created out of which 12 posts are filled annually through lateral induction by deputation from non-IFS cadres. So far 72 posts have been created under the MEA Expansion Plan for lateral entry at Director/ Deputy Secretary/ Under Secretary level. At present 65 of these posts are occupied by officers from Armed Forces, M/o Defence, M/o Finance, Department of Economic Affairs, D/o Telecommunications, Railways Paramilitary Forces, Lok Sabha Secretariat and Other Central Services.

Even before the implementation of the IFS expansion plan, the MEA has been one of the most open Ministries in the GOI which has encouraged and promoted exchanges with other ministries in implementing foreign policy on a broad range of issues. Officers from Defence Services, IAS, IRS, IPS, Armed Forces, Railways, Indian Economic Service etc are deployed on deputation to Missions and Posts abroad in captive posts of Ministries/Departments of Finance, Commerce and Industry, Defense, Railways, Agriculture, Science & Technology, Information and Broadcasting, Space, Atomic Energy, DRDO,

CAG, Revenue, Economic Affairs etc. They are playing a key role in India's diplomatic efforts to address global issues such as defence cooperation, climate change, international terrorism, maritime security, trade and investment promotion and WTO issues etc.

At the moment, there are 156 such posts where officers from other Ministries/ Departments go on deputation to Missions and Posts abroad. Out of these 70 posts are of Service Attaches which are filled by personnel from the Armed Forces, 33 posts are of economic Ministries/Departments such as Commerce, Department of Economic Affairs, Railways and Agriculture, 25 posts from ICCR for cultural diplomacy, and 10 posts from technology departments such as the DRDO, S&T, DAE & IT. All in all, the proportion of officers on deputation in our Missions/Posts abroad is 23% of the total strength of MEA officers at the level of Under Secretary and above in Missions abroad."

3.3 In this context, when the Committee desired to know whether any feedback is taken from concerned Divisions regarding the role and efficiency of the officers recruited/ deputed via lateral entry scheme, the Ministry submitted in post-evidence reply as under:

"Deployment of officers taken on deputation to serve at the Headquarters is taken in consultation with the concerned Heads of Divisions. The concerned Joint Secretary/ Director is the reporting officer and Secretary/ Additional Secretary level officers are Reviewing Officers for officers on deputation. Apart from regular APARs, Heads of Divisions are consulted regarding suitability of officers and how to make best use of their existing skill sets in MEA."

3.4 The Committee in their 14th Report (15th Lok Sabha) had called upon the Ministry to recruit external applicants with relevant expertise for lateral entry into the Ministry upto and including the Joint Secretary level. The Committee are happy to note that a lateral entry scheme has been initiated by the Ministry. The Committee, however, recommend that apart from the normal process of recruitment from other Government Departments, lateral entry should also be open to academia, think tanks, NGOs and the private sector. In addition to regular APARs, the Ministry should conduct specified feedback regarding the role, efficiency and suitability of the such officers recruited/ deputed via lateral entry. Furthermore, the Committee are of the view that the Ministry should also consider the policy of retaining such personnel or continuation of their deputation particularly, for those candidates who are found suitable for the job and have gained suitable expertise. The Committee suggest that the Ministry should pursue the

matter with Department of Personnel and Training rather than deputing new persons every two-three years and spare Ministry's resources on their placement and training.

(Recommendation No.7)

3.5 In the same context, when the Committee enquired about the sanctioned and present staff strength of Central Passport Organization and desired to know whether the requirement has been assessed at each level, the Ministry submitted in a written reply as under:

"The present working strength of Central Passport Organization is 1906 against the sanctioned cadre strength of Central Passport Organization 2697 as on today, out of which 699 non-gazetted posts are lying vacant. The percentage of vacant post, out of the total cadre strength is nearly 25% which if calculated, out of the total strength of the non-gazetted post of 1909 is in the range of nearly 30%. In addition, 21 posts (including 15 Technical and 6 supporting staff) were created by the Union Cabinet decision in 2007 to man the Project Management Unit (PMU) of the Passport Seva Project. The high number of vacant posts, especially at non-gazetted level has led to enormous pressure on this Division and the Passport Offices for performing their normal duties. The officials are being deployed at Passport Seva Kendras and Passport Offices on the basis of the requirement at each level and the workload handled by Passport Offices. Also in the Transfer Board Meeting held on annual basis, a review is taken on the strength existing at each Passport Office and Passport Seva Kendras and their requirement. Also in case of any exigencies, the officials are deployed to the concerned Passport Offices on temporary duty."

3.6 When the Committee enquired about the reasons for a huge gap in sanctioned cadre strength and present working strength in Central Passport Organization and the steps being taken to fill this gap and improve the delays in issuance of passports, the Ministry submitted in a post-evidence reply as under:

"To implement the Passport Seva Project, the Government approved expansion of Central Passport Organization cadre in 2008, which resulted in augmentation of posts from 2349 to the present strength of 2697. The gaps between the sanctioned cadre strength and the present working strength in the Central Passport Organization are on account of large scale retirements/voluntarily retirements/death and pending indent for recruitment of Lower Division Clerk and Assistant with Staff Selection Commission (SSC). It is stated that SSC has its own prescribed procedure for conducting the exam and thereafter completing the formalities related to deployment of the selected candidates, which has also led to

this gap. The Ministry has taken various measures to fill up the existing vacancies at Passport Offices:

- (i) Through fast track promotion, wherever necessary with the relaxation of eligibility norms/temporarily downgradation of some posts, with the approval of competent authorities.
- (ii) In accordance with the provisions of Recruitment Rules, the Ministry is taking officers on deputation.
- (iii) As a temporary measure, Ministry has obtained approval for engagement of 450 Data Entry Operators in lieu of vacant non-gazetted posts at Group 'B' and 'C' level."

3.7 On Committee's further query about the steps undertaken to relocate the staff in Passport Seva Kendras and back offices of various RPOs, the Ministry submitted in a written reply as under:

"The Ministry has directed Passport Offices to rotate the CPO officials between the PSKs and Passport Offices from every 3 – 6 months to ensure even distribution of roles and responsibilities. The Transfer Policy governing CPO officials is also being reworked in view of changed requirements of manpower at the PSKs and PBOs."

3.8 The Committee take note of the steps taken by the Central Passport Organization regarding filling the gap between the sanctioned cadre strength and the present working strength by recruitment of 450 Data Entry Operators in lieu of vacant non-gazetted posts at Group 'B' and 'C' level. The Committee, however, note that this is just a stop gap arrangement and the Ministry should pursue the matter with the Department of Personnel for conducting recruitment for vacant non-gazetted posts at the earliest. Moreover, the Committee suggest that the Ministry must ensure conducting of due security clearance and checking of credentials for the Data Entry Operators, thus engaged. The Committee also note that the Ministry has issued instructions to Passport Offices to rotate the CPO officials between PSKs and PBOs but since long they have not been able to finalize a transfer policy governing CPO officials in view of the changed requirement of manpower at the PSKs and PBOs. The Committee, therefore, desire that the transfer policy for CPO should be finalized on priority basis considering the functional requirements both at PSKs and PBOs.

(Recommendation No. 8)

B. Training

3.9 In the Minor Head 'Training', provision is made for anticipated expenditure on the activities of Foreign Service Institute (FSI) which includes Professional Courses for Foreign Diplomats (PCFD), basic training courses and in-service training programmes for Indian Foreign Service Officers etc. The budgetary allocation during BE 2014-15 was Rs. 8.53 crore which was reduced to Rs.8.01 crore during RE 2014-15. The budgetary allocation during BE 2015-16 has been increased to Rs. 9.06 crore.

3.10 In this context, when the Committee sought clarification from the Ministry whether the RE had to be reduced only to adhere to the economy instructions of Ministry of Finance or was there any other reason, the Ministry submitted in a written reply as under:

"Yes, RE had to be curtailed only to adhere to economy instructions of Ministry of Finance. No training programme was affected due to reduction at RE stage. However, some of the infrastructure improvement projects at FSI need to be postponed to next year."

3.11 On Committee's query, the Ministry furnished the 'Actuals' for the last three financial years, alongwith the reasons for increased or decreased expenditure. The Ministry submitted in a written reply as under:

"Actuals as per FSI records are:

(Rs. in crore)		
	2012-13	2013-14
6.70	6.41	6.27

FSI has been careful in ensuring that expenditure is within the allocated budget. There are constant efforts in improving infrastructure and in the interregnum there could have been some slight rescheduling as in the case of Professional Course for Foreign diplomats but there has never been any outright cancellation of important training programs.

A constant improvement in the delivery of training programs and close monitoring has ensured that training programs were organized well within the budget.

Many training programs e.g. non-mandatory training were budgeted on notional basis but could not be implemented as the lead time required for the officers to

secure slot in one of the training institutions, take leave to allow this etc need time. In the years ahead, budgeting on this count would be more accurate as the utilization and cost implications are better known every passing year with utilization of such slots for non-mandatory training.

Infrastructure improvement projects at FSI were budgeted comprehensively (not to miss them for want of money) but many could not be implemented due to complicated procedures.

Regular payments to a services provider were to be withheld as labour disputes emerged between the outsourced company and their staff e.g. on account of non-payment of EPF."

3.12 In the context of Ministry's reply the Committee sought justification for the Ministry's reasoning for non-implementation of the non-mandatory training programme. The Ministry submitted in a post-evidence reply as under:

"Though since implemented, by its very nature, the 'non-mandatory training' will have mixed outcome in any particular period so far as its utilization is concerned as it is dependent upon mutual convenience of the Ministry and of the officer."

3.13 When the Committee desired to know the details of expenditure on training of Indian Diplomats/officials of Ministry of External Affairs officials and foreign diplomats/officials separately during the last three years, the Ministry submitted in a written reply as under:

"Under 'Other Administrative Expenses' only **(Rs. in crore)**

FY	2011-12	2012-13	2013-14
Trg of Indian Diplomats /officials	1.21	1.88	1.08
Trg of Foreign Diplomats	1.42	1.33	1.47

3.14 The Committee noted that the expenditure on training of Indian Diplomats/Officials was Rs. 1.21 crore during 2011-12, which was increased to Rs. 1.88 crore in 2012-13 but it was reduced to Rs. 1.08 crore in 2013-14. When the Committee wanted to know about the reasons for reduced expenditure under this Head, the Ministry submitted in a post-evidence reply as under:

"Expenditure of INR 1.21 core, 1.88 crore and 1.08 crore respectively during 2011-12, 2012-13 and 2013-14 was on training of Indian diplomats / officials. The figure in 2013-14 came down compared to previous years as during 2013-14 there was no need for organization of MCTP Phase III (Mid Career Training Program for JS level officers) given six batches (1983-1988) were already

covered in the previous two editions of MCTP Phase III organized in the preceding two financial years.

As to training of Foreign diplomats, the expenditure was INR 1.42 crore, 1.33 Crore and 1.48 crore respectively during 2011-12, 2012-13 and 2013-14."

3.15 The Committee noted that it is usually said that special attention will be paid for training purposes but for that purpose, there is almost no increase in the allocation and expenditure. In this context, when the Committee specifically desired to know whether the Ministry would be able to implement the 'New Training Framework' with this modest increase in BE 2015-16, the Ministry submitted in a written reply as under:

"Yes, Ministry would be able to implement the 'New Training Framework' with this modest increase in BE 2015-16. More would be sought at the RE stage as per needs.

A constant improvement in the delivery of training programs and close monitoring has ensured that a larger ground is covered within the resources available. These include:

Larger size group formations. Thus the Mid Career Training Programmes for JS level officers were organized combining multiple batches; the first onsite training program for director level officers was organized for 1997 and 1998 batches together; PCFD group sizes were increased from around 20 per batch to now 30 per batch etc.

By offering training modules/capsules through the online platform of webinar to Foreign Service officers and officials in our Missions / Posts abroad, thus substantively expanding coverage of training.

Where FSI requires larger allocation of funds is on infrastructure. FSI building, constructed by CPWD over a decade ago, needs major repairs and improvement in infrastructure facilities to meet new and expanded training requirements. CPWD has been requested to give detailed scope of work and cost estimates for this purpose. Additional funds would be requested at RE stage to upgrade infrastructure."

3.16 The Committee noted that under Minor Head 'Press and Media' one of the objective/outcome is Training Programme for Indian diplomats for updation and maintenance of Social Media accounts and website of the Missions/Posts abroad. In response to specific enquiry whether the training programme has already been designed alongwith specifying the level of officers to whom the training is intended, the Ministry in a post-evidence reply submitted as under:

"In the recently held HOMs Conference (February 6-10, 2015), considering the ever increasing role of digital communication and social media in Ministry and Missions' public outreach and information dissemination, a dedicated training cum interactive session on Digital Communication and Diplomacy was conducted for Head of Missions on 9th February 2015..."

3.17 On Committee's query regarding conducting of such training programmes during the last two years, the Ministry in a post-evidence reply submitted as under:

"All Representational Grade Officers before proceeding on Foreign Assignments are given a detailed briefing on MEA's Digital Diplomacy. This orientation briefing is mandatory for all officers before going for the posting abroad."

3.18 On Committee's query regarding this training being part of the New Training Framework adopted by the Ministry, the Ministry submitted in a post-evidence reply that it is not part of the New Training Framework.

3.19 The Committee note that out of the total budgetary allocation under the Head 'Training' only marginal expenditure of Rs. 1.21 crore, Rs. 1.88 crore and Rs. 1.08 crore has been made on the training of Indian diplomats/officials during 2011-12, 2012-13 and 2013-14 respectively. The Committee note that the Ministry has often stated that special attention would be paid to training, yet the expenditure does not seem to be reflective of this approach. The Committee are also not convinced with the Ministry's reasoning for non-implementation of the non-mandatory training programme. The Committee, therefore, suggest that the Ministry place due stress on the training of its diplomats/officials in accordance with the New Training Framework. Furthermore, the Committee are appreciative of the Ministry's initiative for training of Indian Diplomats for updation and maintenance of social media and website of the Missions/Posts abroad. The Committee, however, desire that the Ministry should incorporate this training in the New Training Framework as well as provide this training to all the officers of the rank of Joint Secretary and above in the Ministry.

(Recommendation No. 9)

CHAPTER - IV

SECTORAL ALLOCATION

The Sectoral allocation for Ministry of External Affairs during BE 2014-15, RE 2014-15 and BE 2015-16 is as under: (Rs. in crore)

Allocation Rs. in Crore			
Sectors	BE 2014-15	RE 2014-15	BE 2015-16 (Proposed)
MEA Secretariat	282.76	283.90	297.98
Embassies and Missions	1832.31	2021.91	2265.01
Passport and Emigration	542.83	560.33	591.72
Special Diplomatic Expenditure	1596.01	1716.01	1650.01
Contributions to International Organisations	417.59	302.89	386.03
Grant to Institutions	198.30	188.05	214.43
Technical & Economic Cooperation	6268.81	4822.66	5708.22
Capital Outlay	300.00	190.00	330.00
Loans to Foreign Governments	3166.01	2411.60	3398.80
Others	125.77	122.65	124.63
Total Budget	14730.39	12620.00	14966.83
Non Plan Allocation	9630.39	3900.00	9630.63
Plan Allocation	5100.00	8720.00	5336.20
Total Budget	14730.39	12620.00	14966.83
Revenue Section	11264.38	10018.40	11238.03
Capital Section	3466.01	2601.60	3728.80
Total Budget	14730.39	12620.00	14966.83

4.2 The budget of the Ministry for financial Year 2015-16 comprises of the following broad groups:

- i. Approximately 21.18% pertains to establishment costs including expenditure on MEA Secretariat and Missions/Posts abroad as well as the expenditure on the overall establishment of the Central Passport Organisation;
- ii. Nearly 15.04% pertains to obligatory expenditure; such as expenditure on SDE, mandatory contributions to international organizations of which India is a member, Grants-in-aid to institutions;
- iii. Nearly 38.14% pertains to technical and economic cooperation with other countries;
- iv. Approximately 2.20% on the Capital Outlay of the Ministry;
- v. Loans to foreign Governments comprise 22.71%; and
- vi. Other expenditure approximately 0.73%

A. Special Diplomatic Expenditure (SDE)

4.3 The Expenditure under this Minor Head is discretionary. The budgetary allocation under this Minor Head during the BE 2014-15 was Rs. 1596.01 crore which was further enhanced to Rs. 1716.01 crore during RE 2014-15. The budgetary allocation during BE 2015-16 has been kept as Rs. 1650.01 crore. On Committee's query, the Ministry furnished the figures for total allocation under Special Diplomatic Expenditure during financial year 2014-15 including Token Supplementary during the 1st, 2nd and final batch of Supplementary Demands for Grants 2014-15 and submitted as under:

"BE 2014-15 and RE 2014-15 were respectively Rs 1596.01 crore and Rs 1716.01 crore. A token supplementary of Rs 0.01 crore has been proposed in 2nd and Final Batch of Supplementary Demands for Grants for enhancing the allocation at RE stage."

4.4 The Committee enquired about the reasons for seeking supplementary Grants for expenditure under Special Diplomatic Expenditure in First and Second batch and sought clarification regarding arrangement of funds for Token Supplementary. The Committee further desired to know the rationale for increase at RE stage, grants in supplementary stage under this Minor Head, when overall there was reduction in Ministry's budgetary allocations. The Ministry submitted in a written reply as under:

"Expenditure under Special Diplomatic Expenditure is discretionary and based on functional requirements. Additional funds were not provided in Cash by Ministry of Finance. Therefore, Ministry had to re-appropriate funds from within the savings from other heads to provide for SDE."

4.5 The Committee further enquired whether any fund diversion from any Head was also involved for that purpose. The Ministry submitted in a written reply as under:

"Ministry of Finance had initially intimated a non-plan ceiling of Rs 8600 crore under RE 2014-15. Later, an enhanced non-plan ceiling of Rs 8720 crore was intimated under RE 2014-15, with instructions to allocate additional Rs 120 crore under Special Diplomatic Expenditure. In order to give effect to the instructions of Ministry of Finance, the additional amount was re-appropriated from Aid to Bangladesh. This was necessary as no Cash Supplementary was made available to the Ministry."

4.6 While furnishing the 'Actuals' for last three years under this Minor Head, the Ministry submitted in a written reply as under:

"Actuals during 2011-12 to 2013-14 were respectively Rs 1137.73 crore, Rs 1170.39 crore and Rs 1432.08 crore."

4.7 The Committee enquired about the measures undertaken to ensure optimum utilization of funds from Special Diplomatic Expenditure. The Ministry submitted in a written reply as under:

"Ministry ensures propriety and optimal utilization of funds as expenditure under SDE is controlled and sanctioned by the Foreign Secretary and scrutinized by Director (Finance)."

4.8 Specifying the monitoring mechanism to oversee expenditure of funds under Special Diplomatic Expenditure and change in the monitoring mechanism in recent times, the Ministry submitted in a written reply as under:

"The SDE is governed by regulations prescribed by the Ministry of Finance. Foreign Secretary is the controlling / sanctioning authority for utilization of the special diplomatic expenditure budget. The budget for SDE is utilized with the concurrence of Director (Finance). Joint Secretary (CNV & I) is the spending authority at Headquarters and Heads of Missions / Posts are spending officers abroad. There has been no change in recent times in the monitoring mechanism to oversee the expenditure under SDE Budget Head."

4.9 The Committee observe that during RE 2014-15, allocation had been reduced in almost all the Heads due to economy cut imposed by the Ministry of Finance. The Committee note that despite the increase in allocation under the Head 'Special Diplomatic Expenditure (SDE)' at the RE stage as well as the supplementary grant stage, yet no cash supplementary was provided initially and the Ministry had to make arrangements for matching savings from within the resources of the Ministry. The Committee are concerned at the Ministry of Finance's move of not proving cash supplementary initially. Furthermore, the Committee note that under the Head Special Diplomatic Expenditure (SDE) though there is an increase in budgetary allocation during BE 2015-16, as compared to RE 2014-15, yet the Committee are of the opinion that all the resources needed for the security aspects of the foreign policy are not considered in these budget estimates. The Committee, therefore, recommend to the Government that the allocation under this Head

should be in consonance with the active foreign policy being pursued by the Government of India.

The Committee suggest that in view of the discretionary nature of expenditure and allocation based upon the functional requirement, the existing monitoring mechanism to oversee expenditure under this Head should be reviewed and further strengthened and more checks and balances should be created within.

(Recommendation No.10)

B. Entertainment Charges

4.10 The budgetary Head 'Entertainment Charges' caters to the expenditure incurred on extending hospitality to foreign dignitaries including VVIP visitors, cost of chartering aircraft for visiting VVIP delegations, maintenance of Hyderabad House, etc. The budgetary allocation for BE 2014-15 was Rs. 39.00 crore which was reduced to Rs. 35.10 crore at RE stage. The budgetary allocation for BE 2015-16 has been increased to Rs. 40.00 crore. The Committee sought clarification from the Ministry that in light of several high level visits during the year, how the Ministry was able to manage with the reduced allocation during financial year 2014-15 and whether additional resources were sought/allocated for the requirements under this Head. The Ministry submitted in a written reply as under:

"Due to the reduction of allocation at RE stage, only time-bound bills were prioritized for processing and some of the bills have had to be kept in abeyance for processing in the next financial year."

4.11 On Committee's query, the Ministry furnished the following Actuals under this Head during last three years:

"Details of Expenditure Under the head 'Entertainment of Dignitaries' during last three years

(Rupees in Crores)			
Financial Years	Budget Estimate	Revised Estimate	Actual Expenditure
2011-12	30.00	30.00	28.72
2012-13	33.00	40.00	39.39
2013-14	35.00	31.50	31.38

4.12 The Committee note that under the budgetary Head 'Entertainment Charges' expenditure is incurred on extending hospitality to foreign dignitaries. It is praiseworthy to note that inspite of several high profile high level visits by foreign dignitaries there is no

significant rise of expenditure under this Head and rather the allocation at RE stage was reduced to Rs. 39.00 crore during 2014-15. The Committee, however, also note that the Ministry has stated that only time-bound bills were prioritized. The Committee would like to convey displeasure over the practice of keeping the bills pending and building liabilities for the next Financial Year. The Committee, therefore, recommend that immediate steps should be taken for the early settlement of pending bills. The Committee are of the opinion that in view of several such visits the budgetary allocation under this Head should be increased at RE 2015-16 stage so that the Ministry is able to timely process the bills.

