No. 1/42/2015-PMU Ministry of Finance Department of Economic Affairs

North Block, New Delhi December 29, 2015

OFFICE MEMORANDUM

Sub: Engagement of Consultants by Ministries/Departments from bilateral partners and multilateral organisations – Guidelines.

An Inter-Ministerial Committee was set up under the chairmanship of Cabinet Secretary to revisit the matter of engagement of Consultants/Advisors from bilateral partners/multilateral organisations by various Ministries/Departments of the Government of India (Gol). Foreign Secretary and Secretary, Department of Economic Affairs were the other members of this Committee. The Committee obtained information about engagement of Consultants from all Ministries/Departments of Gol and reviewed the present method of engagement of Consultants, including the level of decision making, time frame for engagement and need/justification for external support.

- 2. After analysis of the information received, it has been decided to constitute a Screening Committee comprising Cabinet Secretary, Secretary–Department of Economic Affairs and Secretary of the Ministry/Department concerned to screen and approve all future proposals of engagement of Consultants by the Ministries/Departments directly or through bilateral/multilateral agencies.
- 3. All contracts of existing Consultants whose tenure is coming to an end by or before 31.12.2015 may be terminated at the end of their consultancy tenure. No renewal beyond 31.12.2015 shall be granted to the exiting Consultants by the Ministry/Department unless approved by the Screening Committee.
- 4. As regards Consultants whose contract tenure is beyond 31.12.2015, their continuation has to be brought before the Screening Committee within a month's time with justifiable reasons for taking a decision on their continuance or otherwise.
- 5. Any proposal to engage new Consultants has to be placed before the Screening Committee mentioned above.
- 6. The following guidelines are prescribed for all Ministries/Departments for processing any proposal for extension/engagement of Consultants before bringing the matter to the Screening Committee:
- i) Consultants should not be engaged for policy formulation. If assistance from Consultants is considered necessary, their role should be limited to presentation and analysis of possible options with supporting data and best practices etc.
- ii) The decision to engage Consultants from bilateral partners/multilateral agencies has to be approved by the Minister In-charge of the concerned Ministry/Department before the proposal is referred to the Screening Committee.

- iii) Terms of Reference and procedure for the recruitment process should be transparent, robust and devoid of any ambiguity.
- iv) Candidates applying for the post will have to submit at least two references from referees of repute.
- v) In case of foreign nationals being engaged as Consultants, necessary security clearance from MHA has to be obtained.
- vi) Consultancy fee, salary, allowances etc. proposed to be paid to the Consultant have to be indicated upfront when the proposal is being placed before the Screening Committee. Any further enhancement has to be with the approval of the Screening Committee. In no case, the Ministry should be unaware of the consultancy fee/ salary and emoluments etc. being paid to the Consultant by the bilateral/multilateral agency.
- vii) Consultants will report only to the Ministry.
- viii) Consultants can be engaged for a tenure of one year at a time. Any extension beyond one year has to be approved by the Screening Committee afresh. An evaluation of the Consultant's performance has to be placed before the Screening Committee by the Ministry.
- ix) Maximum tenure of any Consultant in GoI for a particular assignment cannot exceed three years in any case.
- x) There will be a break (cooling off period) of one year for a Consultant joining another Ministry/ Department after having worked in any Gol Ministry/ Department/State Government as a Consultant for a tenure.
- xi) The Consultant has to sign a confidentiality clause with the GoI. Ethics and Integrity clause is also to be put in place in the contract.
- consultants shall not share data/information with the bilateral agency/multilateral agency or any person/institution outside the Government without the specific approval of the Secretary of the Ministry/Department concerned. Prior approval of the Ministry may also be taken before publishing any article based on the data, inputs and information obtained as part of the Consultant's work. The Ministries will process such requests within a period of 30 days.
- xiii) The arrangement to engage Consultants should not become permanent. They should be engaged for limited period and for specific purpose only.

7. The above may be noted for strict compliance by all concerned with immediate effect.

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