



K. M. CHANDRASEKHAR

D.O.No.23(2) E.Coord/2006

मंत्रिमंडल सचिव
CABINET SECRETARY
NEW DELHI

June 12, 2008

Dear Secretary,

I am writing in pursuance of the instructions on economy and austerity in Government expenditure issued on June 05, 2008 by the Ministry of Finance. These instructions mandate a 10% cut in various non-plan expenditure heads for the current year, including domestic and foreign travel expenses.

2. In addition, the instructions stipulate the following:

- (i) Travel regulations have already been liberalized by permitting travel by other than national airlines. Ministries/ Departments should take advantage of this liberalization and the competition it fosters.
- (ii) Ministries/ Departments should impose hard budget constraints by imposing quarterly ceilings on domestic and foreign travel. This will facilitate prioritization and eliminate the need to make reappropriations under duress.

3. The guidelines also reiterate the following earlier instructions on foreign travel by officers:

- (i) Proposals for participation in study tours, workshops/ conferences/ seminars/ presentation of papers abroad at Government cost will not be entertained except those which are fully funded by sponsoring agencies.
- (ii) No officer is to undertake more than four official visits abroad in a year, and for Ministries where the nature of work demands a higher number of visits, a calendar of visits for the entire year should be prepared and visits should be prioritized.
- (iii) If an officer is required to travel more than four times a year, detailed justification needs to be furnished.

COMD./-2

- (iv) Goodwill visits are to be severely restricted except for those undertaken under extra-ordinary circumstances. The size of the delegation and duration of visit have to be restricted.
- (v) Foreign travel should be so regulated as to ensure that each Ministry remains within the allotted budget. Reappropriation proposals will not be considered.

4. The Prime Minister has already issued instructions to all members of the Council of Ministers for severely curtailing expenditure on air travel, particularly foreign travel, except in cases where it is deemed to be absolutely necessary. Keeping in view the need to exercise the utmost economy in respect of foreign travel, Secretaries of Ministries/ Departments may ensure that the guidelines already issued in regard to foreign travel, and reiterated in paras 2 and 3 above, are strictly complied with. Further, Secretaries are requested to be ruthlessly strict in approving foreign travel proposals at all levels: those that come to the Screening Committee of Secretaries and those that are approved at the Department/ Ministry level.

5. Apart from the above, the following further measures may also be adopted:

- (i) As far as possible, Ministries/ Departments will use our Missions abroad to represent our interest instead of deputing officers from India. Facilities of video conferencing may be used effectively so that all avoidable visits abroad are indeed avoided. Every proposal for foreign travel must be supported by reasons explaining why these alternatives cannot be availed of.
- (ii) Departments which undertake foreign travel relatively more frequently should negotiate bulk travel discounts with travel agents. Also wherever possible, excursions/ concessional tickets should be bought even if this means sacrificing some flexibility that comes with full fare tickets.
- (iii) Where travel is unavoidable, it may be ensured that officers of the appropriate level dealing with the subject are sponsored, instead of those at higher levels as this results in increase in the cost.

- (iv) The size of the delegations should be kept as small as possible. No delegation for foreign travel should exceed five members nor should the duration exceed five days. In cases where these numbers have to be exceeded due to unavoidable reasons, the matter may be placed before the Screening Committee of Secretaries giving detailed justification, irrespective of whether the proposal is required to come to the Screening Committee of Secretaries for approval as per the present guidelines.
- (v) Separate guidelines also exist in regard to travel abroad of Ministers and Secretaries at the same time, particularly during Parliament session. These also need to be complied with without any laxity.
- (vi) In accordance with the austerity instructions issued by the Finance Ministry on 5th June 2008, Ministries/ Departments are to lay down quarterly or half yearly ceilings under the head of foreign travel. Ministries/ Departments shall report the results of this exercise (after carrying out the 10% cut) to the Department of Expenditure. All future Screening Committee proposals will be processed keeping these ceilings in view.
- (vii) Officers also may be encouraged, although not mandated, to travel by a class lower than their entitlement. The final decision in this regard may be left to the officers.

6. I can hardly overemphasize the need to maximize economy in public expenditure in foreign travel as indeed in all other areas. I request your cooperation in ensuring that we get the maximum 'value for money' for our public expenditure.

With regards,

Yours sincerely,



(K.M. CHANDRASEKHAR)