(Recommendation No. 11)

C. Embassies and Missions

4.13 The Minor Head 'Embassies and Missions' provide for expenditure on India's representation and functioning of Missions and Posts abroad. The budgetary allocation during BE 2014-15 was Rs. 1832.31 crore while RE 2014-15 was increased by 10.35 % to Rs. 2021.91 crore. The budgetary allocation during BE 2015-16 has been further increased to Rs. 2265.01 crore which is an increase of 23.61 % over the BE 2014-15. On Committee's specific query regarding actual expenditure under this Minor Head and the reasons that necessitated enhancement of allocation during RE 2014-15 and BE 2015-16 and the activities planned for the year 2015-16, the Ministry submitted in a written reply as under:

"Actuals during CFY 2014-15 upto Feb 2015 is Rs 1994.14 crore. The allocations under Salaries and other establishment heads in RE 2014-15 had to be increased in order to cover the essential expenditure already incurred. Additional funds have been provided in BE 2015-16 under Salaries, Medical Treatment, Foreign Travel Expenses (FTE), Office Expenses (OE), Rents, Rates and Taxes (RRT), and other establishment expenses on the basis of past expenditure trends."

4.14 The Committee desired to know the rationale behind increase under this Budget Head when there was overall decrease in Ministry's budgetary allocation at RE stage. The Ministry in a written reply clarified that Salaries and other essential establishment expenditure had to be necessarily provided for as excess expenditure had been incurred in some Missions/Posts. Additional funds had also to be provided for under Office expenses for payment of utility bills and other mandatory expenses.

4.15 The Committee noted that according to the Ministry, the problem of under provisioning of Missions/Posts kept compounding on account of depreciating value of Indian Rupee. The

provision could not be increased even at RE stage in absence of additional funds from Ministry of Finance. The Committee sought justification for Ministry's statement in view of 10.35 % increase at RE stage. The Ministry submitted in a written reply as under:

"The increase in RE stage covered the requirement under Salaries and partly covered the requirement under Office Expenses. Expenses under other heads such as Medical Expenses, Wages, Over Time Allowance (OTA), Rents, Rates and Taxes (RRT), Information Technology (Office Expenses) etc. were able to be covered at RE stage. It is reiterated that the problem of depreciating value of Indian Rupee was acute for about the last 3 years."

4.16 The Committee desired to know whether there is any account head that caters for improvement of services delivered by Indian Mission/Posts abroad. The Ministry submitted in a post-evidence reply as under:

"Any expenditure incurred on improvement of services delivered by Indian Mission/Posts abroad are met from the object head "Office Expenses". There is no separate head for the purpose, because the object head has to conform to Govt. of India Order (1) below Rule 8 of Delegation of Financial Power Rules, 1978."

4.17 On Committee's query regarding feedback mechanism regarding rendering of services in each Missions/Posts, the Ministry submitted in a post-evidence reply as under:

"Missions/Posts abroad are required to send annual report detailing the activities undertaken during the year. Besides this, Missions/Posts also send monthly and weekly report to the Ministry. Our Missions and Posts abroad are under constant supervision of the Ministry. Periodic feedback is received by the Ministry from the Missions/Posts abroad. These reports include information on various services provided by the Missions/Posts to the public by the Missions/Posts abroad. The Ministry monitors these feedbacks closely to ensure efficient and fast delivery of services. These services are reviewed from time to time depending on the changing requirements and the needs indicated by the Missions/Posts. Additionally, they are audited externally by the C&AG of India and internally by the Office of the Principal Chief Controller of Accounts of the Ministry. No record is available regarding the exact number of complaints received across the Missions/Posts abroad. However, with the introduction of Online Consular Grievances Monitoring System (MADAD), it may be possible to provide exact data for individual Missions and Posts."

4.18 The Committee further enquired about internal mechanism to monitor that all the instructions issued by the Headquarters reach the Missions/Posts on time/immediately and are

followed across its establishment particularly regarding Consular and visa services. The Ministry submitted in a post-evidence reply as under:

"The Ministry is in the process of finalizing MEA e-SamikSha portal, a real time, on-line system for monitoring follow-up action on decisions taken and instructions issued by the Headquarters at various levels. MEA e-SamikSha would also be an effective tool in evaluating performance of Missions/Posts in terms of various proposals/programmes of the Government of India which are required to be implemented by Missions/Posts abroad.

We are also in the process of uploading all CPV circulars on the intranet of the MEA website for prompt dissemination of information as well as for future reference. Additionally, implementations of instruction are audited externally by the C&AG of India and internally by the Office of the Principal Chief Controller of Accounts of the Ministry."

4.19 On Committee's query, the Ministry in a post-evidence reply submitted the following details regarding centralized monitoring mechanism at Headquarters to keep check or ensure efficient and fast delivery of services by Indian Missions/Posts as under:

"The Ministry is in the process of finalizing MEA e-SamikSha portal, a real time, on-line system for monitoring follow-up action on decisions taken and instructions issued by the Headquarters at various levels. MEA e-SamikSha would also be an effective tool in evaluating performance of Missions/Posts in terms of various proposals/programmes of the Government of India which are required to be implemented by Missions/Posts abroad."

4.20 The Committee note that inspite of the overall cut in the budget allocation at RE stage, there was 10.35% increase under the Head 'Embassies and Missions' in view of high level visits by Indian Government, mandatory expenses and depreciating value of the Rupee. The Committee further note that there is an increase of 23.61% during BE 2015-16 over BE 2014-15 in the allocations under this Head. The Committee are of the view that the increased allocation are not in tune with the role and functions assigned to these Missions/Embassies. The Committee, therefore, recommend that the allocation under this Head should be substantially enhanced at the RE stage. The Committee however, are distressed to note that there is no separate head to cater to improvement of services in the Missions and Posts. The Committee note that Indian Missions/Posts form India's residential diplomatic presence in the host country as well as first contact point for locals as well as Indians residing there. The Committee, therefore, are of the view that the

Government should adequately focus on streamlining the procedure in the Indian Missions/Posts and ensure high standards of services rendered by them. The Committee suggest the Ministry to have a mechanism to receive feedback from the general public regarding rendering of services by each Missions/Posts. In context of finalizing e-Samiksha, the Committee suggest to the Ministry to initiate and complete the project in a time bound manner. The Committee note that this portal would be an effective tool in evaluating performance of Missions/Posts. The Committee, therefore, would like to suggest to the Ministry that on the basis of web data analysis the criteria like public perception and public feedback should also to incorporated. The Committee further suggest to the Ministry to explore the possibility of an engagement with the State Governments for reporting of consular grievances.

(Recommendation No. 12)

4.21 The Committee noted that the Government has launched a web portal (online Consular Grievances Monitoring System, named MADAD for easy branding) to extend a helping hand to Indians abroad requiring consular assistance, consular grievance tracking and follow-up. The MADAD online portal represents a qualitative improvement over existing procedures for handling of consular grievances, through online forwarding, tracking and escalation until their eventual resolution. It allows direct registration of the grievances by the members of the public and effective tracking of the entire grievance handling process thereafter. On Committee's query, the Ministry submitted in a written reply as under:

Recently, Government has launched a web portal (online Consular Grievances Monitoring System, named MADAD for easy branding) to extend a helping hand to Indians abroad requiring consular assistance. It is a collaborative effort of the Ministry of External Affairs (MEA) and Ministry of Overseas Indian Affairs (MOIA). All our Missions and Posts abroad and the MEA's Branch Secretariats in Chennai, Guwahati, Hyderabad and Kolkata, are being associated with this portal for consular grievance tracking and follow-up. The portal has been official launched on 21st February, 2015. The MADAD online portal represents a qualitative improvement over existing procedures for handling of consular grievances, through online forwarding, tracking and escalation until their eventual resolution. It allows direct registration of the grievances by the members of the public and effective tracking of the entire grievance handling process thereafter. MADAD incorporates several innovative features such as flexible architecture to handle a variety of grievances, online filing and linking of similar grievances for easier retrieval and reference, automatic escalation and enhancement of priority, colour-coded dash boards for easy assessment and monitoring, and allows

connection with a call centre to help illiterate grievants, by linking with MOIA's existing facility."

4.22 On Committee's further query, the Ministry submitted in a post-evidence reply as under:

"Consular Grievances Monitoring System (MADAD) is currently accessible through: <https://org1.passportindia.gov.in/AppConsularProject/welcomeLink>. We are in the process of registering the domain <http://madad.gov.in> and the web portal will be transferred to the new address. The portal is working well and nearly 1200 complaints have been registered on it. These are being processed by our Missions and Posts."

4.23 The Committee further desired to know about its accessibility and the efforts that have been made by the Ministry to publicise it. The Ministry submitted in a post-evidence reply as under:

"The portal is accessible from India as well as from any other country in the world. The Ministry has given wide publicity of the portal during the launch. The link is available in the Ministry's website as well as the Missions' websites."

4.24 The Committee sought clarification from the Ministry regarding involvement of any other Ministry and desired to know about the coordination mechanism. The Ministry submitted in a post-evidence reply as under:

"MADAD is a collaborative effort of the Ministry of External Affairs (MEA) and Ministry of Overseas Indian Affairs (MOIA). MOIA has the authority to access grievances, communicate with the Missions/Posts and monitor grievances."

4.25 The Committee take note of the collaborative effort of the Ministry of External Affairs and the Ministry of Overseas Indian Affairs of launch of web portal online Consular Grievances Monitoring System named MADAD for extending a helping hand to Indians abroad requiring consular assistance, consular grievance tracking and follow up. In view of the involvement of two Ministries, the Committee are of the view that the Ministry should establish a coordination mechanism and channels of communication between the two Ministries and come up with identifiable timelines with Standard Operating Procedures regarding the process to be followed once a grievance is received.

Moreover, in view of the process of registering the new domain and thereafter transfer of web-portal, the Committee recommend that the Ministry should engage with

the concerned authorities for an early registration of the domain name as well as to ensure flawless transfer from the present portal. The Committee are of the view that efforts need to be made to give wider publicity to the portal. The Committee, therefore, suggest that the Ministry in collaboration with the Ministry of Overseas Indian Affairs should engage in a media campaign, particularly on social media, as well as flash the information of the portal on Passport Seva Portal and on websites of individual Missions/Posts.

(Recommendation No. 13)

4.26 The Committee noted that as per the budgetary documents, opening of new Missions/Posts is one of the reasons for increased allocations. In this context, when the Committee enquired about Missions/Posts that were opened during financial year 2014-15 and proposed to be opened during financial year 2015-16, the Ministry in a written reply submitted that Mission of India to ASEAN and East Asia Summit were opened during 2014-15. In this context, the Committee desired to know the Government of India's policy regarding opening of new Embassy/ Mission/Post and the decision making process in this regard. The Ministry submitted in a post-evidence reply as under:

"New Missions and Posts are opened after assessing potential benefits for the same to the Government of India in terms of strategic importance of the country/ region, potential for strengthening commercial, economic and technology cooperation, defense cooperation, and to provide consular and other assistance to Indian diaspora. After taking approval of the Minister-in-Charge proposal is sent to the Department of Expenditure and Union Cabinet for approvals."

4.27 On Committee's query, the Ministry furnished the list of countries where there is no permanent establishment of Government of India and submitted as under:

"In most of these countries, Ambassadors of India resident in neighbouring countries are concurrently accredited. Ministry's limitation in terms of financial and human resources is a significant factors that constraints opening up India's Missions/Posts in each country."

4.28 On Committee's query regarding request (both formal and informal) received for opening of new Embassies/Missions in countries from respective Governments during the last 5 years, the Ministry submitted in a post-evidence reply as under:

"Requests received from foreign governments for opening new Embassies/Missions are processed by territorial divisions concerned and are considered taking into account, inter alia, India's resources- financial and human."

4.29 The Committee enquired whether any policy has been fixed for providing space to Embassies/Missions in the proposed new Diplomatic Enclave being developed at Dwarka in Delhi. The Ministry submitted in a post-evidence reply as under:

"The Delhi Development Authority has identified an area in Dwarka for a proposed new Diplomatic Enclave. The policy regarding allotment of land to foreign Missions in the new Diplomatic Enclave, including the terms under which such land will be offered, is being developed."

4.30 The Committee observe that requests are being received by the Ministry for opening of new Indian Missions/Posts and are being processed and considered by territorial divisions concerned without any coherent policy. The Committee are of the view that Government should consider these proposals positively and strive to have representation of India in all the countries, and that limitations in terms of finances and human resources should not be a constraint while opening India's new Missions/Posts in those countries where India is currently unrepresented. The Committee also suggest that the Ministry should come up with a concrete policy regarding establishment of new Embassies/Missions abroad.

Furthermore, the Committee desire that the Ministry should take up the long pending issue of the proposed new Diplomatic Enclave with the Delhi Development Authority. The Committee recommend that the Ministry should also formulate a policy regarding allotment of land to Foreign Missions/Posts as per international conventions and also suggest to dwell upon the practice regarding provision of reciprocity in this regard.

(Recommendation No. 14)

D. Passport and Emigration

4.31 The Minor Head 'Passport and Emigration' provides for expenditure on Passport Offices (POs), printing of travel documents, scanning of passport applications and files, lease of passport printers and printing of travel documents, purchase of passport printers, computerization of Passport Offices, payments to State Governments and Union Territories for their passport related

services-verification etc. The allocation during BE 2014-15 was Rs. 542.83 crore, which was increased to Rs. 560.33 crore at RE stage. The Budgetary allocation for BE 2015-16 has been further increased to Rs. 591.72. On Committee's query regarding the reasons for increased allocation during RE 2014-15 as well as BE 2015-16, the Ministry submitted in a written reply as under:

"Increase both in the RE 2014-15 and BE 2015-16 is due to increase in provision for Salaries and other essential establishment costs. Additional provision has also been made in BE 2015-16 for payment to States for verification charges for issue of passports."

4.32 When the Committee desired to know whether the enhancement in Budget is sufficient in view of quantum jump in the number of travel documents issued by various passport offices and Indian Missions/Posts abroad and need of more printers and other hardware and infrastructure and to improve the services in Consular wings and also about the efforts that have been made to get more funds at RE stage during 2014-15 and BE 2015-16, the Ministry submitted in a written reply as under:

"No, this marginal enhancement of Budget is still insufficient. The actual requirement of funds for the Central Passport Organisation have been projected while preparing of the proposals for RE 2014-15 and BE 2015-16 along with ample justifications. Further, the matter for enhanced budgetary allocation at RE stage during 2014-15 and BE 2015-16 has also been taken up vigorously with Ministry of Finance."

4.33 In the same context, when asked as to how the Ministry would be able to fully accommodate these requirements inspite of budgetary constraints, the Ministry stated in a written reply that Ministry of Finance will be approached at Supplementary Demands/RE stage as per needs for allocation of additional funds so that these requirements can be fulfilled.

4.34 The Committee further enquired whether Ministry has taken into account the financial liabilities on account of onset of phase II of the Passport Seva Project. The Ministry submitted the following facts in a written reply:

"The Ministry has taken into account financial liability arising out of the setting up of 18 additional PSKs. No further addition to Passport Seva network is envisaged at present."

4.35 The Committee sought Ministry's justification for the allocation of salaries Sub Head during 2015-16 particularly, when there is a continuous requirement and demand of more manpower in various passport Offices/Kendras to handle the volume of work and also for the expansion programme. The Ministry submitted following explanation in a written reply:

"The projection for funds under salaries sub head during 2015-16 has been projected as per the actual requirement keeping in view of the available manpower in the Central Passport Organisation. We have already indented a requirement of about 665 officials to the Staff Selection Commission in the grade of LDC and Assistant for recruitment during this year. It is expected that these officials will join the Organisation in the phased manner during the third and last quarters of this year. Necessary provisions for their salaries will be projected at R.E/F.E stage as per the requirement."

4.36 The Committee noted that in the Object Head 'Passport', the Outlay for 2014-15 was Rs. 210 crore under 'Printing and Procurement of Travel Documents- Publications', while expenditure 2014-15 (upto December, 2014) was Rs. 169.02 crore. While as per Statement of Outlay and Outcomes/Targets for 2015-16, there were arrears amounting to Rs. 206.4 crore relating to printing of passport. In this context, the Committee enquired about the reasons for non-utilization of funds for clearing the pending bills and sought clarification whether it would not lead to additional pressure on allocation under the Head 'Passport and Emigration' during 2015-16. The Ministry submitted the following clarification in a post-evidence reply:

"During BE 2014-15, Rs. 210 Crore were allocated under 'Printing and Procurement of Travel Documents - Publications', which have been fully utilized including Rs. 149 Crore pending of the year 2013-14 and Rs. 61 Crore of the year 2014-15. At present, bills amounting to Rs. 250 Crore pertaining to year 2014-15 are pending to be paid to ISP, Nashik. Ministry had projected this as part of demand for BE 2015-16. However, the allocation under Non Plan BE 2015-16 has remained stagnant. Efforts will be made to clear the pending payment to the extent possible from available funds while seeking an additionality through supplementaries and at the RE stage during 2015-16."

4.37 On Committee's query regarding the pending bill amount of ISP, Nashik and other state agencies and provision made for making payment to these agencies during the year 2015-16, the Ministry submitted in a written reply as under:

"The details related to pending payments to ISP, Nashik and other state agencies is summarised below:

Sl No.	Name of Agency	Pending amount upto March, 2015 (In Crore Rs.)
1	ISP, Nashik	345
2	Police authorities	56
3	Speed Post Collection Center	1.13
4	Post Office, Nashik	1.20
5	GOI Press, Coimbatore	0.53
6	NIC payment related to manpower supplied at Passport Offices, Hardware and Digitization of Passport Applications	8

Apart from above, an amount of Rs.27 crore is also pending for Service Provider (TCS) on account of their services."

4.38 The Committee sought details of revenue earnings collected through Passport/Visa services vis-a-vis allocation made in BE and RE during the last three years. The Ministry submitted in a written reply as under:

2011-12			(Rs in crore)
Year	BE	RE	Actual revenues
Passport Fee	1100.00	1100.00	1030.58
Visa Fee	1400.00	1400.00	1372.89
PIO/OCI	240.00	330.00	341.17
Others	200.00	220.00	240.57

2012-13			(Rs in crore)
Year	BE	RE	Actual revenues
Passport Fee	1200.00	1300.00	1336.06
Visa Fee	1500.00	1764.00	1535.28
PIO/OCI	350.00	350.00	355.79
Others	240.00	255.00	253.15

2013-14			(Rs in crore)
Year	BE	RE	Actual revenues
Passport Fee	1600.00	1800.00	1873.13
Visa Fee	1900.00	1900.00	1913.60
PIO/OCI	400.00	394.71	409.89
Others	255.00	325.00	308.58

4.39 In context of the revenue earnings through Passport/Visa and others, the Committee desired to know as to why the Ministry has not been able to convince the Ministry of Finance to

obtain more funds in view of increased revenue through these services and need of expansion. The Ministry submitted in a written reply as under:

"Ministry had put forth the demand of about Rs. 942 Crores to Ministry of Finance, but in view of stagnant non-plan allocation, the allocation demanded could not be fully met."

4.40 The Committee note that approximately one crore services are rendered by the CPO annually. The Committee also note that an allocation of Rs. 591.72 crore has been made during BE 2015-16 for Passport and other services while the already pending amount for the bills to be settled as on March 2015 is Rs. 438.86 crore which includes the payments to be made to various agencies for procurement of passport booklets, police authorities, apart from payment to be made to NIC, TCS and Post Office, etc. The Committee are of the view that this is a public service delivered by the Ministry which generates revenue and the Government and the Ministry has not made provision under this Head for allocations even to pay for expenditures on procurement of booklets, printers, etc. In the context of the forthcoming expenditure, the Committee express their concern as to how the Ministry would be able to manage with this budgetary allocation. The Committee, therefore, recommend to the Ministry to pursue the question of enhanced allocation under this Head, with the Ministry of Finance in view of the inherent expenditure involved and the increased requirement due to procurement of hardware, improving of services and recruitment of 450 Data Entry Operators.

(Recommendation No.15)

4.41 On the issue of integration of Missions/Posts as part of centralized PSP application, the Committee enquired about the reasons for still not integrating all the Missions/Posts. The Ministry submitted the following status in a post-evidence reply:

"The proposal for integration of Missions/Posts abroad with Passport Seva system was initiated in April 2014. A techno-commercial proposal was submitted by the Service Provider (SP) in November 2014. As some part of the application/system required for Missions/Posts integration would be kept in Public Cloud platform, the proposal required in-depth analysis of the security concerns involved and its technical feasibility and hence the Service Provider took almost 7-8 months to submit the initial proposal. After study of the proposal by the Ministry, SP was advised to furnish separate costing of additional hardware, software, support required to integrate the Missions/Posts and also the equivalent cost component

for sharing the Passport Seva core and common platform. A detailed presentation was also given by SP in the last week of December 2014. The revised proposal has been received on March 2015 and is under review. After completion of review, it would be evaluated by a Technical Committee followed by Apex Committee before seeking financial concurrence. After necessary approvals and financial concurrence, it would take 8 - 10 months to completely integrate the Missions/Posts with Passport Seva system."

4.42 The Committee take note of very slow progress in the integration process of Missions/Posts abroad with the Passport Seva Portal. The Committee further note that some part of the application/system required for Missions/Posts integration would be kept in Public Cloud Platform. The Committee are of the view that the proposal requires in-depth analysis and particularly about the safety of the stored data available on cloud platform and desire that the Ministry should engage experts from the Ministry of Information Technology as well as NIC before taking a final decision in the matter on the issue.

(Recommendation No.16)

4.43 In context of the passport services, the Committee enquired about the status /outcome of the efforts made/being made by the Government to ensure the reach of application collection/submission services to each and every corner of the country through other agencies including private agencies and the story of success and failure in this regard. The Ministry in a written reply submitted information about the 37 Passport Offices and 77 Passport Seva Kendras (PSKs) acting as extended arms of the Passport Offices, besides the Andaman & Nicobar Administration cater to passport needs of the citizens of each and every district of the country. However, to provide closer and speedier passport services, eighteen more PSKs are being set up/integrated with Passport Seva system across the country, organisation of Passport Seva Camps, organization of Passport Melas from time to time by Passport Offices on weekends and involvement of Common Service Centre. About the role of Common Service Centre, the Ministry submitted as under:

"Common Service Centre (CSC) Network : With a view to address the challenge of digital divide in the country, especially in the rural hinterland, the Ministry in association with M/s. CSC e-Governance Services India Limited {which is promoted by the Department of Electronics and Information Technology (DeitY)}, has facilitated online filing of passport applications, through the vast network of over one lakh CSCs

across rural hinterland. The CSCs facilitate filling and uploading of Passport application form, payment of applicable fee (through debit/credit card or through SBI internet banking/challan mode) and scheduling of appointment for visit to the PSK, at nominal charge not exceeding Rs. 100/-. As per the appointment schedule, applicants need to visit the PSK for completion of application submission process (including collection of digital photographs/biometrics, verification of supporting documents and approval). The services through CSCs are available throughout the week, including during the weekend.

4.44 The Committee noted that the Ministry in association with M/s CSC e-governance Service India Ltd. promoted by DeitY had launched online filing of passport related services application, uploading of passport-form and payment fee on pilot basis in March 2014. In this context, when the Committee desired to know Ministry's response in regard to the initiative and whether this project has been implemented on all India basis, the Ministry submitted in a post-evidence reply as under:

"Since the date of pilot launch in March 2014 till 31st March 2015, 57,944 passport service related applications have been filed online with the 37 Passport Offices through the CSCs in the country. It is open to any citizen to approach the nearest CSC for filing passport application online. The Passport Portal as well as the CSC Portal carries information about the said facility. The DeitY's CSC Scheme covers all the states and UTs."

4.45 In context of initiatives for improving the application, submission/collective services through common service centres, the Committee desired to know the outcome of the other efforts made in that direction particularly through Speed Post Centres or Post Offices and permitting utilizing the services of the reputed agents as recognized by Passport Office in many cities for that purpose instead of opening this system for all cyber cafe centres who charge exorbitantly from customers for assistance in filing the form and obtaining the date without any control of RPOs. The Ministry submitted the following clarification in a post-evidence reply:

"The Ministry continues to pursue the Department of Post for co-opting India Post facilities for online filing of passport applications with. A meeting was held with the Member, Postal Services Board on 28 January, 2015 at which it was decided to launch online filing of passport applications in pilot mode at the Head Post Offices in Karnataka. A team from the Ministry also visited the Head Post Office in Ahmedabad to see the infrastructure available with India Post and it was decided to launch a pilot in Ahmedabad instead of in Karnataka. The Head Post Office Ahmedabad has commenced online filing of passport applications. A list

of hardware and connectivity requirements has also been sent to India Post to set up application counters to provide the said facility. Based on the outcome of the pilot in Ahmedabad, the matter would be taken up with India Post for roll-out across other Post Offices in the country."

4.46 The Committee sought Ministry's view regarding identifying and authorizing reputed agencies to provide such assistance on a payment of fixed nominal cost like CSC network in rural areas may stop the exploitation of applicants and desired to know the reason for delay in considering and taking decision in this regard. The Ministry submitted in a post-evidence reply as under:

"As regards travel agents, it is submitted that like any other individual or internet café operator or the CSCs, the travel agents are free to access the Passport Portal to assist citizens in filing passport applications online, making payments and scheduling appointment on behalf of passport applicants. The Ministry no longer feels the need to 'recognize' some agents across the country as was the practice earlier, as the Portal is web-based unlike the previous NIC system. The Government had taken a conscientious decision in November 2010 to make the new regulation universal and non-discriminatory so that an applicant may approach any travel agency, whether or not a member of IATA, TAAI or any other body of travel agents, to seek assistance for online registration/enquiry under the Passport Seva system. It is also submitted that the Ministry's stand had been contested by travel agents in the Special Civil Application No. 917 & 919/2012 filed by Association of Recognised Passport Agents (ARPA) of Gujarat, in the Gujarat High Court, Ahmedabad, whereby the petitioners prayed for (i) restoration of *status quo ante* and continuance of submission of passport applications by travel agents, (ii) access to the new system through log-in, (iii) special counters for travel agents in the PSKs/RPO and (iv) stay on the implementation of PSP. None of the prayers of ARPA was accepted by the Hon'ble High Court. It is emphasized that the Ministry at no time has issued any instructions or advisory that travel agents stand derecognized or commit any illegality in assisting citizens. The Ministry is, however, not in favour of drawing up any panel of travel agents or prescribing fees for them for filing applications online on behalf of passport seekers."

4.47 The Committee have taken note of the efforts being made by the Ministry to ensure reach of application collection/submission services to every nook and corner of the country and involvement of Common Service Centres. The Committee are happy to note that the Ministry, along with India Post had launched a pilot project in Ahmedabad and Head Post

Office Ahmedabad has commenced online filing of Passport application. The Committee are hopeful that based on the outcome of this pilot project, the matter would be taken up for roll out across other post offices in the country. The Committee, however, suggest to the Ministry to pursue the matter with India Post so as to ensure online filing of applications not only at the Head Post-Office but also that this facility should be made available at all the post offices across India particularly in the hinterland and rural areas. The Committee would also like to suggest that the possibility of reputed Travel Agents/Agencies to providing assistance in cities may be considered to applicants on the similar fixed charges as being done by CSCs in cities may also be considered sincerely with a view to stop exploitation of passport seekers by internet cafe operators and Travel Agents. These may be identified as places where citizens could get the facility on payment of nominal fixed charges with suitable penal provisions in case irregularities.

(Recommendation No.17)

a. E-Passport Project

4.48 During the examination of budget documents, the Committee noted that in accordance with ICAO recommendations to incorporate biometric data in the Machine Readable Travel Documents, India has also decided to upgrade its existing passports to electronic category of e-passports. In a post-evidence reply, the Ministry furnished the following status report on e-passport project and also a clarification regarding its conceptualization.

"An Inter-Ministerial Task force comprising of representatives from MEA, MoF, MHA, NIC, SPMCIL and ISP, Nashik was constituted to review the e-passport project and immediate issue of Pre-Qualification Bid(PQB). The first meeting of the Inter-Ministerial Task Force was held on November 22, 2013, whereby decision regarding revival of the Tender Committee was taken to take up the work for the new tender process. In this meeting, decision regarding forming and convening of the Technical Committee was taken, which prepare technical specifications for the new tender in compliance with ICAO norms including hardware/software solutions for writing/reading of biometric data into/from the e-passport chip.

In the second meeting of Task force, it was decided to do vetting of PQB. Third meeting was held on 17.04.2014, whereby PQB prepared by ISP, Nashik was approved. ISP, Nashik floated global Prequalification bid on 18.07.2014 for the procurement of ICAO compliant electronic contactless inlays along with its operating system related to e-passport project. The security clearance for the firms

that participated in PQB has now been received. The tender evaluation committee is meeting shortly to finalize the tender formalities."

4.49 When the Committee enquired whether any pilot project was launched in this regard, the Ministry submitted in a post-evidence reply that there was no pilot project on this. The implementation would be done in a phased manner.

4.50 On Committee's query regarding the likely launch of project for issue of e-passports to general public, the Ministry in a post-evidence reply submitted as under:

"The time line for manufacture of e-Passport, at this stage is tentative depending upon successful completion of the tendering and procurement process by ISP, Nashik."

4.51 The Committee have been following the progress of e-passport project. The Committee are aware that the issuance of e-passport for the diplomatic category was launched in June 2008 and the Ministry had drawn up a programme for full roll out of e-passports in the ordinary passport category by September, 2009. The Committee during Examination of Demands for Grants 2013-14 were informed about the issues regarding security vetting of firms which had participated in the international bid floated by ISP. Now the whole process was reviewed by the Inter-Ministerial Task Force and ISP, Nashik was authorised to float a Global Tender for procurement of electronic contactless inlays required for e-passports. But the work of tendering and procurement is not being undertaken as per any timeline. Pre-Qualification Bid was floated by ISP, Nashik back in July 2014 but the Ministry is not able to give any time frame for generation and availability of e-passports for general citizens. The Committee, therefore, desire that the Ministry should pursue the matter with urgency through the Inter-Ministerial Task Force so that the long pending project may see the light of the day. The Committee may be apprised about the time frame fixed in this regard.

(Recommendation No. 18)

4.52 During the examination of the budget documents, the Committee noted that from 25 November, 2015 onwards, foreign Governments may deny visa or entry to any person travelling with a non- Machine Readable Passport (MRP). Though all new passports are International Civil Aviation Organization compliant MRP Passport, however, all 20 year validity passport will fall

under non-MRP category. In this context, the Committee desired to know about the efforts that have been made by the Ministry to avert the repercussions on non-MRP passport. The Ministry submitted in a written reply as under:

"The Government started issuing Machine Readable Passports since 2001. Therefore, Passports issued before 2001 and particularly issued during mid-1990s with a validity of 20 years will fall in the category of Non-Machine Readable Passports. Accordingly, as per estimated figures of December, 2014, there were approximately 2.86 Lakh hand written passports in circulation.

Indian citizens residing in India and abroad and holding handwritten passports as well as 20 year passport with validity beyond the 24th November, 2015 have been advised through public notices and media campaign from time to time, to apply for re-issue of their passports well before the deadline in order to avoid any inconvenience in obtaining foreign visa or international travel. As a result of our sustained campaign, the figure of handwritten passports has come down from 2.86 Lakh passports in December 2014 to 2.62 lakh Passports as on 20th March 2015."

4.53 The Committee note that from 25th November, 2015 Foreign Governments may deny visa or entry to any person travelling with a non-machine Readable Passport (MRP) and the older Indian Passports issued with a validity of 20 years fall under non-MRP category. The Committee take note of Ministry's reply that as a result of Ministry's sustained campaign, the figure of handwritten passports has come down from 2.86 lakh passport in December, 2014 to 2.62 lakh passport as on 20th March, 2015. The Committee suggest that in view of the approaching deadline and the vast number of passport holders falling in the category, the Ministry should engage in a media campaign as well as highlight the issue at the Social Media so as to make citizens aware. The Committee further recommend to the Ministry to flash this information on the Passport Seva Portal as well as on all the websites of Ministry of External Affairs and the Missions for awareness of concerned persons.

(Recommendation No. 19)

E International Cooperation

4.54 The expenditure under this 'Minor Head' is for obligatory contribution to UN and other International Organisations of which India is a member. This Head also caters to the contribution

for establishment of South Asian University on the Non-Plan side and for establishment of Nalanda University on Plan side. The budgetary allocation under 'Plan' and Non-Plan' for the BE 2014-15, RE 2014-15 and BE 2015-16 is as under:

(Rs. in crore)

Revenue	BE 2014-15	RE 2014-15	BE 2015-16
Non-Plan	417.59	302.89	386.83
Plan	100.00	25.00	100.00
Total	517.59	327.89	486.03

4.55 Under the Non-Plan section, the budgetary allocation for the BE 2014-15 was pegged at Rs. 417.59 crore while it was reduced to Rs. 302.89 crore during RE 2014-15. Though the allocation during BE 2015-16 has been increased to Rs. 386.03 crore but it is less than allocations made during BE 2014-15. On Committee's query regarding reasons for reduction allocation for RE 2014-15, the Ministry submitted in a written reply as under:

"Reduction was made under various heads in RE 2014-15 in order to conform with the overall RE ceiling indicated by Ministry of Finance. In addition, the assessed contributions to be made to South Asian University and SAARC Secretariat were less."

4.56 On Committee's further query regarding enhanced allocation during BE 2015-16, the Ministry submitted in a written reply as under:

"The increase in BE 2015-16 as compared to RE 2014-15 is due to increase in allocation for South Asian University and Nalanda University in anticipation of commencement of construction."

a. Nalanda University

4.57 Under the 'Plan' Section, contribution for Nalanda University during BE 2014-15 was Rs. 100 crore which was reduced during RE 2014-15 to Rs. 25 crore. During BE 2015-16, the contribution has been increased to Rs. 100 crore. The Committee sought justification for allocation of Rs. 100 crore under this Head, when over the years there has been a trend of massive underutilization of funds due to non-adherence of timelines and construction as well as academic schedule. The Ministry submitted in a written reply as under:

"The University had requested a sum of Rs. 313.21 crore for the current financial year, out of which Rs. 261.84 crore were for capital expenditure. The initial

contribution of Rs. 100 crore is fully justified in view of the commencement of teaching from September 2014 and admissions to the new academic year 2015-16. So far as construction is concerned, the University will, on 30 March 2015, issue Letter of Intent to the successful bidder for Phase-IA of the construction work at a cost of Rs. 60.50 crore. It includes construction of the outreach building, two faculty housing units, water bodies and lakes for rain water collection and distribution, development of internal roads, walkways and landscape areas etc. as well as agricultural zones necessary to be constructed as a Mockup of the Total Design characteristics of the entire Nalanda University project.

The University is being assisted by MECON India Ltd (a Public Sector Undertaking), who have been appointed as Project Management Consultants on 3 March 2015 on the basis of an open tender, in the process of evaluation of the bids. The process of tendering for the main Phase 1 construction will commence in May 2015."

4.58. During the examination of Budget documents, the Committee noted that the proposal sent by Ministry of External Affairs to Planning Commission for Nalanda University for allocation during BE 2014-15 was Rs. 313.21 crore while the actual allocations is Rs. 100 crore. The Committee sought justification for the proposed figure in view of the trend of slow progress of the project over the year. The Ministry submitted in a written reply as under:

"The Plan allocation in BE 2015-16 was intimated by Ministry of Finance under the heads Aid to Bhutan, Aid to Myanmar, Aid to Afghanistan and Nalanda University. In the said communication, the allocation as indicated for Nalanda University was Rs 100 crore."

4.59 In this context, the Committee desired to know the details of Indian contribution and contribution from other countries/agencies during the last three years and actual utilization in the Nalanda University Project. The Ministry submitted in a written reply under:

"The Government of India released following amounts as per University's approved budgetary requirements for each year:

<u>Year</u>	<u>Amount released</u>	<u>Amount utilised</u>
2012-13	Rs. 11.51 crore	Rs. 11.10 crore
2013-14	Rs. 9.15 crore	Rs. 7.34 crore
2014-15	Rs. 17.00 crore	Rs. 16.11 crore

Contributions received from foreign countries/agencies for the Nalanda University Project are listed below:

2012-13	Laos	US\$ 50,000
2014-15	Australia	AS\$ 1 million"

4.60 On Committee's query regarding monitoring mechanism for efficient utilization of funds and ensuring timelines, The Ministry submitted in a written reply as under:

"The Vice-Chancellor heads University's Finance Committee, and the Building and Works Committee, to ensure efficient utilisation of funds and adherence of timelines. For example, in the tendering process for the selection of Project Management Consultant and construction in Phase 1A, the University followed pre-determined timelines. The Governing Board and the Ministry also monitor progress on a continuous basis."

4.61 The Committee desired to know whether any responsibility has been fixed for undue delay in the Project, the Ministry submitted in a written reply as under:

"It took some time for the University to appoint key officials, approach EdCIL for preparing a Project Report, review the Preliminary Report and, thereafter, get the Final DPR approved by the Governing Board in July 2012. University's decision to construct a "Net Zero Energy" campus required examination of the options available in this field, needing additional time for the finalisation of the Expression of Interest document. The pace of work leading to the commencement of construction became faster after the launch of the Global Design Competition in November 2012, CCEA approval for the quantum of GOI assistance in January 2014 and signing of a formal contract with the Architect in May 2014.

The reasons explained above and the challenges in establishing a new institution led to the evolution of parameters for the execution of Nalanda Project which has gathered pace. As per the decision of the Governing Board at its 10th meeting on 13-14 January 2015, tenders for the preliminary work (Phase 1A) were issued on 17 February 2015. M/s MECON India Ltd, a Public Sector Undertaking, have been appointed as Project Management Consultants on 3 March 2015. The Letter of Intent for Phase 1A will be issued by the University on 30 March 2015. Tenders for the construction of main campus and residences (Phase 1) will be floated in May 2015."

4.62 The Committee note that over the years, there is vast gap in Budgetary Estimates, the amount released and amount utilised under the Head 'Nalanda University'. The Committee observe that even in BE 2015-16, the University had sought a sum of Rs. 313.21 crore, while the proposed BE 2015-16 is Rs. 100 crore. The Ministry has justified the BE 2015-16 on account of commencement of teaching since September 2014, admissions to the new academic session, issue of letter of intent to successful bidder. The Committee note the extraordinary delay in commencement of construction activities and the delays in execution

of construction project for which no responsibility has been fixed so far. The Committee, therefore, suggest to the Ministry to fix the responsibility for the delay and take necessary action to streamline the construction process in a time bound manner. The Committee further recommend that the Ministry should ensure that budgetary projection process is streamlined in the University so that realistic budgetary projections are made. The Committee also desire that a blueprint regarding commencement and status report of the construction project along with timelines should be furnished to the Committee on regular basis.

(Recommendation No. 20)

b. South Asian University

4.63 During examination of budget documents, in context of the proposals included for First and Second and final Supplementary Demands for the year 2014-15, when the Committee desired to know the reason for seeking Rs. 141.00 crore for the South Asian University and also about the factual position regarding the activities outlined in the background note and the expenses incurred on each of the activities mentioned there in as on 28th February, 2015, the Ministry submitted in a written reply as under:

"The South Asian University had sought a grant of Rs. 141 crore on account of anticipated expenditure up to 31st March, 2015 on SAU construction project at Maidan Garhi, Delhi.

Details of the anticipated expenditure are as follows:

Sl.No.	Item	Amount(Rs.Crores)
01.	Mandatory Budget	13.80
02.	Stage I Building Construction	110.00
03.	Payment to Consultants, Architects etc.	2.00
04.	Statutory Payments	1.27
05.	Rent for the present premises for 7 months	14.49
	Total	141.99

The above projection under the Budget Head- "Creation of Capital Assets within the South Asian University" could not be utilised till 28th February, 2015 since the Stage I Building Construction could not take off due to legal hurdles and want of statutory clearances.

The rental payment for the Temporary Premises at Akbar Bhavan, Chanakyapuri was made from the Budget Head: "Contribution to South Asian University".

4.64 Regarding seeking Rs. 141.00 crore for the South Asian University during the First and Second and final Supplementary Demands for the year 2014-15, the Committee desired to know the reason for the demand for this allocation when clearances from legal authorities basic activities like on tree cutting, ridge land clearance had not been received. The Ministry submitted as under:

"It was anticipated that these clearances would come expeditiously and building construction would begin. These took inordinate time and have not been received till date. SAU is pursuing it."

4.65 On Committee's query regarding enhanced allocation for South Asian University during BE 2015-16, the Ministry submitted in a written reply as under:

"Increase in allocation under BE 2015-16 owes to suitable provision made in anticipation of commencement of construction of SAU."

4.66 While furnishing the status report on the construction of South Asian University Campus and timeline fixed on the basis of available land as on date, the Ministry submitted in a written reply as under:

"Ministry has acquired a plot of land 90.96 acres at Maidan Garhi, New Delhi from DDA, which has been handed over to SAU for construction of its permanent campus. The construction of the building has not yet started since clearances from legal authorities on tree cutting, ridge land clearances, etc. have not been received by the University so far. These are being facilitated and the building project is to commence in the coming financial year."

4.67 The Committee note that apart from Budgetary allocation of Rs. 302.89 crore during the BE 2014-15, an additional allocation of Rs. 141.00 crore was sought during supplementary grants in anticipation of the South Asian University construction project. The Committee wonder as to why the additional resources were augmented when basic necessary clearances were awaited. The Committee do not support the approach being followed by SAU when a major portion of the land is in their possession since long, leaving small patches awaiting clearances. The Committee, therefore, desire that the construction

plan should be modified at the earliest on the plot available with a view to commence the activities. Simultaneously, they may continue their pursuit of the case with concerned authorities to get clearances of the remaining portion of the land.

(Recommendation No.21)

CHAPTER-V

INDIA'S DEVELOPMENTAL ENGAGEMENT

India has traditionally been at the forefront of countries in providing aid and assistance through technical and economic cooperation to other developing countries. India is increasingly recognized as one of the major countries in the world involved in providing technical and economic assistance to other countries. With the increasing recognition of India in this important sphere of aid and assistance at global level, the Ministry's activities in undertaking developmental projects in other countries and training programmes for building human resources capacity of recipient countries have increased. The footprint of India's technical and economic cooperation touches its immediate and extended neighbourhood as well as countries in South East Asia, Central Asia, Africa, the Pacific Islands and Latin America. The Ministry's budget continues to focus on promoting technical cooperation with other developing countries.

5.2 The quantum of MEA's budget devoted to its technical and economic cooperation programme has also been increasing over the years. The proposed Plan Budget of the Ministry constitutes around 35% of the total proposed budget of Rs. 14,966.83 crore for the financial year 2015-16. The proposed budget for the technical and economic cooperation programmes on the Non Plan side constitutes 25.9% of Ministry's budget. The Ministry's budget has an outlay of Rs. 9107.02 crore towards technical and economic cooperation, which is 60.9 % of the total allocation.

5.3 In the Ministry's budget Major Head - '3605' - Technical and Economic Cooperation with Other Countries caters to India's multilateral and bilateral aid and assistance programmes to neighbouring and other developing countries. It also caters for Aid for Disaster Relief and contributions to various regional funds. Aid programmes are influenced by the dynamics of diplomatic engagements and political relations and, as a result, it is difficult to anticipate all the requirements accurately at the BE stage itself.

5.4 While highlighting the developmental cooperation with the other countries, the Foreign Secretary during the course of evidence informed the Committee as under:

"..... some of the notable projects which are being undertaken with our developmental assistance. India extends a significant support to Bhutan's Five Year Plans. We have committed Rs.4,500 crore for their Eleventh Five Year Plan

from 2013-18 and would be supporting the second and third years of this Plan in BE 2015-16. We have also provided Rs.500 crore as part of the Economic Stimulus Programme to Bhutan. This is in addition to our support for construction of hydroelectric projects that I mentioned earlier.

In Afghanistan, the construction of Salma Dam and Afghan Parliament Building, in Nepal, the construction of Terai roads, the cross border Jogbani-Biratnagar and Jaynagar-Bardibas rail links, Integrated Check Post at Birgunj and Biratnagar, then in Sri Lanka, the construction and repair of 50,000 houses for Internally Displaced Persons as part of our rehabilitation and reconstruction assistance, which is progressing well and would be completed by 2015-16, in Myanmar, the ACARE & Rice Bio Park project and the Myanmar Institute of Information Technology in Mandalay, in Bangladesh, the transit and connectivity projects like the Akhaura-Agartala rail link, development of the Ashuganj inland port, upgrading of patches of Bangladesh rail network and in Maldives, significant big projects like the renovation of the Indira Gandhi Memorial Hospital, construction of Composite Training Centre, Ministry of Defence Building and the National Police Academy are all on-going.

We also undertake several small development projects in many of our neighbouring countries. These projects are quick impact, have short gestation periods and provide for greater involvement of the local communities. Through our ITEC programme, we continue to support development of human resources and capacity building in the areas of education, health, agriculture and rural development."

5.5 The following table indicates the overall allocation made in respect of aid and loans to the countries during BE 2014-15, RE 2014-15 and BE 2015-16.

(Rs. in Crore)

Aid and Loan to Countries	BE 2014-15	RE 2014-15	BE 2015-16 (proposed)
Bhutan	6074.00	4871.59	6160.20
Afghanistan	676.00	710.00	676.00
Nepal	450.00	300.00	420.00
African Countries	350.00	145.00	200.00
Mongolia	2.50	2.50	2.50
Sri Lanka	500.00	500.00	500.00
Myanmar	330.00	130.00	270.00
Eurasian Countries	40.00	10.00	20.00
Bangladesh	350.00	198.00	250.00
Maldives	183.00	25.00	183.00
Latin American Countries	30.00	10.00	15.00
Others	449.32	332.17	410.32
Total	9434.82	7234.26	9107.02

5.6 The BE 2014-15 for aid and loans to countries was pegged at Rs. 9434.82 crore while the allocation was reduced to Rs. 7234.26 crore at RE stage. The BE 2015-16 is pegged at Rs. 9107.02, which is less than the BE 2014-15. In this context, the Committee desired to know the reasons for reduced allocation during RE 2014-15 and sought justification for the reduction in international commitments at RE stage on the line of reduction in allocation under other Heads. The Ministry submitted in a written reply that the activities and payment schedule for each project were appropriately revised with a view to achieve to the extent possible continued implementation of on-going projects within the allocations worked out under Plan and Non-Plan Budget Heads at RE stage and furnished list of projects/activities that were curtailed.

5.7 During the examination of budget documents, the Committee noted that Ministry has stated 'Nearly 60.9 % of Ministry's budget is devoted to Technical and Economic Cooperation with other countries...with every passing year, the quantum of Projects dealt under this programme and their geographical spread has been growing'. In this context, the Committee sought justification regarding Ministry's statement in view of lack of desired allocation over the years, particularly in the backdrop of reduced allocation under this Head during RE 2014-15. The Ministry submitted in a written reply as under:

"The reduction in allocation in RE 2014-15 is unprecedented. As may be seen from the budget of the Ministry over the last few years (table below), the budgetary allocations have been increasing as are the aid commitments. Though the allocations have not been commensurate to our commitments as well as budgetary demands, the Ministry continues to engage with the Ministry of Finance for additional allocation of funds.

Year	Overall Non Plan allocation	Allocation under MH 3605 (Non Plan)
BE 2012-13	8161.97	3066.21
BE 2013-14	8719.00	4092.00
BE 2014-15	9630.39	4276.82
BE 2015-16	9630.63	3712.82

"

5.8 During financial year 2014-15, 42.56% of total allocation of Ministry's budget pertained to technical and economic cooperation while 21.49% comprised of loans to foreign

Governments. However, for the year 2015-16, these figures are 38.14 % and 22.71 % respectively. On Committee's query regarding factual position and reasons regarding decrease in allocation for grants and increase in allocation for loans, the Ministry submitted in a written reply as under:

"The allocations under Loans is higher mainly on account of the allocations for hydroelectric projects underway in Bhutan. Further, the allocations under Non Plan were not increased in BE 2015-16 as compared to BE 2014-15, and therefore additional allocations could not be made under Grants."

5.9 On Committee's query, the Ministry furnished the figures separately for aid and loans provided to major beneficiaries and submitted as under:

Grant: (Rs in crore)	
Aid to Bangladesh	250.00
Aid to Bhutan	2919.40
Aid to Nepal	420.00
Sri Lanka – other aid programmes	500.00
Aid to Maldives	25.00
Aid to Myanmar	270.00
Aid to Afghanistan	676.00
Aid to African countries	200.00
Loan: (Rs in crore)	
Loans to Bhutan	3240.80
Loans to Maldives	158.00

5.10 On Committee's query, the Ministry also furnished the details of mode and route of recovery of interest and repayment of loans and details of involvement of other Ministries/Departments and coordination mechanism established for the purpose.

5.11 When the Committee enquired about the terms and conditions for providing Aid and Loans to various countries and factors deciding the amount of Aid/Loan to particular country, the Ministry submitted in a written reply as under:

"The policy framework for development cooperation is based on mutually beneficial exchange of developmental experiences and resources, a demand-driven approach which takes into consideration developmental priorities of partner countries and an understanding of their sensitivities in pursuing their own nation building priorities as well as our own national priorities. The extent of

assistance and the modality of implementation of projects depends on the nature of the project proposal / request from the recipient country, which is the crucial determinant."

5.12 In context of India's developmental engagement, the Committee desired to know whether any assessment has been carried out by the Government or the concerned Division of the Ministry or any of the think-tank associated with the Ministry to ascertain that the desired aims and objectives are achieved. The Ministry submitted in a written reply as under:

"The assessment of development assistance projects is an on-going process in the context of pursuing India's interests. Ministry's approach in the selection and implementation of the development cooperation assistance projects is based on an analysis of past experiences and their impact on partner country, on our future engagement with them and on our national priorities. Consultation with think tanks on our development cooperation activities is an on-going exercise with a view to make such efforts more effective in terms of meeting expectations of our partner countries and our own national priorities."

5.13 The Committee enquired whether any review has been conducted for the projects under development cooperation in the past and desired to know whether any study has been conducted to identify the best practice as well as shortcomings in India's developmental cooperation, if any from the stage of inception to final execution of the projects. The Committee further desired to know whether any mechanism is available with the Government/Ministry to access the full impact of India's International aid/cooperation. The Ministry submitted in a post-evidence reply as under:

"Assessment of development assistance programme is an on-going process. The Ministry's approach to implementation of development cooperation component of India's foreign policy is based on an analysis of our past programme, their impact on partner countries and our future engagement with them. In the case of ITEC, Ministry has set up a continuous monitoring mechanism, which includes a feed-back from trainees on the impact of the capacity building programme. For all LoC projects, the completion and impact assessment reports have been made part of the operational guidelines. In addition, the Ministry has established monitoring mechanisms and bilateral committees for close monitoring of development cooperation projects as well as to identify the best practices and shortcomings, if any, from the stage of inception to final execution of project and take necessary remedial measures for effective implementation of development cooperation programme."

Our Mission in countries where India has made extensive commitments over the years have also been advised to undertake comprehensive review to identify the best practices and short-comings if any, in the implementation of the past programme that could feed into our future commitments.

The review and close monitoring of our development cooperation programme have helped us identify new areas for capacity building programmes. In the case of LoC and Grant projects, the analysis of projects undertaken in the past have clearly brought out sectors of India's strength where projects have been effectively implemented and made significant impact. This exercise has helped Ministry pursue development cooperation programme more effectively in terms of creation of beneficial infrastructure in recipient countries while pursuing our national priorities.

A proposal for conducting a study on India's development cooperation is under finalisation."

5.14 The Committee sought clarification whether the Ministry has conducted any study regarding the developmental cooperation/projects through aid/loan by big donor countries institutions. The Ministry submitted in a post-evidence reply as under:

"The policy of the big donor countries has been institutionalized within OECD-DAC framework and the information is readily available. The development cooperation activities of the Government of India are based on mutually beneficial exchange of development experiences and resources; a demand-driven approach which takes into consideration the development priorities and sensitivities of the partner country as well as our own national priorities. A specific study of aid policy of big donor countries has, therefore, not been undertaken, though available literature is referred to as required."

5.15 The Committee further sought clarification whether the Ministry has undertaken any study to identify the impact of delayed projects/grants to beneficiary country on India's engagement with the Government as well as public at large. The Ministry submitted in a post-evidence reply as under:

"Our Embassies/High Commissions/Consulates are in regular contact with local authorities to monitor the progress of projects. The implementation of the projects is also discussed during Project Monitoring/Steering Committee meetings. In addition, bilateral consultations, visits, etc., provide opportunity for holding discussions on ongoing projects in the respective countries.

The delay in execution of development assistance projects abroad are mainly on account of local factors in the foreign country such as delay in statutory clearances from the government concerned, fulfillment of the commitments of the foreign government authorities in making available land and other support required for timely and effective implementation of the project and other local issues. Such matters are taken up with the foreign government concerned separately as well as in the bilateral consultation mechanisms like Foreign Office Consultations and Joint Commission Meetings, depending on the nature of delays. Corrective measures are taken as required and efforts are made to address the bottlenecks with a view to take the project forward."

5.16 On Committee's query regarding the mechanism in place or software available for management of data and information of India's International aid/bilateral/developmental cooperation, the Ministry submitted in a written reply as under:

"For efficient administration of capacity building programmes offered under the Indian Technical and Economic Cooperation (ITEC) and its sister schemes, namely, Special Commonwealth Assistance for Africa Programme (SCAAP) and the TCS of Colombo Plan, a web based ITEC Portal is being used since 2007-08. The Portal is continuously kept updated and upgraded. A comprehensive database on the Lines of Credit projects is maintained by Exim Bank of India. The data is shared on a monthly basis with MEA, Department of Economic Affairs and Missions."

5.17 Elaborating upon the existing monitoring mechanism to ensure high qualitative standard of execution in projects and optimum utilization of resources, the Ministry submitted in a written reply as under:

"Project Monitoring Committees(PMC) comprising the nodal Ministry of the local government / project authority, representatives of concerned Ministries and our Missions/Posts have been established to undertake periodic review of the progress of implementation of major development projects. The Committee scrutinises the physical and financial progress. Regular monitoring is also undertaken by our Missions to ensure high qualitative standard of execution in projects and optimal utilisation of resources."

5.18 On Committee's query regarding monitoring of services provided by service providers engaged in the projects, the Ministry submitted the following facts in a written reply:

"Records of each project including on performance of agencies / organization are maintained. Their performance is also evaluated as part of the bilateral review mechanism. Feedbacks from partner countries on the performance of agencies /

organizations involved in the execution of projects abroad are regularly analyzed and reviewed. The Ministry also undertakes regular review / monitoring of the performance of executing agencies and as required, takes necessary corrective measures."

5.19 When the Committee specifically enquired about the legal cases faced by the Government/Ministry in regard to execution of its projects abroad, the Ministry submitted in a written reply as under:

"Arbitration process is ongoing in the following projects:

- a. Between the Ministry and M/s IDEB in respect of construction project of India-Maldives Friendship Faculty of Hospitality and Tourism Studies at Male.
- b. Between the Ministry and M/s GVR Infra Projects Ltd. in respect of Packages 2 and 6 of the Terai Roads Project (Phase-I) in Nepal.
- c. Between the Ministry and M/s Vishwa-BVSR (JV) in respect of Packages 3, 4 and 5 of the Terai Roads Project (Phase-I) in Nepal."

5.20 The Committee in their Twentieth Report had desired that Development Partnership Administration should develop Standard Operating Procedures (SOPs) as well as guidelines for each step from inception of the project to actual delivery of the project. The Committee desired to be apprised on the action taken in this regard. The Ministry submitted in a post-evidence reply as under:

"The Development Partnership Administration handles the implementation of different types of projects in various countries. The inception, planning, development of implementation framework, execution plan, installation and commissioning, review and monitoring, delivery and self-sustenance, etc for each project is *sui generis* and developed in accordance with the understanding reached with the concerned Governments. The provisions of the General Financial Rules and CVC guidelines are scrupulously followed in the implementation of all projects."

5.21 The Committee note that over 60% of the budget of the Ministry is earmarked for developmental engagement with other countries via allocation under aid/loans. The Committee, however, are dismayed to note that during RE 2014-15, a reduction of Rs. 2190 crore was made in budgetary allocation under aid and loans to countries, though an allocation of Rs. 400 crore was sought at the supplementary stage under the Head 'Aid to Afghanistan'. The Committee note that matching savings made under various Sub-Heads

was used for allocation for utilization within the Ministry under the Heads Special Diplomatic Expenditure, Embassies and Missions, etc. The Committee express their concern over the Ministry's approach of cutting on international commitments towards maintaining relations with friendly countries and towards countries' commitments and developmental engagement with these countries in order to fulfil the internal needs of the Ministry and desire that such practice should not continue because it directly affects the bilateral relation and prestige of the country.

(Recommendation No. 22)

5.22 The Committee note that major portion of Ministry's budget is earmarked for aid/loan to various countries. The Committee are also aware that assessment of development assistance projects is an ongoing process. A proposal for conducting a study of India's development cooperation is under finalization. The Committee, however, are of the view that such study should include the assessment of its overall policy of developmental engagement and make necessary amendments while formulating the Aid Policy for India and for improvement of existing mechanism. The Committee further suggest that the Ministry should also consider the impact of delay in execution of project/extension of grants on the relations with the beneficiary country as well as the public perception should also be considered while making an objective assessment. In Committee's view the Policy and Planning Division within the Ministry may be assigned the work of conducting this assessment and if need be, the Division may involve various think tanks in this task. The Committee further suggest that this assessment should also incorporate an element of assessment of the standard and quality of the projects undertaken by the Ministry.

Furthermore, the Committee suggest that the Ministry should establish a mechanism in place and develop a programme for management of data and overall information of India's international aid/bilateral/developmental cooperation, rather than just depending upon the ITEC portal and comprehensive data base of the Lines of Credit maintained by the Exim Bank of India.

(Recommendation No.23)

A. Aid to Afghanistan

5.23 India's assistance programme for Afghanistan is focused towards building the country's vital civil infrastructure, development of human resources and capacity building in areas of education, health, agriculture and rural development. Aid to Afghanistan under Plan and Non-Plan Heads is as under:

(Rupees in Crore)

	BE 2014-15	RE 2014-15	BE 2015-16
Plan	126.00	76.00	126.00
Non Plan	550.00	640.00	550.00
Total	676.00	716.00	676.00

5.24 In view of the budgetary allocation, when the Committee enquired about the reasons for reduced allocation during RE 2014-15 under 'Plan' Head and an enhanced allocation during RE 2014-15 under 'Non-Plan' Head, the Ministry submitted in a written reply as under:

"The allocation under Plan was reduced to conform to the overall RE ceiling intimated by the Ministry of Finance. The allocation was increased under Non Plan to pay for pending bills of ongoing projects viz., Salma Dam and Parliament Building construction."

5.25 On Committee's query regarding seeking cash supplementary of Rs. 400 crore for Technical and Economic Cooperation, the Ministry submitted in a written reply that it was sought for ongoing projects in Afghanistan such as construction of Salma Dam, Construction of Parliament Building, Supply of Wheat etc. However, no Cash supplementary was given during FY 2014-15.

5.26 When the Committee desired to know the reasons for pegging the BE 2015-16 at the level of BE 2014-15 under 'Plan' Head as well as the justification for reduced allocation during BE 2015-16 vis-a-vis RE 2014-15 under the 'Non-Plan' Head, the Ministry submitted in a written reply as under:

"The allocation under Plan was intimated by the Ministry of Finance. The allocation under Non Plan was decided in accordance with the priorities and overall availability of funds under Non Plan."

5.27 During examination of Budget Documents, the Committee noted that the original date of completion of construction of Parliament Building in Afghanistan was 2011 and the anticipated date of completion was June 2014. In this context, when the Committee desired to know the factual position and specify the reasons for delay and the cost escalation involved therein, the Ministry submitted in a written reply as under:

"The main civil works of the Afghan Parliament building is nearing completion. The balance works such as bulk electro mechanical, internal electrical work, furniture, horticulture, central clock and division bell, etc., are currently under progress. The likely date for completion of the project is 30 September 2015..."

5.28 The Ministry further submitted the following facts about the main factors causing delay in the project:

"In December 2008, the Cabinet approved the total estimated cost of the Afghanistan Parliament project at Rs.710 crore. The estimated cost was calculated after obtaining the tendered cost for the main work of the building at the then exchange rate of 1US\$ = Rs. 42.78. CPWD, who are overseeing the implementation of the project, have conveyed that the revised cost of the project would be approx. Rs.974 crore due to currency fluctuation between US Dollar vis-à-vis Indian Rupee. The revised cost has been estimated based on prevailing exchange rate for payments already made and the exchange rate of 1US\$=Rs.62 for anticipated payments. The stipulated period for implementation of the project was 36 months, viz., January 2012. The revised target date for completion of the project is 30 September 2015."

5.29 On Committee's query regarding the reasons for lower utilization of budgetary allocation for Small Development Projects under the Object Head 'Aid to Afghanistan', for which total outlay for 2014-15 was earmarked as Rs. 48.94 crore while the expenditure upto December 2014 was only Rs. 4.13 crore, the Ministry submitted in a post-evidence reply as under:

"Funds are released to the Government of Afghanistan for implementation of the Small Development Projects (SDPs) on achievement of various targets. The concerned line Ministries of the Government of Afghanistan are responsible for completion of the tendering process and for award of works and their implementation. Utilisation of funds has been less as the concerned line Ministries of the Government of Afghanistan were unable to (i) finalise the executing agency for the work (ii) set the executing agencies to adhere to the timelines of the project implementation due to prevailing security situation and working conditions in Afghanistan. The projects are being regularly monitored through the Steering Committee which comprises members from our Embassy in Kabul,

Ministry of Economy, Government of Afghanistan (the nodal Ministry for implementation of SDPs) and the concerned line Ministries. A request for release of approx. US\$ 0.5 million received in November 2014 for implementation of SDP III could not be released due to non-availability of funds under 'Aid to Afghanistan' budget sub-head."

5.30 The Committee note that at the RE 2014-15 stage, the budgetary allocation for aid to countries was reduced while there was an overall increase under 'Aid to Afghanistan'. The Committee further note that during the supplementary grant stage, Rs. 400 crore were sought for various projects/programmes in Afghanistan. The Committee, however, specifically observe that there is very poor utilization of funds under the Object Head on 'Small Development Project'. The Committee, therefore, desire that the Ministry should also give due importance to these projects alongwith the big infrastructure projects. The Committee also take note of delay in the project of the construction of Parliament Building in Afghanistan as well as resultant cost and time overrun. The Committee now hope that the Ministry would resolve the issue of cross variation due to currency value fluctuation with CPWD and the project will be completed as per the target date of 30th September 2015.

(Recommendation No.24)

B. Aid to Bangladesh

5.31 The Committee observed that under 'Aid to Bangladesh' the budgetary allocation in BE 2014-15 was Rs. 350 crore which was reduced to Rs. 198 crore at RE stage. The BE 2015-16 is 28.57 % lesser and is pegged at Rs. 250 crore. According to budget documents, during BE 2014-15, the fourth and final installment was provided for, however, due to reduction of budget at RE stage, only US \$ 25 million could be released. When the Committee sought justification for Ministry's action of not providing enough allocation under this Head and for forwarding it to BE 2015-16 and also whether it would not negatively reflect upon India's commitment internationally, the Ministry submitted in a written reply as under:

"The allocations at RE stage had to conform to the ceiling communicated by the Ministry of Finance. By and large commitments have been kept. Some of them have been reprioritized. As far as the commitment of US\$ 25 million cash grant assistance is concerned it is our intention to provide for it in the ensuing financial year 2015-16."

5.32 On Committee's query, about the status of the Akhaura- Agartala Rail Link Project that has been initiated to create a rail link between Agartala (India) and Akhaura (Bangladesh) to provide better connectivity between India and Bangladesh, the Ministry submitted in a written reply as under:

"The technical and financial parameters and land acquisition plan for implementation of the Akhaura-Agartala Rail Link on the Bangladesh portion had been finalised and shared with the Government of Bangladesh in July 2014. The Government of Bangladesh forwarded a detailed project proposal on 31 Jan 2015, with revised technical parameters for implementation of the project on the Bangladesh side at a cost of US\$ 61.66 million under grant assistance from India. The revised proposal from the Government of Bangladesh was discussed during the Project Steering Committee meeting held in Dhaka on 22 Feb 2015 during which Government of Bangladesh agreed to provide detailed cost break-up as well as justification for change in project parameters. The details are awaited from the Government of Bangladesh. The matter is being pursued actively with them, with a view to commence construction at an early date. As regards the Indian portion of the Akhaura-Agartala Rail Link project, a confirmation on financing the cost of implementation by the administrative Ministry concerned – the Ministry of Development of North East Region [DONER] is being pursued with a view to achieve implementation of the project simultaneously on both sides."

5.33 The Committee are concerned to note that due to the ceiling communicated by the Ministry of Finance, the Ministry had to reprioritize its budgetary resources and the fourth and final instalment of US \$25 million cash grant to Bangladesh could not be released and it is proposed to provide it in the ensuing financial year 2015-16. But the Ministry has not explained how do they propose to do the same. The Committee, therefore, desire that this amount should be released in the first quarter of 2015-16 in order to honour the commitment.

The Committee also note that there is a significant progress in the implementation of the Akhaura-Agartala Rail Link Project. But there is no mention of progress on financing of the Indian portion of the project. The Committee, therefore, desire that the Ministry should pursue the matter vigorously with the Ministry of Development of North East Region for confirmation on financing the cost of the project and ensure that due

clearances are taken from the concerned authorities for commencement of construction on the Indian side simultaneously.

(Recommendation No.25)

C Aid to Bhutan/Loan Advances to Bhutan

5.34 Aid/Loan Advances to Bhutan under Plan and Non-Plan Heads is as under:

	BE 2014-15	RE 2014-15	BE 2015-16
Plan (Revenue Section)	1715.99	1313.40	1719.40
Non-plan (Revenue Section)	1350.00	1146.59	1200.00
Plan (Capital Section)	3008.01	2411.60	3240.80
Total	6074.00	4871.59	6160.20

5.35 In context of Aid/Loan/Advances to Bhutan, when the Committee desired to know the reasons for reduced allocation under Non-Plan Revenue and Plan Revenue and Capital Section during RE 2014-15 separately and the list of projects/grants that had been delayed due to it, the Ministry submitted in a written reply as under:

"Despite MEA's request for an allocation of Rs.1489.6 cr at RE 2014-15 stage, allocation of funds under Non Plan (Revenue Section) was reduced by Ministry of Finance from BE 2014-15 of Rs.1350 cr to RE 2014-15 of Rs.1146.59 cr. In RE 2013-14, Rs.1339 cr was allocated against the requirement of Rs.1350 cr and this resulted in a shortfall of Rs.11 cr. Cumulative shortfall of Rs.214.41 cr led to some postponement of payments like Programme Grant (Rs.42.5 cr) and Excise Duty Refund (Rs.175.63 cr) to Royal Government of Bhutan and internal payment like Chukha Subsidy (Rs.9.39cr for November 2014 to February 2015 period) was deferred. Reduced Plan assistance to the ongoing three HEPs (Punatsangchhu-1, Punatsangchhu-2 and Mangdechhu) led to postponement of payments to contractors. However, the project managements have made their best efforts to speed up construction in parallel rather than sequentially."

5.36 In response to Committee's specific query seeking justification for reduced allocation under all the three Heads for RE 2014-15, the Ministry submitted in a written reply that the reduction had to be made across all the three projects in order to confirm to the overall RE ceiling communicated by the Ministry of Finance.

5.37 When the Committee desired to know the reason for minor increase in total aid/loan and advance to Bhutan during BE 2015-16, the Ministry explained in a written reply that due to various reasons, the agreed ratio of grants to loans for the hydroelectric power projects in Bhutan could not be maintained. Some adjustments were necessary to bring the ratio as per agreement. The allocations in BE 2015-16 have been made accordingly.

5.38 The Committee noted that as per the Statement 'Proposal sent by Ministry of External Affairs and amount actually sanctioned by Planning Commission, it seems that the actual BE 2015-16 was more than the proposed BE particularly in several cases i.e. Punatsangchu-I & II HEP (3605 & 7605), Mangdechu HEP, Kholongchu HEP. On Committee's query about the reason for increase under Plan (Capital Section) during BE 2015-16, the Ministry submitted in a written reply as under:

"Construction works of the three ongoing HEPs namely, i.e., Punatsangchhu-1 (1200 MW), Punatsangchhu-2 (1020 MW) and Mangdechhu (720 MW) are at peak stage, necessitating an increased allocation in FY 2015-16 to these projects."

5.39 In the status note on the hydro power projects submitted by the Ministry it was stated that due to various reasons the agreed ratio of grants to loans for hydropower projects in Bhutan could not maintained. In this context, the Committee sought further clarification regarding the reasons therefor and its impact on the pace of the project and India's relations with Bhutan. The Ministry submitted in a post-evidence reply as under:

"During the past, the allocations made by Ministry of Finance under budget/supplementary grants were not in tandem with the agreed ratio of loans and grants to the HEPs. Therefore, the ratio got slightly skewed, and has now been attempted to be corrected. However, this has no impact on the pace of project."

5.40 The Committee noted that in the previous years, projects in Bhutan have faced tremendous shortage of funds. In this context, when the Committee desired to know whether the Projects in Bhutan continue to be in progress as per schedule during financial year 2014-15 or there are any cost and time overruns due to shortage of funds, the Ministry submitted in a written reply as under:

"In the BE 2014-15, Rs.4701.58 cr were allocated to the three ongoing HEPs. However, at RE 2014-15 stage, the allocation was reduced to Rs.3702.66 cr. Shortage of funds led to the project managements having to postpone payments to contractors, leading to accumulating the liabilities. However, the project managements have made their best efforts to speed up construction in parallel rather than sequentially."

5.41 The Ministry further submitted details of the time and cost overruns of Punatsangchhu-1 Hydro power project. In view of reduced allocation, when the Committee desired to know whether there was any shortage of fund during Financial Year 2014-15 and why the additional funds were not reappropriated by the Ministry at RE stage, the Ministry submitted the following written reply:

"In the backdrop of reduction of funds at RE stage, allocation of many heads, including Aid to Bhutan (Non Plan) had to be reduced at RE stage. Once funds are reduced at RE stage, GFRs do not permit augmentation thereof in the same FY. Moreover, re-appropriation is possible only when matching savings are available within the same section of the Grant. This was not the case in FY 2014-15."

5.42 In the budgetary documents in the Note on advance planning for the Twelfth Five Year Plan under the Head, 'New Projects on the anvil, the Ministry had stated that 'Both India and Bhutan are committed to further strengthen these linkages. It has been decided at the highest political level that in the coming years, India will fulfil her commitments'. When the Committee desired to know whether in light of lack of desired allocation over the year, does the Ministry think that it is feasible for the Government of India to fulfil these commitments, the Ministry clarified in a written reply as under:

"These commitments have been made in fulfilment of our foreign policy priorities and objectives. The Ministry would make all efforts to fulfil them within available resources while continuing its efforts to get additional funds from the Ministry of Finance."

5.43 When the Committee enquired about the reasons for seeking interim cost escalation regarding Punatsangchu HEP during February, 2014, the Ministry submitted in a written reply as under:

"Punatsangchhu-1 (1200 MW) HEP in Bhutan was approved at an initial cost of Rs. 3514.81 cr (as per DPR at December 2006 Price Level) in 2008. The Punatsangchhu-1 Hydroelectric Project Authority (PHPA-1) in March 2013

submitted the Revised Cost Estimate (RCE) of Rs.9388 crores for the project. The escalation leading to the RCE of Rs.9388 crores is due to initial inadequate allocation, changes in the scope, design, price escalation from December 2006 till completion of the project, right bank stabilisation measures and additional requirements. Viewing that fund for execution of the project may exhaust soon and a detailed examination of the estimates by CEA/CWC and Ministry of Power may take time, it was decided that, as an interim measure, to escalate the appraised cost at December 2006 Price Level to December 2012 price level based on the WPI/CPI indices. Accordingly, the CEA and CWC have arrived at a figure of Rs.1765.542 crores. The Union Cabinet, on 01 May 2014, approved the interim cost escalation of the project by Rs.1765 crores. The RCE, at present, is being examined by CEA/CWC and Ministry of Power."

5.44 The BE 2014-15 for Punatsangchu I-HEP was Rs. 2496.58 crore which was reduced to Rs. 1900 crore at RE stage; while the actual utilization was Rs. 1445.92 crore. In this context, when the Committee desired to know the reason for low utilization of budgetary allocation, the Ministry submitted in a written reply as under:

"In BE 2014-15, Rs. 2496.58 cr was allocated to Punatsangchhu-1 HEP. However, the Union Cabinet approved amount of Rs.5279.8 cr for Puna-1 HEP was fully utilized. RCE and the proposal for the use of RCC are under consideration by CEA, CWC and Ministry of Power. Ministry's proposal for spending over and above the Union Cabinet allocated amount is being examined by the Dept. of Expenditure.

Ministry of Finance, at the RE stage, has reduced the allocation of Rs.2496.58 cr to Rs.1900 cr. As on 28 February 2015, Rs.1445.92 cr out of Rs. RE 2014-15 of Rs.1900 cr were disbursed to PHPA-1 and the remaining balance of Rs.454.08 cr from RE allocation will be fully utilized in this FY 2014-15."

5.45 While furnishing the expenditure as on 28.2.2015, the Ministry submitted in a written reply that expenditure as on 28.02.2015 was Rs 1445.92 crore.

5.46 The Committee note that a large part of budgetary allocation under 'Aid/loan to countries' is earmarked for 'Aid/loan to Bhutan'. The Committee are dismayed to note that allocation was decreased substantially during RE 2014-15 under all the three Sub-Heads. The Committee note that a reduction of Rs. 2002.41 crore has been made under this Head. The Committee are not convinced with the Ministry's reply that the project managements have made their best efforts to speed up construction. The Committee are further not

supportive of Ministry's approach of postponing of payments to contractors due to shortage of funds, as it will unnecessarily lead to accumulation of liabilities for the next financial year. In view of higher allocation by Ministry of Finance under Plan allocation during BE 2015-16, the Committee recommend for an early settlement of pending bills and continue with progress of projects as per the fixed timeline.

Moreover, the Ministry in tandem with the Project Management should ensure that the work in the three ongoing HEPs namely, i.e., Punatsangchhu-I, Punatsangchhu-II and Mangdechhu projects is carried out as per schedule. The Committee note that construction work in these three projects is at peak stage and there are pending bills also. The Committee also recommend that if need be, the Ministry should approach the Ministry of Finance for more allocation at RE 2015-16 stage so that the progress in the project is not constrained due to lack of funds.

(Recommendation No. 26)

D. Aid to Myanmar

5.47 Aid to Myanmar under Plan and Non-Plan Heads is as under:

(Rupees in crore)			
	BE 2014-15	RE 2014-15	BE 2015-16
Non Plan	180.00	50.00	120.00
Plan	150.00	80.00	150.00
Total	330.00	130.00	270.00

5.48 On Committee's query regarding the reasons for reduced allocation at RE stage over the year under both 'Non-Plan' and 'Plan' and figures for Actuals for the last three years under both the Heads, the Ministry submitted in a written reply as under:

"Reduction at RE 2014-15 was to conform to the RE ceilings intimated by Ministry of Finance. Actuals for last three years are as below:

(Rs in crore)

Year	Plan	Non Plan
2011-12	28.31	39.09
2012-13	59.51	62.37
2013-14	119.10	45.76

5.49 The Committee noted that the total outlay 2014-15 under 'Aid to Myanmar' was Rs. 330.00 crore while expenditure upto December 2014 was Rs. 62.78 crore only. The Committee desired to know the reason for low utilization of funds and whether Ministry is facing any

hurdles in implementation of the projects. The Ministry submitted in post-evidence reply as under:

"The Non-Plan outlay under Aid to Myanmar for 2014-15 was Rs.180 crore. Low utilization was mainly on account of non-utilization of Rs.50 crore cash grant [reasons for which are detailed in 2 (iii)]; non-utilization of Rs.15.25 crore allocated for projects under MoU on Border Area Development which could not be utilized due to non-receipt of project details from Government of Myanmar. Ministry is not aware of any hurdles faced by Myanmar in implementation."

5.50 The allocation of Kaladan Multi Modal Transit Transport Project during the BE 2014-15 was Rs. 150 crore, which was reduced to Rs. 80 crore at RE stage, however, the utilization was dismally low at Rs. 44.74 crore. In this context, the Committee enquired about the reasons for low utilization (provisional) of allocation overall as well as regarding low utilization of funds as compared to the outlay earmarked for Multimodal Transit Transport Project, the Ministry in a post-evidence reply submitted as under:

"One of the main factors for low utilization of allocated funds for the Port and Inland Waterways Terminal (IWT) component of the Kaladan Project is attributable to the negative cash flow in the project work due to loss incurred by the contractor on account of currency fluctuation in respect of US Dollar vis-à-vis Indian Rupee and US Dollar vis-à-vis Myanmar Kyat. In addition, delays in clearance of equipment and material imported by the contractor for execution of project work and in grant of additional land required for execution of the project have contributed to the delays. Furthermore, it was envisaged that work for the road component of the project would be awarded in 2014-15, which would require release of mobilization advance to the contractor. As approval of the competent authority is being obtained for the revised cost estimate of the project due to change in project parameters, the work of the road component could not be awarded through competitive bidding in 2014 – 15."

5.51 While furnishing the figures for Actual Expenditure as on 28.02.2015, the Ministry submitted in a written reply as under:

"The actual expenditure on the project as on 28.2.2015 is Rs.44.74 crore. It is expected to make further payment of approx. Rs. 9 crore in March 2015."

5.52 In context of the discrepancy in the date of completion of Multimodal Transit Transport Project, the Committee desired to know the factual position and enquired whether the project would be completed as per schedule. The Ministry submitted in a written reply as under:

"As per the Extension of Time accorded for the Port and IWT component of the Project, the date of its completion is 27 April 2015. On 18 March 2015, the contractor has requested the Project Development Consultant, M/s Inland Waterways Authority of India (IWAI), for further extension of project completion date to 26 April 2016. The matter is under examination by M/s IWAI. As regards the road component, work will be awarded after approval of the competent authority for the revised cost estimate of the project."

5.53 The Committee noted that as per the Statement depicting proposal sent by Ministry of External Affairs and amount actually sanctioned by Planning Commission regarding Kaladan Multi Nodal Transit Project, the proposed BE 2015-16 is mentioned as Rs. 1501.00 crore, while BE 2015-16 is pegged at Rs. 150 crore. On Committee's query, while furnishing the factual position, the Ministry submitted in a written reply as under:

"The demand took into account the possible commencement of the Road component of the Kaladan project after approval of the Revised Cost Estimate proposal. The allocation under BE 2015-16 has been decided by the Ministry of Finance."

5.54 The Committee take note of budgetary reduction at RE 2014-15 stage as well as low utilization of funds till December 2014. The Committee take note of the further extension of project completion date regarding the Port and Inland Waterway Terminal (IWT). The Committee, therefore, recommend that the Ministry must address the issues of concern with the contractor, if any, and engage with the Project Development Consultant to ensure that the pace of the project is maintained and there are no further delays. The Committee further recommend that the Ministry should engage with competent authority for approval of the changed parameters and the revised estimated cost at the earliest, so as to ensure that the work for the road component of the project is completed as per the schedule and there is no further delay in awarding the contract.

(Recommendation No. 27)

E. Aid to Nepal

5.55 The budgetary allocation under 'Aid to Nepal' BE 2014-15 was pegged at Rs. 450 crore which was reduced to Rs. 300 crore at RE stage. The allocation under BE 2015-16 is pegged at Rs. 420 crore. When the Committee desired to know the reasons for reduced allocation at RE stage and its impact on the ongoing projects, the Ministry submitted in a written reply as under:

"The allocation of funds under Aid to Nepal at the RE stage had to be reduced in order to conform to the overall RE ceiling communicated by Ministry of Finance. None of the ongoing projects in Nepal were curtailed due to Ministry's prioritization of available 'Plan' and 'Non-Plan' budget. However, some payments have been deferred to the next financial year without curtailing ongoing cooperation. In some projects the pace of work slowed down, for reasons not solely restricted to budgetary constraints, including lack of encumbrance-free land availability. These factors have caused some delay in payments for programmes such as Integrated Check Posts in Nepal."

5.56 On Committee's query regarding the reasons for reduced allocation during BE 2015-16 vis-a-vis BE 2014-15, the Ministry submitted in a written reply as under:

"The allocation was decided taking into account the fact that the Non Plan allocation for 2015-16 was stagnant, and keeping in view the priorities of completion of projects across all heads of accounts."

5.57 Under 'Aid to Nepal' the outlay 2014-15 for Terai Road Project was Rs. 173.41crore while expenditure up to December, 2014 was only Rs. 11 crore. In this context, when the Committee desired to know the reasons for such dismal low utilization of funds and also whether the Ministry is facing any problems in this regard and the steps undertaken by the Ministry to resolve the legal/contentious issues, the Ministry submitted in a post-evidence reply as under:

"At the time of preparation of BE for 2014-15 in September 2013, it was envisaged that adequate funds would be required for payment of Running Account bills of the three Contractors and Consultant for the six Packages of the Terai Roads Project (Phase-I) in Nepal. However, due to undue delay in the construction of the roads and taking into account the feedback received from our Embassy in Kathmandu over the slow progress in the project, and in view of the intention of one of the three contractors to proceed with arbitration and, of another, to seek compensation for idling of resources despite a favourable Dispute Review Expert ruling, a decision was taken, following consultations with the Ministry of Road Transport & Highways (MoRTH), to terminate Packages 2, 3, 4, 5 and 6 of the project. The contracts for these five Packages were accordingly terminated in November - December 2014. The two contractors approached the Hon'ble Delhi High Court and the Court has referred the matter to the Arbitration Tribunal. The Arbitration process for Packages 2 and 6 commenced on January 9, 2015 and for Packages 3, 4 and 5 on February 9, 2015. Due to the aforementioned reasons, there has been low utilization of funds for the Terai Roads Project (Phase-I)."

5.58 The Committee take note of the reduced allocation under the Head 'Aid to Nepal' despite the announcement for aid/assistance made at the Prime Ministerial level. The Committee further take note of the slow progress and lack of utilization of funds in the Terai Road Project. The Committee are not convinced with the reasons furnished by the Ministry for low utilization of funds in this regard. The Committee also note that there are pending legal cases relating to one of the contractors with regard to idling of resources relating to the project. The Committee, therefore, recommend that the Ministry must review its policy and procedure in context of Projects in Nepal and resolve this case expeditiously through arbitration process. The Committee further suggest that the Ministry should also engage with the Government of Nepal for early resolution of the issues.

(Recommendation No. 28)

F. Aid to Sri Lanka

5.59 The budgetary allocation under 'Aid to Sri Lanka' for BE 2014-15, RE 2014-15 as well as BE 2015-16 is constant at Rs. 500 crore. Regarding the Housing Project, the Committee desired to know whether there is time and cost overrun and sought a status note. The Ministry submitted in a written reply as under:

"The Housing Project in Sri Lanka is progressing well as per schedule with no cost overrun. As of 28 Feb 2015, construction of 1000 houses under Pilot Project, and 26,577 houses under 'Owner-Driven-Model' and repair of 195 houses have been achieved. The construction of 4,000 houses under 'Agency-Driven-Model' have also been taken up and a consultant has been engaged for development of designs for construction of houses at locations identified in Central and Uva Provinces of Sri Lanka."

5.60 In view of the recent visits by Prime Minister and Minister of External Affairs, the Committee enquired whether any new announcements/agreements have been made and that availability of funds for the same has been ensured in the budgetary allocation. The Ministry submitted in a written reply as under:

"During PM'S visit to Sri Lanka (13-14 March 2015) the following Announcements were made which have overall budgetary implications for Government of India:

- i. A Line of credit of USD 318 million to Government of Sri Lanka for procurement of rolling stock and upgradation/ rehabilitation of railway tracks
- ii. Construction of Rabindranath Tagore Auditorium in Ruhuna University in Matara
- iii. Jaffna Cultural Centre

The economic implications of the announcements have been included in the B.E. of F.Y. 2015-16."

5.61 In context of Ministry's reply regarding announcement of a Line of Credit to USD 318 Million to Government of Sri Lanka and the economic implications that have been included in the BE of Financial Year 2015-16, the Committee desired to know whether, the entire amount is to be disbursed during Financial Year 2015-16. The Ministry submitted in a post-evidence reply as under:

"The US\$ 318 million Line of Credit offered to Sri Lanka would be operationalized upon receipt of specific project proposals, which are yet to be provided by the Government of Sri Lanka. Depending upon the nature of the project, disbursements would be spread over the implementation period of 2-3 years. The Government of India liability would be only to the extent of providing Interest Equalization Support [IES] to the lending bank – EXIM Bank of India, which is met by the Department of Economic Affairs, Ministry of Finance under the Indian Development and Economic Assistance Scheme (IDEAS). The Department of Economic Affairs, Ministry of Finance had been consulted before the announcement was made."

5.62 On Committee's query, while furnishing the status note and clarifying whether the houses constructed so far have been handed over to the beneficiaries, the Ministry submitted in post-evidence reply as under:

"As of March 2015, the number of houses constructed / repaired stands at 28,014. The number of houses, where construction is ongoing is 14,176. The completed houses have been handed over to beneficiaries."

5.63 The Committee enquired about the reasons for excess expenditure on the Reconstruction/Repair of 43000 houses for Internally Displaced Persons (IDPs) under Aid to Sri Lanka. The Ministry submitted in post -evidence reply as under:

"The excess expenditure on reconstruction / repair of 43000-houses in Sri Lanka, compared with the projected expenditure in Financial Year 2014-15 in the outcome of budget, has mainly been on account of inclusion of additional 2000-houses in Eastern Province under reconstruction /repair-model, initially envisaged for construction."

5.64 The Committee sought clarification from the Ministry why under aid to 'Sri Lanka' Outlay for Reconstruction/repair of 43000 Houses for IDPS, construction of 2000 houses and 4000 houses are maintained separately, while expenditure upto December 2014 has been clubbed together. The Ministry submitted in post-evidence reply as under:

"The expenditure on housing project has so far been incurred on reconstruction / repair of 43,000 houses [revised to 45,000] and thus being reflected under one category. The construction of 4000-houses is scheduled to commence in Financial Year 2015-16."

5.65 The Committee note that the BE 2014-15, RE 2014-15 and BE 2015-16 have been kept constant at Rs 500 crore. The Committee observe that during the recent visit by the Prime Minister, in Sri Lanka several announcements were made. According to the Ministry, the economic implication of these announcements have been included in the BE 2015-16. The Committee are not convinced with Ministry's reply and doubt as to how the Ministry would be able to accommodate these announcements in the stagnant budgetary allocation especially, the grant of Line of Credit. The Committee, therefore, recommend that the Ministry must ensure that the implementation of the projects as well as Line of Credit is not be kept pending due to lack of funds at any stage. Furthermore, the Committee also desire that the Ministry should ensure the completion of the Housing Project for Internally Displaced Persons (IDPs) as per original timeline and hand over the houses to the beneficiaries.

(Recommendation No.29)

G. Aid to African Countries

5.66 Under the Head 'Aid to African Countries', the BE 2014-15 was Rs. 350 crore which was substantially reduced to Rs. 145 crore during RE 2014-15. During BE 2015-16, the budgetary allocation has been pegged at Rs. 200 crore. On Committee's query regarding the reasons for reduction in budgetary allocation at RE stage, the Ministry submitted in a written reply that the reduction in RE stage was to conform to the RE ceilings intimated by Ministry of Finance.

5.67 On Committee's further query about the reasons for the allocation of only Rs. 200 crore during BE 2015-16, the Ministry explained in a written reply that the non-plan allocation in BE 2015-16 was stagnant as compared to BE 2014-15, therefore, additional allocations could not be made.

5.68 The Committee further desired to know the reason for 'Zero' expenditure for several projects under 'Aid to African countries upto December, 2014, while the implementation period for some projects is mentioned as 2011 to 2014. The Ministry submitted in a post-evidence reply as under:

"Zero expenditure for several projects is mainly due to the fact that the actual implementations of several projects under IAFS are yet to begin. "

5.69 In view of the slow progress of projects under IAFS I&II, when the Committee desired to know whether any remedial measures were undertaken by the Ministry, the Ministry submitted in a post-evidence reply as under:

"The Ministry has been constantly writing and following up with the Host countries to fulfill their obligations for providing land, building etc. for hosting the institutions. While efforts are made to resolve outstanding issues through bilateral engagement wherever possible, Ministry will also engage with the African Union and/or the concerned Regional Economic Community to get expedited response from the host countries or, if necessary, to find an alternative location."

5.70 In view of Ministry's response regarding lack of enthusiasm in the host countries regarding projects under IAFS I & II, the Committee desired to know whether the Government of India intends to modify its strategy during the forthcoming IAFS III. The Ministry submitted in a written reply as under:

"After a thorough analysis of all these projects it has been decided to take the following course of action: (i) those projects which have not moved despite several reminders to the host countries may be altogether dropped; (ii) change the location of some of the projects if the host country is not interested in implementing them and there are other countries interested in doing so; and (iii) take all the rest of the projects, which are at various stages of implementation, into the third India-Africa Forum Summit (IAFS-III)."

5.71 Regarding non-implementation of Projects announced under IAFS I & II and taking it into third IAFS, when the Committee desired to know whether it would not adversely affect

India's credentials and credibility, the Ministry submitted the following clarification in a post-evidence reply submitted:

".....The delay in implementation of the projects has been on account of several reasons, some of which are attributable to the African Union, the Regional Economic Communities and the host countries. Since India's credentials and credibility as well as those of African partners are important, efforts are always made to expedite the implementation of various projects."

5.72 The Committee desired to know categorically whether the Government/Ministry has any plans to modify its strategy regarding announcement/identification of project and make them demand driven. The Ministry submitted in a post-evidence reply as under:

"Announcements/identifications of projects are demand driven and factor in India's political relations. Efforts would continue to obtain greater resources to timely implement the decisions announced."

5.73 The Committee note under the Head 'Aid to African Countries' the BE for 2014-15 was Rs. 350 crore which was reduced to Rs. 145 crore while the BE for 2015-16 has been pegged at Rs. 200 crore. The Committee are concerned to note that inspite of pendency of several projects and zero allocation for several projects under this Head, the allocation has been reduced at BE 2015-16 as compared to BE 2014-15. Furthermore, the Committee are concerned about this slow or no progress in implementation of projects announced under India Africa Forum Summit I and II. The Committee, therefore, suggest that the Government should engage with African Union regarding the constraints being faced in implementation of the projects and get them expedited. The Ministry has stated that the announcements/identification of projects are demand driven and an important factor in India's political relations but it does not appear to be true when the failure percentage of projects under IAFS-I and II are analysed. The Committee, therefore, strongly desire that while identifying the projects under IAFS III, the Ministry must ensure that projects are actually demand driven. In the Committee's view this is possible through more extensive ground work before the IAFS III, better engagement with African Union as well as the intended beneficiary countries at the stage of identification of project itself.

(Recommendation No. 30)

H. Aid to Latin American Counties

5.74 The budgetary allocation during BE 2014-15 under the Head 'Aid to Latin American Countries' was Rs. 30 crore which was reduced to Rs. 10 crore. The budgetary allocation during BE 2015-16 is pegged at Rs. 20 crore. On Committee's query, the Ministry furnished the list of projects carried out in the financial year 2014-15 alongwith allocation and Actuals as on 28.2.2015 and submitted as under:

"The Division was allocated a budget of Rs. 30 crores under the Head "Grant-in-Aid to LAC" for the CFY but at the RE stage it was reduced to Rs. 10 crores.

Due to reduction in budget the payment up to Rs. 7.45 crores for which sanctions have been issued, could not be made in CFY.

Actual expenditure till 28.2.2015 under the head is Rs 8.77 crore."

5.75 The Committee noted that under the Object Head Aid to Latin American Countries, as against the outlay 2014-15 of Rs. 30.00 crore, the expenditure upto December 2014 was dismally low at Rs. 8.84 crore. On Committee's query, while furnishing the reason for such low utilization, the Ministry submitted in post-evidence reply as under:

"In addition to the actual expenditure of Rs. 10.93 crores, sanctions for Rs. 7.4 crores were issued till December 2014. The Division also had committed expenditure of Rs. 18.33 crores (which is more than 50% of BE allocation). Additional allocation was sought at the RE stage to settle these bills. However, in view of the reduction in RE ceiling communicated by the Ministry of Finance, no additionality could be provided."

5.76 While furnishing the details of projects curtailed/affected due to Ministry's prioritization of available resources during RE 2014-15, the Ministry informed the Committee in a written reply as under:

"Grant for purchase of Ocean Ferry by Guyana

During the recent visit of President of Guyana to India, PM convey GOI decision to give a US\$ 10 million LoC and US\$ 8 million grant to Government of Guyana to purchase an Ocean Ferry from India. The LoC component of US\$ 10 million has already been approved by the Inter-Ministerial Standing Committee. However, sanction of the LoC has been held in abeyance pending availability of the grant component.

Proposal for the US\$ 8 million grant (Rs. 50.38 crores) has been submitted to the Standing Finance Committee for approval. The proposal is to disburse the grant

component over two financial years - US\$ 3 million (Rs. 18.89 crores) to be disbursed in 2015-16 and remaining amount of US\$ 5 million (Rs. 31.47 crores) to be disbursed in 2016-17 from Aid to LAC budget. In absence of funds under the Aid to LAC budget this politically important project cannot be implemented despite announcement at PM's level.

Division needs Rs. 18.89 crores in FY 2015-16 and Rs. 31.47 crores in 2016-17 to finance this politically important project.

Setting up of eight IT Centres of Excellence

During his interaction with South American leaders on the margins of BRICS Summit in Brasilia in July 2014, PM had extended an offer to set up IT Centres of Excellence in South American countries. Proposal for setting up eight such centres has been approved. MoUs are under consideration of the various governments. If adequate funds are not made available in the FY 2015-16 not a single Centre of Excellence can be set up. PM has during a recent meeting with the President of Guyana promised that the first such centre will come up in Georgetown. Division, therefore, needs funds (approximately Rs. 5 crores) in FY 2015-16 for setting up at least one centre in Guyana.

Upgradation of ICT system at Caricom Secretariat

The ICT (Information, Communication & Technology) system of Caricom Secretariat in Georgetown, Guyana was set up by GOI in 2004-05. The Secretariat has requested for Indian assistance to upgrade and overhaul the system. Project is politically very important as it impacts the working of Caricom which has 14 member countries. Processing by DPA-II has already started. However, implementation will depend on availability of funds in FY 2015-16. The project is expected to cost approximately at least Rs. 15 crores with disbursement over two years."

5.77 In context of the Ministry's reply that the politically important project cannot be implemented despite announcement at Prime Ministers level, the Committee enquired that whether it does not indicate adversely upon Ministry's prioritization of its budget as well as sought justification for Ministry's actions of non-allocation of funds during RE 2014- 15 for this expenditure. The Ministry submitted in a post-evidence reply as under:

"A budget of Rs. 30 crores was allocated in the FY 2014-15 under the Head "Grant-in-Aid to LAC". Accordingly the project proposals were processed. At the RE stage the budget was reduced to Rs. 10 crores. Allocation of funds had to be decided within the overall RE ceiling of the Ministry as indicated by the Ministry of Finance. In the light of reduction of Rs 2110.39 crore in the budget of the

Ministry at RE stage, allocation for most of the heads under Technical and Economic Cooperation, including "Aid to LAC Countries", had to be reduced."

5.78 The Committee noted that over the years a very small component of funds have been allocated for Latin American countries. On Committee's query, while elaborating upon the reasons for such less allocation for these countries, the Ministry submitted in post-evidence reply as under:

"Over the past few years, Ministry's budgetary allocations have been far less than our demands. Allocation of funds had to be decided within the overall BE/RE ceiling of the Ministry as indicated each year by the Ministry of Finance. In a situation of limited resources, aid allocations to countries, including for those in Latin America, have not been able to keep pace with commitments and expectations. Allocation also depends on various factors such as stage of execution of the projects (if any), commitments made, contractual payments to be made, approvals obtained from competent authority etc."

5.79 The Committee noted that in the Statement of Outcome/Targets for 2015-16, under Object Head Aid to Latin American Countries, 'zero' outlay has been made for several schemes/programmes. On Committee's query, the Ministry clarified in a post-evidence reply as under:

"The project proposals are received from time to time from our Missions in LAC region. The funds cannot be determined till the viability of the project is confirmed and in-principle approval is obtained. The budget is projected at later stage. Therefore, it is not possible to indicate budget under the outlay head."

5.80 The Committee observe that our bilateral engagements with countries of Latin America and Caribbean Region have grown in the last few years and our political engagements have also intensified at the highest level. Almost all the countries of the region have been supporting India at the International fora and many of them look up to Indian development assistance. The Committee are really concerned that a very small component of funds have been allocated under 'Aid to Latin American countries' and that too is reduced drastically at RE stage. The Committee note that during the recent visit of the President of Guyana, the Prime Minister had conveyed the Government of India's decision to give US \$ 10 million Line of Credit which had been approved by the Inter-Ministerial Standing Committee. However, sanction of Line of Credit of US \$ 8 million had been held in abeyance pending availability of funds. The Committee are concerned at the

Ministry's own admission that in absence of funds under the 'Aid to Latin American countries' budget, this politically important project cannot be implemented despite announcement at Prime Minister's level. The Committee disapprove such approach of the Government on the issue of funds and recommend that due priority should be given to the projects announced at the highest level especially when it relates to strategically important countries.

Furthermore, the Committee also take note of the status regarding implementation of another politically very important Project pertaining to assistance to upgrade and overhaul the ICT (Information, Communication and Technology) system of Caricom Secretariat, which was originally set up by India, the implementation of which is also dependent upon the availability of funds in the financial year 2015-16. The Committee, therefore, recommend that the Ministry must take up the project on priority basis particularly, in view of the political significance of the project and budgetary requirement of only Rs. 15 crore over the span of two years.

(Recommendation No.31)

I. Aid to Eurasian Countries

5.81 The budgetary allocation under the Head 'Aid to Eurasian Countries' was Rs. 40 crore during BE 2014-15 which was reduced to Rs. 10 crore at RE stage. The budgetary allocation during BE 2015-16 is Rs. 20 crore. The Actual expenditure as on 28.2.2015 was Rs. 8.32 crore. The Committee desired to know the reasons for dismally low utilization of Rs. 3.42 crore only upto December 2014 under the Object Head 'Eurasia' as against the Outlay 2014-15 of Rs. 40 crore. The Ministry submitted in a post-evidence reply as under:

"The low utilization of the outlay has been due to diplomatic reasons including delays in obtaining relevant feedback from the different countries. The MoUs with the host governments where the projects are being implemented as also signing of agreements with implementing agencies require extensive consultations with those governments."

5.82 The Committee desired to know when was the Central Asia e-Network for Tele-Education and Tele-Medicine conceptualised and announced alongwith the details of original anticipated timeline and cost alongwith annual expenditure so far. The Committee further desired to know and sought clarification regarding 'zero' expenditure (upto December, 2014) as against the outlay of Rs. 11.81 crore. The Ministry submitted in a post-evidence reply as under:

"A 'Central Asia e-network' on the lines of the successful pan-African e-network project was conceptualised and approved in principle by then EAM in March 2011 at a total estimated cost of US\$ 7.76 million. The project is to be implemented in consultation with the five Central Asian countries. C-DAC was selected as a Project Manager for implementation of this project at a consultancy fee of Rs. 1.49 crore. They have since submitted the Detailed Project Report for implementation of this project at a total estimated cost of Rs. 56.72 crore based on discussions with relevant authorities and agencies in the five countries. Subsequently, detailed project proposals for each country were to be prepared to share with the respective countries. However, the feedback received from some of the countries indicates that the tele-education component of the project may not be very useful from their perspective. Accordingly, Ministry has now decided to set up only telemedicine projects which are of quick gestation, as first step in Kyrgyzstan and Tajikistan to be scaled up in the other countries in the region. Delay of about 60 days in submission of the Detailed Project Report by C-DAC occurred due to delay in obtaining meetings with the concerned authorities in the respective countries. An amount of Rs. 14.91 lakhs has been incurred till March 2015 on this project for preparation of the Detailed Project Report by C-DAC."

5.83 The Committee take note of reduced allocation during RE 2014-15 under the Head 'Eurasian Countries' as well as dismally low utilization of funds. The Committee, however, are of the view that the nomenclature of the Head itself is not very clear. The Committee, therefore, recommend that the Head as well as Division in the Ministry be renamed as 'Eurasia and Central Asia' so that it is more clearly defined. The Committee also take note of the status of the Central Asia Network for Tele-Education and Tele-Medicine which was announced in March 2011 and observe that after completion of the DPRs the feedback received from some of the countries indicate that the tele-education component may not be very useful from their perspective. Now, the Ministry proposed to set up only tele-medicine projects which have quick gestation. The Committee, therefore, treat this as a failure of planning, which could have been prevented if the Ministry could have engaged in a consultation process regarding the project and sought opinion of concerned countries before initiating the process and seeking DPRs. The Committee, therefore, strongly recommend that at the stage of identification of the projects itself the Ministry must conduct necessary ground work particularly in technical projects with engagement of the concerned beneficiary countries and finalize the design of the project before announcement.

(Recommendation No.32)

J. Aid to Developing Countries

5.84 The budgetary allocation under the Minor Head 'Aid to Developing Countries' for BE 2014-15 was Rs. 122.87 crore which was substantially reduced to Rs. 56 crore. However, during BE 2015-16, the budgetary allocation was increased to Rs. 83.44 crore as compared to RE 2014-15. On Committee's query, the Ministry furnished the broad Heads of expenditure on aid and assistance to various countries, alongwith the allocation for each.

5.85 During the examination of Budget Documents, the Committee noted that BE 2014-15 was projected at Rs. 122.87 crore mainly to accommodate the Prime Minister's commitment of grant assistance of US \$ 10 million to Palestine. However, this could not be fully realized in the wake to drastic reduction in RE ceiling. In this context, the Committee sought justification for Ministry's move of not allocating funds under this Head, though the funds had been re-appropriated by the Ministry as per its prioritization. The Committee desired to know whether the grant assistance is likely to be released during the financial year 2015-16. The Ministry submitted in a written reply as under:

"The provision has been made in the budget allocation for release of the remaining sum of US \$ 5 million during FY 2015-16."

5.86 The Committee note that BE 2014-15 was projected at Rs. 122.87 crore mainly to accommodate the Prime Minister's commitment of grant assistance of US\$ 10 million to Palestine. The Committee, however, are dismayed to note that the grant was not released in the wake of drastic reduction in Revised Estimates stage. The Committee are not convinced with the Ministry's reasoning and therefore, recommend that the grant assistance should be released during the first quarter of Financial Year 2015-16 itself to avoid further embarrassment.

(Recommendation No. 33)

CHAPTER - VI

INDIAN COUNCIL FOR CULTURAL RELATIONS

The Indian Council for Cultural Relations (ICCR) was founded in 1950 with the objectives of formulating and implementing policies and programmes relating to India's external cultural relations; fostering and strengthening cultural relations and mutual understanding between India and other countries. The Grants-in-Aid to ICCR during BE 2014-15 was Rs. 176 crore which was reduced to Rs. 167.20 crore at RE stage. An Additional demand of Rs. 17 crore was projected by ICCR for Additional Scholarships, Incoming/Outgoing Cultural Delegations and India Chairs abroad during Supplementary Demands. The BE 2015-16 is pegged at Rs. 192.00 crore. In this context, the Committee desired to know whether the current budgetary allocation is sufficient to cater to the needs of ICCR within India and abroad. The Ministry submitted in a written reply as under:

"In CFY various activities approved in the Plan of Action had to be reduced keeping in view of the budgetary allocation. A sum of Rs. 250.48 Cr as BE for the F/Y 2015-16 was sought, with due approval by Council's Statutory Bodies. Since the BE 2015-16 is pegged at Rs. 192.00 Cr, as stated in the question, ICCR would have no option, but to scale down its activities accordingly."

6.2 When the Committee enquired about the projects that could not be initiated due to the economy cut during RE 2014-15, the Ministry submitted in a written reply as under:

"Due to economy cut during 2014-15, ICCR had to scale down its activities substantially.

The impact of reduced budget was as follows:-

- (a) Closing of Indian Cultural Centres in Toronto, Abu Dhabi, Saudi Arabia and sub-Centre in Lautoka;
- (b) Reduction in the number of visits of Distinguished/Academic/Important personalities;
- (c) Deferment of deployment of Directors of Cultural Centres and teachers of Hindi, Yoga, music and dance in many Cultural Centres/Missions/Posts;
- (d) Reduction in the number of India Studies Chairs; and
- (e) General reduction in other activities."

6.3 While clarifying the situation arising out of financial constraints, during the course of evidence, the Foreign Secretary submitted as under:

"I would also like to touch on ICCR, an important institution for the promotion and projection of India's soft power abroad. Implementation of its expansion plan between 2009 and 2013 is a testimony to the significance the Ministry attaches to its activities. However, the severe financial difficulty that the Ministry has faced is also impacting on ICCR and as a result ICCR has had to decide on closing of four cultural centers abroad. Along with ICCR, the Ministry is looking at innovating and new approaches including PPP models to enhance ICCR activities."

6.4 The Committee sought clarification from the Ministry whether the closing down of Indian Cultural Centres abroad would not adversely reflected upon India's diplomatic endeavors and enquired about the efforts that were being made by the Ministry to overcome the issue of lack of finances. The Ministry submitted the following facts in a post-evidence reply:

"The Indian Cultural Centres in Toronto, Abu Dhabi, Saudi Arabia and sub-centre in Lautoka were closed down for financial reasons. The work of the Indian Cultural Centres is now being looked after by the concerned Mission/Post. ICCR provides all possible help requested by them, within its resources, to ensure that the adverse effects of these closures are minimized.

Keeping in view the financial constraints faced by ICCR, Ministry has made an additional allocation in BE 2015-16 of 9% over BE 2014-15 to ICCR. This is in spite of an augmentation of only Rs 24 lakhs (0.003%) under Non Plan. Ministry would continue its efforts for obtaining additional allocation under Supplementary Demands for Grants/Revised Estimates stage from the Ministry of Finance."

6.5 On Committee's specific query, the Ministry furnished the details of budgetary allocation sought and actual allocation during last three years and furnished the details of Actuals during the same period as under:

(Rupees in crores)			
YEAR	Budget Sought	Budget Allocated	Actual Expenditure
2011-12	205.16	140.00	175.75
2012-13	252.30	157.29	181.08
2013-14	282.50	160.00	165.45

6.6 When the Committee desired to know whether there are any additional resources available to ICCR and the sources as well as the amount generated therein, the Ministry submitted in a written reply as under:

"About Rs. 4.25 Cr were generated in FY 2013-14 through fees charged from the students attending various cultural classes run by Indian Cultural Centres abroad, renting of premises and some other miscellaneous receipts. Besides, some programmes/events have been organized in collaboration with outside partners, including under Public Private Partnership (PPP) mode, which reduced ICCR's cost."

6.7 On efforts being made by ICCR to generate additional resources, the Ministry submitted in a written reply as under:

"ICCR is using various modalities to enhance its resources/ reduce its costs as mentioned hereunder:

- (i) Many State Governments are bearing the cost of local hospitality for foreign cultural delegations sent by ICCR while performing in States as well as for the costs for putting up of their performances.
- (ii) ICCR is also partnering with reputed cultural organizations in India for jointly holding major festivals of India and for hosting foreign troupes.
- (iii) ICCR is setting up Indian Cultural Centres abroad in PPP mode.
- (iv) Some ICCR chairs abroad are being established in PPP mode with part of ICCR's cost being met by universities/other organisations.
- (v) Most of the cost of ICCR's troupes visiting abroad is taken care of by local hosts abroad."

6.8 The Committee noted that ICCR is setting up Indian Cultural Centres abroad in PPP mode. In this context, the Committee desired to know the details of the initiatives undertaken so far. The Ministry submitted in a post-evidence reply as under:

"ICCR signed an MOU on 3rd July, 2014 to provide support to Casa de la India, Valladolid, Spain, which was established in 2006 to promote Indian culture in Spain and strengthen bilateral cultural exchanges between India and Spain. Under the MOU, ICCR has agreed to give an annual grant of 75,000 Euros or 25% of the

organization's budget, whichever is less. DG, ICCR and Indian Ambassador in Spain are on the Board of Trustees of the Casa de la India Foundation which decides the annual plan of activities and the budget. ICCR's Statutory Bodies, at their meeting on February 17, 2015, have approved guidelines for establishing culture centres under PPP mode. Efforts are afoot to work out a PPP arrangement in Busan, Korea, drawing from the experience of the model used in Spain as a template."

6.9 On Committee's query regarding ICCR's plans to open Cultural Centres abroad particularly in Latin American/Caribbean Region as well as in continent of Africa, the Ministry submitted in a post-evidence reply that as decided by ICCR's Statutory Bodies, opening more ICCs abroad would only be possible when additional funds for establishing and running these are made available.

6.10 The Committee desired to know whether ICCR has any defined strategy regarding opening of New Cultural Centers abroad and anticipated time lines therefor. The Committee also further enquired about ICCR's plans for opening of new Indian Cultural Centers abroad during financial year 2015-16. The Ministry submitted the following facts in a written reply:

"Proposals for opening Cultural Centres in Hanoi, Sydney and Nairobi were received from MEA. However, in keeping with the decision of ICCR's statutory bodies, further action is contingent upon necessary approvals from MEA/Ministry of Finance for the creation of posts and provision of the requisite financial support from MEA. Meanwhile, with MEA transferring two local posts to CGI Sydney, the Centre at Sydney has started functioning out of the current premises of CGI in end-February 2015.

Properties for Cultural Centres in Paris and Washington have been purchased and this will be opened once renovation has been completed, staff approved and financial support is provided by MEA."

6.11 In the same context, when the Committee desired to know whether there is any objective criteria for setting up of new Cultural Centres and sought details of the procedure for opening of new Centres abroad and the role the Ministry of External Affairs in the process, the Ministry submitted in a written reply as under:

"In opening new cultural centres, the significance of the country and various aspects of our relations like India's economic, political and cultural interests with the country as also historical linkage with it and presence of Indian diaspora are

considered. The current local conditions, including receptivity towards Indian culture in the general populace are also considered. Needless to add, the law and order condition there should be such that the proposed centre can operate as a cultural hub. It is also necessary that there should be adequate funding available to open a new ICC and meet the recurring cost of its functioning.

As for the procedure for opening a new ICC, the approval of statutory bodies of ICCR, namely the General Assembly, Governing Body and Finance Committee are obtained on the basis of positive recommendations from the concerned Indian Mission and Ministry of External Affairs, provided the requisite funding is available. Approvals are sought for creating posts from Ministry of Finance through MEA and additional funding is sought from MEA."

6.12 On Committee's query regarding ICCR's plans to make these Cultural Centres self sufficient in terms of resources, The Ministry submitted in a written reply as under:

"ICCR's main objective is to promote cultural diplomacy and project soft power of India. As its activities are not of a commercial nature, it is unlikely that Cultural Centres will become self-sufficient in terms of meeting their costs. However, with a view to off-set some of its costs locally, efforts are made to raise resources depending upon local conditions and situations to offset at least some of the costs mainly through fees from classes and letting out of premises wherever it is feasible to do so and permissible under the local laws."

6.13 The Committee enquired whether in light of lack of desired resources to enhance India's soft power and desired to know categorically whether ICCR's plan for opening of new Cultural Centres abroad is sustainable. The Ministry submitted in a written reply as under:

"ICCR has initiated a number of economy measures to bring down costs of its Cultural Centres. These include rationalizing India-based and local posts and getting MEA officers posted abroad to also officiate as Directors of ICCs. Multi-talented teachers are also being deployed in some cases to bring down costs. Also, we are encouraging ICCs to recruit teachers locally wherever such talent is available. As directed by ICCR's Statutory Bodies, new Cultural Centres will be opened only after additional resources are given by MEA. Another initiative is to have ICCs on PPP mode and a start has been made in Spain."

6.14 The Committee desired to know whether Ministry/ ICCR has contemplated for seeking sponsorship for events organized by Indian Cultural Centres from the Organizations/Associations of Indian Diaspora/NRIs. The Ministry submitted the following details in a post-evidence reply:

"ICCs arrange sponsorships for local costs, including hospitality for ICCR's visiting troupes from local sponsors, including Indian diaspora. For events that are done with local talent, wherever feasible and required, ICCs seek local support. Ministry supports ICCR's view of seeking local sponsors for its activities abroad, where feasible and as required, on a case by case basis while taking into account local political considerations."

6.15 The Committee desired to know whether ICCR's has contemplated to engage with Ministry of Culture or Ministry of Overseas Indian Affairs on the issue of establishment and running of Indian Cultural Centres abroad as well as conducting cultural activities therein. The Ministry submitted in a post-evidence reply as under:

"As per the Allocation of Business Rules, establishing and operating Indian Cultural Centres (ICC) abroad does not fall within the mandate of either the Ministry of Culture or of the Ministry of Overseas Indian Affairs. Establishing and operating Cultural Centres is undertaken by ICCR. However, ICCR works closely with Ministry of Culture, Ministry of Tourism and Ministry of Textiles, in particular, in the organization of its activities abroad. ICC's also work actively and closely with these Ministries for organizing Festivals of India abroad."

6.16 The Committee further sought details of Ministry's/ICCRs blueprint regarding establishing ICCR Chairs abroad through PPP mode and the steps that have been undertaken so far in this regard. The Ministry submitted in a post-evidence reply as under:

"ICCR's chairs were normally either fully-funded by ICCR or the host institution provided accommodation, medical coverage and office space to the chair professor. In view of the growing demand for India Studies Chairs in universities/academic institutions abroad and its limited budgetary resources, ICCR, with the approval of its Statutory Bodies, has started making efforts to establish Chairs under the PPP model. ICCR's efforts have met with some success. ICCR has signed a Memorandum of Understanding (MoU) with Export Import Bank of India (EXIM Bank) for a short-term Chair at Lagos Business School, Pan Atlantic University, Lagos, Nigeria, to be funded by the EXIM Bank. Heidelberg University, Germany; Uppsala University, Sweden; Aarhus University, Denmark; Simon Fraser University, Canada; and Victoria University of Wellington, New Zealand have also been able to secure/raise funding to share around 50% of ICCR's cost for the India Studies Chairs. ICCR is in discussion with some other universities to open chairs on cost-sharing basis."

6.17 When the Committee asked about the factual position with regard to number of Indian Cultural Centres in countries with high proportion of People of Indian Origin (PIO) population, the Ministry submitted in a post-evidence reply as under:

"In countries with high proportion of PIO population or large PIO community, Indian Cultural Centres are there in Australia; Fiji; Guyana; Malaysia; Mauritius; Myanmar; Netherlands; South Africa (Johannesburg, Durban), Suriname, Tanzania, Trinidad & Tobago, and UK."

6.18 The Committee enquired about the efforts made by ICCR to enhance Indian's soft power in countries with high proportion of PIOs and sought clarification about the initiatives taken by ICCR to preserve Indian heritage, language, script, cultural practices etc. in these countries. The Ministry submitted following facts in a post-evidence reply:

"ICCR has cultural centres in many countries with high proportion of PIOs or large PIO population through which it promotes Indian culture, including by conducting classes for dance, music, language, yoga, etc., keeping in view the local needs, its resources and local rules and regulations. In countries where there are no cultural centres, ICCR works with Indian Missions to promote Indian culture and heritage. ICCR organized the first-ever International Conference on "Indian Diaspora and Cultural Heritage: Past, Present and Future" in New Delhi in February 2015, at which experts from the Indian diaspora were invited. In some cases ICCR also invites troupes from other countries to India to encourage efforts made by the local people to preserve Indian heritage....

ICCR also maintains chairs in several premier universities across the world, with a special focus on the countries with a high density of PIOs. It maintains Chairs of Sanskrit, Tamil, Buddhist Studies, Tagore Studies etc. which gives a sense of belonging to the diaspora community in the respective country."

6.19 On Committee's specific query about the mechanism to ensure optimum utilization of funds, the Ministry submitted in a written reply as under:

"As regards the mechanism to ensure optimum utilization of funds, ICCR prepares its annual Plan of Action and gets it approved from its Statutory Bodies which are composed of senior representative of the Government and eminent persons from various walks of life. A monitoring system has been put in place to ensure proper utilisation of budget by ICCs abroad which have to send monthly expenditures and activities reports. The same applies to Regional Offices. Finance Committee of ICCR reviews its fund utilisation periodically. Internal

Audits by ICCR Head-quarters are carried out periodically to ensure financial and administrative discipline."

6.20 The Committee over the years have been recommending an increased budgetary allocation to ICCR and expansion of the network of Indian Cultural Centres. In the light of the active foreign policy being pursued by the Government and attempts to engage the Indian Diaspora, the Committee had expected a greater vigour in expanding the footprint of India's soft power. The Committee, however, are concerned to note that due to economy cut during 2014-15, ICCR had to scale down its activities substantially, defer deployment of teachers in many cultural centres/Missions/Posts and even resort to closing of Indian Cultural Centres in Toronto, Abu Dhabi, Saudi Arabia and Sub-Centre at Lautoka. The Committee express their displeasure at the state of affairs with regard to India's projection of its soft power to the world at large. The Committee, therefore, would like to strongly recommend that the Government should make allocations to ICCR in consonance with the Foreign Policy objectives being pursued by the Government. Moreover, the Committee would also like to suggest that the Government should formulate a clear vision for expansion and consolidation of India's soft power and accordingly devise a strategy and prepare a blueprint with time line for expansion of network of Indian Cultural Centres and the activities conducted therein. The Committee urge the Government to ensure the speedy completion of the Centres at Bali, Paris and Washington where the properties have already been acquired.

(Recommendation No.34)

6.21 In view of lack of desired budgetary resources and Ministry's response regarding lack of avenues to make Indian Cultural Centres self sufficient, the Committee are of the view that ICCR should explore the possibility of generating additional resources. The Committee take note of the initiatives undertaken by the Ministry/ICCR for partners and public private partnership. The Committee, therefore, recommend to ICCR to explore the possibility and study the matter in depth regarding engagement with the local associations of Indians/PIOs for organising the events as well as for sponsorship of events. Moreover, the Committee suggest that the Ministry/ICCR should develop basic parameters, Standard Operating Procedures (SOPs) etc. with regard to engagement of local Indians/Indian Diaspora organisations.

(Recommendation No.35)

6.22 The Committee find that there is a need to expand footprints of ICCR in the countries with high proportion of People of Indian Origin (PIO) population. The Committee also desire that the Ministry/ICCR should also expand the base of their activities in the existing centres of these countries and take initiative to preserve and document Indian linkages to their heritage, language, script, cultural practices, traditions, the local heritage and the living heritage particularly in Caribbean region and South East Asian Region. Furthermore, the Committee suggest the Ministry dwell upon the ways to enhance linkages with Indian Diaspora and explore the possibility of coordinating with the Ministry of Overseas Indian Affairs on this issue and exploring the possibility of being associated with Know India Programme, Schemes for Scholarships etc.

(Recommendation No. 36)

CHAPTER-VII

MISCELLANEOUS

A. Economic Diplomacy

Investment, Technology Promotion Division (ITP Division) promotes economic diplomacy and supports programmes relating to foreign investments, trade promotion activities and technology promotion and transfer. In this context, when the Committee enquired about the exact role of the Division in promoting India's economic interests and economic diplomacy and sought information regarding Division's role *vis-a-vis* foreign investments and technology transfer, the Ministry submitted in a written reply as under:

"The ITP Division has been created within MEA to give a definite direction and focus to our economic diplomacy strategy. It works closely with Indian Missions abroad and various Government Ministries/ Departments as the nodal division for facilitation of India's trade, investment promotion and technology transfer related matters. The Division engages regularly with Export Promotion Councils (EPCs), Chambers of Commerce and Industry associations in promoting these objectives of trade and investment promotion.

ITP Division has also been allocated funds under the Investment Promotion and Publicity budget head to facilitate investment promotion activities such as Trade and Investment promotion Conferences, Seminars, undertaking market studies, etc. ITP Division has also been allocated a budget of Rs 5 crores for the financial year 2014-15 for Market Expansion Activities which has been allocated to the Indian Missions to carry out investment promotion activities abroad. To facilitate export promotion, ITP Division is also a member of the Empowered Committee on Market Access Initiative (MAI) Scheme of the Ministry of Commerce and Industry, Department of Commerce under the chairmanship of Commerce Secretary which funds the export promotion activities and trade fairs participated in by various EPCs.

In order to facilitate foreign investment inflows, ITP Division works closely with Department of Economic Affairs as a permanent member of the Foreign Investment Promotion Board (FIPB)....

ITP assists Missions, if required, in technology initiatives such as commissioning studies prospects for High Technology Manufacturing and in identifying other potential business opportunities."

7.2 On Committee's particular query whether any assessment has been carried out regarding the role of ITP Division in enhancing/promoting the economic interests of the country and achieving the same, the Ministry submitted in a written reply as under:

"The ITP Division actively works and participates to enhance and promote the economic interest of the country. By virtue of being on the Task Force for SWFs, ITP division assists in working out the modalities for attracting Foreign investments in conjunction with our Missions. ITP Division as part of the BIPA working Group set up by Department of Economic Affairs has been working on bilateral investment promotion agreements. The Division also facilitates and aids in resolving any issues which may be hampering the investment climate in the country. It also actively pursues with the Missions to address any negative perceptions regarding business opportunities in the country. ITP division also endeavours to address queries from prospective investors/business by liaising closely with DIPP and other departments."

7.3 The Committee further sought clarification regarding the role of the Indian Missions in promoting India as an investment destination in host countries. The Ministry submitted in a written reply as under:

"Indian Missions abroad are actively engaged in promoting India as an investment destination through holding of seminars, workshops, roadshows, roundtable discussions, interactive events and meeting on investments in the host countries."

Hon'ble Prime Minister had launched the "Make in India" campaign..To publicise and promote the campaign, many Missions had organised events in the host countries to coincide with the live telecast of the programme... The Indian Missions are also now closely coordinating with the Ministry (through the newly created States division) to promote investment based on the strengths of each State."

7.4 The Committee noted that in the financial year 2014-15, ITP Division has also been allocated a budget of Rs 5 crores for Market Expansion Activities which had been allocated to the Indian Missions to carry out investment promotion activities abroad. In this context, the Committee sought clarification from the Ministry whether an allocation of Rs. 5 crore was sufficient for 183 Indian Missions/Posts abroad. The Ministry submitted in a post-evidence reply as under:

"No, the allocation is not sufficient. In fact, an allocation of Rs. 8 crores was requested for the financial year 2014-15 but only Rs. 5 crores was granted at the BE stage. The same was further reduced to Rs.4.5 crores at RE stage."

7.5 The Committee note that the ITP Division was created within the Ministry of External Affairs to give a definitive direction and focus to India's economic diplomacy strategy. While analysing various activities of the Division, the Committee are not convinced with its endeavours to promote India's interests and its role in conducting economic diplomacy. The Committee, therefore, want that the Ministry must strengthen the ITP Division and carry an assessment of its role and identify the ways in which the Division could be empowered to be an effective channel of India's economic diplomacy and also a facilitator for enhanced technology promotion and transfer. The Committee also recommend that this Division must be assigned the work of formulating an economic diplomacy strategy for India in consultation with the Policy Planning and Research Division of the Ministry for an effective role of India's Missions/Posts in carrying out market expansion activities with identifiable goals.

The Committee note that the ITP division had been allocated a budget of Rs. 5 crore for Market Expansion Activities which had been allocated to the Indian Missions to carry out investment promotion activities abroad. The Committee find it very inadequate for carrying out these activities by 183 Missions/Posts. The Committee, therefore, desire that sufficient allocation should be made in proportion to the activities assigned to this Division to be carried out through Indian Missions/Posts abroad.

(Recommendation No. 37)

B. Policy Planning and Research Division and Grant -in -Aid to Institutions

7.6 According to the Ministry's Annual Report 2014-15, in the domain of policy planning and research, the Division continued its support to the academia, think-tanks, research organisations, and foreign policy institutes of India engaged in research and discourses on foreign policy and assisted them financially to organise seminars, conferences and studies to deliberate on various facets of India's external relations. Through such outreach activities of the Division, the Ministry received new perspectives and informed opinion of experts on several areas of foreign policy and global affairs. On Committee's query regarding the exact role of Policy Planning and Research Division, the Ministry submitted in a written reply as under:

"Policy Planning Division, under its present mandate, plays a useful role in policy planning. The Policy Planning Division supports the territorial and functional Divisions in seeking external inputs. The Division engages outside expertise through Universities, Think tanks, NGOs and institutions for undertaking studies, research and organising seminars/conferences/workshop/ symposium on issues related to foreign policy to deliberate on various facets of India's external relations. Through these activities, the Ministry receives new perspectives and informed opinion of experts on several areas of foreign policy and global affairs. The reports, submitted by them, of seminars and studies provide useful inputs to the Ministry of External Affairs in formulating its foreign policy."

7.7 On Committee's specific query that whether the Division has been able to spell out the long term strategic doctrine for India as well as a road map for India's foreign policy apparatus, the Ministry submitted the following in a written reply:

"The PP&R Division as per its present mandate does not directly engage in this aspect. This is done by specific territorial and other functional divisions to whom PP Division through the above mentioned activities provides inputs to facilitate in spelling out long term strategic doctrine."

7.8 In context of Ministry's reply, the Committee desired to know about the particular Division that is responsible for defining and contemplating upon overall strategic doctrine as well as interests for India. The Ministry submitted in the following in a post-evidence reply:

"The overall strategic doctrine as well as interests of India are developed on a whole-of-the-Ministry basis. One of the territorial or functional divisions, with inputs from other Divisions as well as other Ministries and agencies as required depending upon the issue, initiate and contemplate upon the strategic doctrine and interests of India before putting them up for approval of FS/EAM."

7.9 The Ministry also informed the Committee about the relevant and specialized organisations/institutions being funded by the Ministry. In this context, the Committee sought information about the exact role of Indian Council for World Affairs (ICWA) and the Society for Research and Information System for Non-aligned and Other Developing Countries (RIS) in providing support to the Policy Planning and Research Division of the Ministry. The Ministry submitted in a written reply as under:

"ICWA was instituted by the Parliament as the institute of National Importance, and its primary objective is to promote the study of Indian and international affairs and to promote India's relations with other countries through study,

research, discussion, lectures, exchange of ideas and information with other organisations. In pursuit of these objectives, ICWA undertakes Track II dialogues with international research institutions of countries....and the reports of these visits is provided to the PP division for policy inputs, Further, ICWA has been providing viewpoints, issue briefs and Policy Briefs to the PP Division on a regular basis. The policy briefs are specific policy suggestions papers which are provided to Policy Planning Division of the Ministry. In the last one year, ICWA has undertaken three major MEA projects..... These reports have been provided to the Ministry in a time bound manner.

RIS is an autonomous think-tank under the MEA. It was set up by the Ministry after the 7th NAM Summit in Delhi in 1983, pursuing research work in the fields of international economic relations, economic and financial crisis, global economic governance, climate change, regional economic cooperation etc. It has also been involved in setting up networks of think-tanks of multilateral fora... .

As per the Memorandum of Association of RIS, the management is entrusted in the Governing Body of which Foreign Secretary and Secretary (M&ER) are ex-officio members among others.

MEA provides an annual grant in aid to RIS. For the CFY, it is Rs.5.28 Crores. For BE 2015-16, it is proposed at Rs.5.85 Crores. MEA's Grant-in Aid covers about 85% of its total annual expenditure and the remaining 15% is met by RIS through funds raised by conducting various research projects for Indian and outside sponsors."

7.10 The Committee observed that the proposed allocation for grants-in-aid to ICWA and RIS during the BE 2015-16 is pegged at Rs. 11.50 crore and Rs. 5.85 crore respectively. On Committee's query regarding the allocation sought and budgetary allocation made during last three years, both at BE and RE stage, alongwith Actuals, the Ministry submitted in a written reply as under:

ICWA

(Rs in crore)

Year	BE demand	BE allocation	RE demand	RE allocation	Actuals
2011-12	12.75	12.00	12.53	12.00	11.23
2012-13	8.81	8.81	8.81	8.81	8.79
2013-14	15.11	10.81	10.81	10.81	8.49

RIS

(Rs in crore)

Year	BE demand	BE allocation	RE demand	RE allocation	Actuals
2011-12	5.35	5.35	8.00	5.35	5.35
2012-13	10.00	5.35	5.35	5.35	5.35
2013-14	5.35	5.35	5.35	5.35	5.35

7.11 The Committee take note that the Policy, Planning and Research Division of the Ministry is not directly engaged with the defining of long term strategic doctrine for India as well as road map for India's Foreign policy apparatus. The Committee are not convinced with the procedure being followed by the Division for strategic doctrine as well as in defining the national interests of India based on the feedback from concerned Territorial Divisions. The Committee feel that isolated views of the Territorial Divisions may not contemplate the overall scenario and adopt a holistic approach. The Committee, therefore, recommend that the Policy Planning and Research Division be strengthened and used as a think tank within the Ministry to define the strategic doctrine for India as well as to formulate a road map for India's foreign policy apparatus. The Committee further suggest that the Ministry should receive inputs from ICWA and RIS or other think tanks in defining and expounding to overall interests, goals and strategic doctrines for India.

(Recommendation No. 38)

C. Indian Technical and Economic Cooperation (ITEC Programmes)

7.12 Indian Technical and Economic Cooperation (ITEC Programmes) Programme had completed 50 years in operation. This Head provides for expenditure on defence and civilian training programmes for candidates from various countries, deputation of experts from India to other countries and financial and technical assistance to developing countries for setting up of projects. Under Indian Technical and Economic Cooperation Programmes, the budgetary allocation for BE 2014-15 and RE 2014-15 was Rs. 155.00 crore while the BE 2015-16 is pegged at Rs. 180.00 crore. On Committee's query regarding the actual utilization quarter-wise during 2014-15 and utilization as on 28.2.2015, the Ministry submitted in a written reply as under:

(Rs in crore)

	Exp upto June 2014	Exp upto Sep 2014	Exp upto Dec 2014	Exp upto Feb 2015
Actual Expdeniture	39.90	70.06	127.19	156.20

7.13 The Committee further enquired about the allocation at BE stage and RE stage as well as the Actuals for the last three years. The Ministry submitted in a written reply the information:

Year	BE	RE	Actuals
2011-12	120.00	120.00	103.77
2012-13	120.00	120.00	141.08
2013-14	140.00	150.00	169.66

7.14 On Committee's query regarding the details of total allocation under ITEC Programme, the SCAAP (Special Commonwealth Assistance for Africa Programme and the Technical Cooperation (TCS) and Colombo Plan, the Ministry submitted in a written reply as under:

(Rs. in crores)

ITEC

Financial Year	BE	RE
2012-13	120.00	120.00
2013-14	140.00	150.00
2014-15	155.00	155.00

SCAAP

Financial Year	BE	RE
2012-13	15.00	20.00
2013-14	25.00	25.00
2014-15	30.00	30.00

TCS of COLOMBO PLAN

Financial Year	BE	RE
2012-13	4.0	4.6
2013-14	4.6	6.6
2014-15	6.0	8.6

7.15 When the Committee specifically desired to know whether the Government of India/Ministry has carried out any assessment of impact of these programmes, the Ministry submitted the following details in a written reply as under:

"The assessment of ITEC Programme is regularly done by the DPA-II Division of MEA. Since the programme is demand-driven, feedbacks from participants and requests from friendly partner countries are analyzed and reviewed from time to time. Special courses are organized at the specific request of partner countries. The popularity of ITEC Programme can also be assessed during the discussions at mechanisms such as Foreign Office Consultations, Joint Commission Meetings, HOMs Conferences and during the incoming and outgoing visits of VVIPs, when Government of India receives requests for capacity building, upgradation of skills and human resource development from the partner countries."

7.16 When the Committee enquired about the time when the overall structural review of the programme was carried out the last time and whether those findings were incorporated in the programme, the Ministry submitted in a written reply as under:

"Since ITEC comprises of capacity building courses conducted at the request of partner countries, there is a system of regular and continuous review. Under ITEC, training in diverse areas such as Accounts, Audit, Banking and Finance courses, IT, Telecommunication and English Courses, Management Courses, SME/Rural Development Courses, Specialized Courses, Technical Courses and Environment and Renewable Energy Courses are already being covered. Moreover, special courses are also conducted at specific request of ITEC partner countries."

7.17 The Committee further desired to know whether the Government has taken any initiative to evaluate the training programmes under ITEC/SCAAP/TCS Colombo Plan and sought clarification regarding timely review of content and quality of such projects. The Ministry submitted in a written reply as under:

"Yes, the Ministry regularly evaluates the training programmes under ITEC/SCAAP/TCS Colombo Plan. The feedbacks from participants are carefully analyzed to evaluate training courses. Inputs are examined to assess the course contents, duration and requirement of practical exercises/project works. The courses are evaluated on a yearly basis based on the popularity of the course, i.e., number of participants received during that training period, feedback of the participants who attended the course, etc. Depending on the response received, the popular courses are continued and unpopular courses are discontinued in the next academic year."

7.18 The Committee further enquired regarding provision for accessing relevance and monitoring the quality of training provided particularly regarding IT, Telecommunication and English course. The Ministry submitted in a post-evidence reply as under:

"Relevance and quality of the courses are regularly assessed. Courses are reviewed every year based on the number of nominations made by partner countries, Ministry's interaction with the institutes concerned as also the feedback received from the participants. Continuance of the courses in the next financial year is decided accordingly. As ITEC courses are demand driven, institutes continually strive to keep their course content and quality of training updated so as to be able to meet the demand."

7.19 On the feedback mechanism in existence from the participant countries regarding the quality and relevance of the programmes, the Ministry submitted in a written reply as under:

"Yes. A feedback mechanism is in place to assess the quality, relevance and impact of the programme. After completion of each course, feedback is obtained from the participants on the course content, teaching methodology, infrastructure, facilities, etc. Feedback is also given by the Institutes about the participants attending the courses. Besides, feedback is also received from the Indian Missions who stay in touch with the participants upon their return from India. Based on these feedback, training programmes/courses are assessed at the end of each training year. It has been the constant endeavour of the Ministry to align the programme with the requirements of partner developing countries."

7.20 The Committee further enquired about involvement of private institutes in providing Training under these programmes, the process of selection of such Institution/Agency and mechanism for quality control of the services rendered by them. The Ministry submitted the following details in a written reply:

"Yes, there are a few private Institutes which are involved in training under ITEC/SCAAP/TCS Colombo Plan. These Institutes were selected prior to 2008

taking into consideration their standing in respective fields of training as well as the requests received from partner countries.

Since, ITEC/SCAAP/TCS training programme is demand-driven, the criteria for selection of Institutes are primarily based on requests received from partner countries either through our Missions or at the time of high-level visits, or by different multilateral organizations. After the concurrence for training in a particular area is received from the political perspective, suitable training institutions are identified with the assistance of concerned Ministries. The empanelment procedure as well as terms and conditions are similar for both government and private institutes. Monitoring of the Institutes is done on regular basis and corrective measures are taken, if any shortcomings are found."

7.21 The Committee noted that these institutions were selected prior to 2008 taking into consideration their standing in respective fields of training as well as the requests received from partner countries. When the Committee sought clarification from the Ministry regarding not conducting any review after 2008 and requests received for inclusion of new fields in training and the response of Government towards such requests, the Ministry submitted in a post-evidence reply as under:

"The existing empanelled institutes offer training in Accounts, Audit, Banking and Management and Finance courses; Telecommunication and English courses; Management courses; SME/Rural Development Courses, Specialized Courses, Technical Courses and Environmental and Renewable Energy Courses. Demand for courses has mainly been in these categories which are well catered to by the existing empanelled institutes and courses. Popularity of these courses is regularly reviewed based on the feedback received from ITEC partner countries through our Missions as well as from the ITEC participants, and new courses are accordingly added. Any specific request received from a partner country falling outside the regular courses/areas is catered to by organizing a special course in that particular area."

7.22 On the provision of Audit of the Projects undertaken under ITEC, the Ministry submitted the following facts in a written reply:

"ITEC programme consists of capacity building courses conducted for partner countries. Projects are not implemented under this budget head. There is a process of regular and continuous monitoring of ITEC programme, which DPA-II Division of Ministry regularly undertakes. The feedback from participants is carefully analyzed and reviewed. Inputs are examined to assess the course content, living conditions, quality of project work, etc. Ministry also maintains

close liaison with the partner institutions. The courses are evaluated annually and continuation of a course in subsequent years is dependent on its popularity and the feedback received from participants. Courses not found up to the mark are discontinued in the next academic year. Assessment about ITEC programme are also received during the discussions with partner countries in mechanisms such as Foreign Office Consultations, Joint Commission Meetings and VVIP visits. In these discussions, the Government of India regularly receives requests for capacity building, upgradation of skills and human resource development and for increasing the number of training slots offered under ITEC."

7.23 In context of ITEC/SCAAP/ Colombo Plan, the Committee enquired about the process being followed for conducting capacity building programmes after a request is received by the Government of India, alongwith the time taken from receipt of request to conclusion of the courses, the Ministry submitted in a post-evidence reply as under:

"A list of all regular capacity building courses to be conducted at ITEC/SCAAP/Colombo Plan institutions during an year is placed on the ITEC website at the beginning of that year. Partner countries send nominations for capacity building courses of their choice from this list. In case a request for a specific course, which is outside these regular capacity building courses, is received from a country through the Indian Mission, feasibility of organizing that programme is ascertained taking into account discussions with the ITEC institutions offering courses in that area and the Ministries concerned, the budget availability, and any specific requirement that may have been conveyed by the requesting country. The request is then examined from the political perspective by the Divisions concerned, and if political concurrence is received, the approval of competent authority is obtained for organizing that special course. Nominations are thereafter asked from the requesting country through the Indian Mission. Time taken in this process depends on a number of factors such as the area of training requested by the partner country, capacity of institutions on the Indian side, budget availability, etc."

7.24 On Committee's query regarding the instances wherein such requests were declined, the Ministry submitted in a post-evidence reply as under:

"Before a request is formally received from a country through the Indian Mission, preliminary discussion and consultation on the possibility of organizing the special training programme normally takes place between the Indian Mission and the requesting country, which facilitates the subsequent processing and consideration of that proposal."

7.25 On Committee's query regarding the changes in areas of training requests received from various countries, the Ministry submitted in a post-evidence reply as under:

"Since ITEC/SCAAP/TCS of Colombo Plan programme is demand driven, the areas of training requested are based on the needs and requirement of the partner countries and hence change from time to time.

7.26 Capacity building through defence and civilian training programme under ITEC, SCAAP and Technical Cooperation Scheme under Colombo Plan is an integral part of India's developmental cooperation. The Committee note that the ITEC Programme has completed 50 years in operation. In Committee's view it is the appropriate occasion to conduct a comprehensive review of the programme including the decision making process, types of training, identification of institutions, etc. and carry out an objective assessment of the programme from the perspective of achievement of India's foreign policy goals. It is also necessary to evaluate whether our programme meets the needs and expectations of the beneficiary countries. Furthermore, the Committee suggest that the Ministry should critically analyse the requests received for training from the beneficiary countries and accordingly review the type of training provided to include new and emerging areas of technology as per their requirements. The Committee recommend that the Ministry must develop SOPs regarding each step from the stage of receipt of request from the beneficiary country upto the final conclusion and post-conclusion feedback from the beneficiary country. The Committee also note that the last review regarding inclusion of institutions was done in 2008. The Committee, therefore, desire that the Ministry should review the list of institutions and incorporate or exclude the institutions as per their performance and altered requirements.

(Recommendation No. 39)

D. Indian Fishermen being apprehended by Neighbouring Countries

7.27 In view of the instances of Indian Fishermen being caught, imprisoned as well as fired by the Security forces of the neighbouring countries, the Committee desired to be furnished with the factual position in this regard. In regard to Sri Lanka, the Ministry submitted in a written reply as under:

"There have been several instances of Indian fishermen being apprehended by the Sri Lankan authorities for allegedly fishing in Sri Lankan waters. The Government attaches the highest importance to the safety, security and welfare of Indian fishermen. As soon as reports of apprehension are received, the Government takes up the matter of their expeditious release and repatriation with the Sri Lankan authorities through diplomatic and legal channels. The total no. of Indian fishermen apprehended by Sri Lankan authorities in 2014 was 787 and in 2015 was 86. All these fishermen have been released by the Government of Sri Lanka following persistent efforts undertaken by the Government at the highest levels."

7.28 On Committee's query about the measures undertaken by the Government to resolve the issue, the Ministry submitted in a written reply as under:

"The fishermen issue has been undertaken by the Government with the Government of Sri Lanka at the highest levels. Prime Minister Shri Narendra Modi during his recent visit to Sri Lanka discussed this issue with President Sirisena and said that it was a complex issue involving the livelihood and humanitarian concerns on both sides and that it should be handled from this perspective. PM pointed out the need of finding a long term solution to this issue. He said that it was also important that fishermen's associations of India and Sri Lanka meet at the earliest to find a mutually acceptable arrangement, which can then be taken forward by both governments.

EAM during her visit to Sri Lanka on 6-7 March also took up this issue during her official interactions with the Sri Lankan leadership.

On the institutional side, at the 4th meeting of the India-Sri Lanka Joint Working Group on Fisheries held in January 2012 in Colombo, both sides reiterated the highest priority accorded by their respective Governments to the well being, safety and security of fishermen from the two countries. Both countries agreed that the use of force could not be justified under any circumstances, and reiterated in this regard the importance of extending humane treatment to all fishermen. The newly constituted India-Sri Lanka Joint Committee on Fisheries related issues held its first meeting in New Delhi on 29 August 2014. Additionally, Fishermen Association level talks were held twice in 2014, the first in January 2014 in Chennai and the second was held on 12 May 2014 at Colombo. Government is facilitating a meeting of fishermen's associations from both sides in Chennai on 24 March 2015."

7.29 Regarding Agreements with the neighbouring countries, the Ministry submitted following facts in a written reply:

"There are several bilateral mechanisms with Sri Lanka under which this issue is discussed such as a Joint Working Group, a Joint Committee and fishermen's association talk as mentioned....

Keeping in mind the humanitarian and livelihood dimensions of the fishermen issue, the Government had reached an understanding with Sri Lankan Government through a Joint Statement on 26 October 2008 to put in place practical arrangements to deal with bonafide Indian and Sri Lankan fishermen crossing the International Maritime Boundary Line."

7.30 In view of Ministry's reply, when the Committee enquired whether there have been instances of Indian fisherman being caught and imprisoned or being fired by other neighboring countries as well, the Ministry submitted the following details in a post-evidence reply:

"Bangladesh: There have been instances of arrest of Indian fishermen by Bangladesh for allegedly crossing into Bangladesh territory. A total of 288 Indian fishermen were detained by Bangladesh authorities during the period October 2014-March 2015. Of these, all except twelve (12) have been released as a result of effective intervention by High Commission of India, Dhaka. The issue of arrest of fishermen has been discussed with Bangladesh during various institutional engagements, including during Home Secretary level talks held in New Delhi on February 17, 2015 and DG Coast Guard talks held in New Delhi on April 06, 2015. Both sides have agreed to hand over fishermen who inadvertently cross the maritime border to the concerned authorities expeditiously.

Pakistan: As per list of prisoners and fishermen exchanged with Pakistan on 1 January 2015 under agreement on Consular Access between India and Pakistan 2008, there are 476 fishermen believed to be Indian in the Pakistani custody.

On 16 February 2015, 172 Indian fishermen were released by Pakistan. Presently, 303 fishermen believed to be Indian are lodged in jails in Pakistan as on 10 April 2015 (however as per reports there are 383 Indian fishermen in custody of Pakistan, the presence of the remaining fishermen has not been acknowledged by Pakistan yet)."

7.31 The Ministry further furnished information about Government's efforts for securing the release of fishermen from Pakistani jails, Agreement between Coast Guard of India and Pakistan Maritime Security Agency (PMSA) and addressed the issues of Compensation.

7.32 The Committee are concerned over the growing instances of Indian fishermen being apprehended and imprisoned as well as firing being resorted by the security forces of

neighbouring countries. Moreover, the Committee also express their concern over the plight of twelve Indian fishermen who are in jails of Bangladesh and 383 Indian Fishermen in jails of Pakistan. The Committee also take note of the efforts made by the Government of India in this regard and desire that more concerted efforts should be made by the Government at the highest level for release of imprisoned fishermen in the jails of Bangladesh and Pakistan. The matter relating to acknowledgement of the imprisonment of 80 Fishermen by Pakistan should also be taken as priority. The Committee desire to be furnished with a status note in this regard.

The Committee also note that there are existing joint mechanisms with Sri Lanka but there is a need to hold regular meetings of the fishermen's associations of India and that of neighbouring countries. The Committee also recommend that the Government should take initiative to establish similar Joint Working Groups, with Bangladesh and Pakistan. Moreover, the Committee suggest that the Ministry must engage the State Governments and local administration in the border areas so as to avert the possibility of such incidents.

(Recommendation No. 40)

NEW DELHI
27th April, 2015
7 Vaisakha, 1937 (Saka)

DR. SHASHI THAROOR
Chairperson,
Standing Committee on External Affairs

**MINUTES OF THE FIFTEENTH SITTING OF THE STANDING COMMITTEE ON
EXTERNAL AFFAIRS (2014-15) HELD ON 24TH MARCH, 2015**

The Committee sat on Tuesday, 24th March, 2015 from 1200hrs. to 1345 hrs. in Committee Room 'D', House Annexe, New Delhi.

PRESENT

Dr. Shashi Tharoor – Chairperson

Members

Lok Sabha

2. Shri Arka Keshari Deo
3. Shri Jose K. Mani
4. Shri Feroze Varun Gandhi
5. Shri A. Anwar Raajhaa
6. Shri Maganti V. Rao (Babu)
7. Dr. Mamta Sanghamita
8. Shri Sharad Tripathi

Rajya Sabha

9. Shri Shri H.K. Dua
10. Shri Chunibhai Kanjibhai Gohel
11. Shri Ram Kumar Kashyap
12. Dr. Karan Singh

Secretariat

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| 1. | Shri Cyril John | - | Joint Secretary |
| 2. | Dr. Ram Raj Rai | - | Director |
| 3. | Smt. Rita Jailkhani | - | Additional Director |

Representatives of the Ministry of External Affairs

- | | | | |
|-----|---------------------------|---|-----------------------|
| 1. | Dr. S. Jaishankar | - | Foreign Secretary |
| 2. | Smt. Sujata Mehta | - | Secretary (ER & DPA) |
| 3. | Smt. Nengcha Lhouvum | - | Dean (FSI) |
| 4. | Shri Satish C. Mehta | - | DG, ICCR |
| 5. | Smt. Mukta D. Tomar | - | AS (AD) |
| 6. | Shri Binoy Kumar | - | AS & FA |
| 7. | Shri Sandeep Kumar | - | JS (WANA) |
| 8. | Shri Syed Akbaruddin | - | JS (XPD) |
| 9. | Shri Ajay M. Gondane | - | JS (SAARC, BC & A&RM) |
| 10. | Shri Satbir Singh | - | JS (Projects) |
| 11. | Shri Alok Kumar Sinha | - | JS (DPA-I) |
| 12. | Shri Sanjay Bhattacharyya | - | JS (South) |
| 13. | Shri Sanjiv Kohli | - | JS (WA) |
| 14. | Shri Muktesh K. Pardeshi | - | JS (PSP) & CPO |
| 15. | Shri Kumar Tuhin | - | JS (DPA-II) |
| 16. | Shri Abhay Thakur | - | JS (North) |

17.	Shri Arun K. Chatterjee	-	JS (CNV)
18.	Shri Vinay Kumar	-	JS (E & SA)
19.	Shri P. Kumaran	-	JS (CPV)
20.	Shri Soumen Bagchi	-	JS (ES & ITP)
21.	Shri Sanjiv Ranjan	-	JS (DPA-III)
22.	Shri Sibi George	-	JS (AD)
23.	Shri Rudrendra Tandon	-	JS (PAI)
24.	Shrimati Sripriya Ranganathan	-	JS (BM)
25.	Shri Charan Jeet Singh	-	JS (MER)
26.	Shri Munu Mahawar	-	JS (ESTT)
27.	Shri Anurag Srivastava	-	Director (Finance)
28.	Shri Puneet Agrawal	-	Director (SM&IOR)

2. At the outset, the Chairperson welcomed the Members of the Committee and the representatives of the Ministry of External Affairs to the sitting of the Committee to take evidence of the representatives of the Ministry of External Affairs on Demands for Grants of the Ministry for the year 2015-16. The Chairperson then drew attention of the witnesses to the confidential nature of the meeting.

3. After a brief introduction and opening remarks by the Foreign Secretary, the Committee took evidence of the representatives of Ministry of External Affairs on the Demands for Grants of the Ministry of External Affairs for the year 2015-16. The main points which came for detailed discussion *inter-alia* included: reduced allocation at Revised Estimates stage during Financial Year 2014-15, impact of reduced budgetary allocations on the functioning of the Ministry and implementation of Projects, closing of Indian Cultural Centres abroad, undermining of Foreign Policy objectives due to lesser budgetary allocations, revenue generated through passport and visa services, monitoring mechanism for international projects, development of Standard Operating Procedures and guidelines for delivery of aid projects, Ministry's role in execution of these projects and status of projects in Africa and Central Asia, size of Indian Foreign Service, digital publications and publications supported by the Ministry. The Committee desired that the Ministry may furnish written replies to the various points raised by the Members during discussion.

4. XXXX XXXX XXXX XXXX XXXX XXXX

The Committee then adjourned.

A verbatim record of the proceedings has been kept.

APPENDIX - II

**MINUTES OF THE SEVENTEENTH SITTING OF THE STANDING COMMITTEE ON
EXTERNAL AFFAIRS (2014-15) HELD ON 23RD APRIL, 2015**

The Committee sat on Thursday, 23rd April, 2015 from 1500 hrs. to 1545 hrs. in Room No. 62, Parliament House, New Delhi.

PRESENT

Dr. Shashi Tharoor – Chairperson

Members

Lok Sabha

2. Prof. (Dr.) Sugata Bose
3. Shri Ranjit Singh Brahmpura
4. Shri Arka Keshari Deo
5. Shri Raghav Lakhanpal
6. Shri Jose K. Mani
7. Shri A. Anwhar Raajhaa
8. Shri Maganti V. Rao (Babu)
9. Md. Salim
10. Dr. Mamtaz Sanghmita
11. Shri P.R. Senthilnathan
12. Shri Sharad Tripathi
13. Shri Chhedi Paswan
14. Shri Vishnu Dayal Ram

Rajya Sabha

15. Shri Shri H.K. Dua
16. Shri Chunibhai Kanjibhai Gohel
17. Shri Ram Kumar Kashyap
18. Dr. Karan Singh
19. Shri D.P Tripathi

Secretariat

- | | | | |
|----|---------------------|---|---------------------|
| 1. | Shri Cyril John | - | Joint Secretary |
| 2. | Dr. Ram Raj Rai | - | Director |
| 3. | Smt. Rita Jailkhani | - | Additional Director |

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

3. Thereafter, the Committee took up for consideration the draft Report on Demands for Grants of the Ministry of External Affairs for the year 2015-16. The Chairperson invited the Members to offer their suggestions, if any, for incorporation in the draft Report. The Members

suggested some minor modifications. The Committee adopted the draft Report with these minor modifications.

4. XXXX XXXX XXXX XXXX XXXX XXXX

5. The Committee then authorized the Chairperson to finalize both the Reports incorporating the suggestions made by the Members and present the same to the Parliament.

The Committee then adjourned.