

*See 460
200-5 for final form.*
DRAFT ONLY

For discussion at Officers' Conference -

3/3/59.

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460
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(3/1/59)

To: RF Officers and Staff Concerned with India

Subject: Procedure for Grants to Indian Institutions and Agencies - by JR

I. There is attached an exchange of correspondence between the Indian Ministry of Finance and the Foundation. Since it is not certain that the Government of India will wish to exchange more formal letters, we ought to assume that the new procedure takes effect immediately. The essence of the change is that, prior to final RF action, the Foreign Aid Division of the Department of Economic Affairs, Ministry of Finance, will be given advance notification of our readiness to make a particular grant. This applies to Trustee appropriations, grants in aid and fellowships. In the case of fellowships, it should apply to renewals in the case of fellows temporarily outside India. It need not apply to Indian nationals who are resident outside India -- but residence is a tricky subject which ought to be checked with Central Administration.

II. The following suggestions are made with respect to certain details on which our RF practice ought to be uniform:

(a) We should refer to the Ministry of Finance only those items upon which the officers are prepared to take or recommend final action. For Trustee appropriations, this means after discussion at a docket conference; for grants in aid and fellowships, this means after the Director's approval but before final signature. In forwarding an item to the Secretary for inclusion in a docket, or grants in aid and fellowships for final signature, an informal slip should indicate (1) the response of the Ministry of Finance or (2) has not commented

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at all for a period of thirty days after receiving notification of our readiness to make the award in question.

(b) Notifications to the Ministry of Finance (initially 2 copies) should be very simple, not more than a page, furnishing the name of the recipient, the amount of money and the purpose of the grant. The statement of purpose should be brief but as accurate as possible. Sample notifications on a previous grant and on a fellowship are appended.

(c) Notifications to the Ministry of Finance should not contain argumentative material; it is not up to us to attempt to persuade anybody to receive our grants. We should take special care not to become involved, either in the first notification or in response to further inquiries, in discussions comparing or contrasting the proposed recipient with other possible recipients.

(d) The Ministry of Finance may wish to consult other ministries or agencies of government before commenting to the Foundation. Our own officers and staff should not undertake to expedite or steer clearances of grants through the agencies of the Government of India.

(e) It is quite possible that a ministry or agency may wish to discuss a proposed grant directly with RF staff in India. The latter should be willing to discuss the matter informally but should avoid correspondence of an argumentative nature. Much depends upon the good judgment and tact of our resident staff and visiting officers when called upon for further information about particular cases. Their task will be to

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expedite the proposed action by furnishing accurate information, but without becoming involved in the pitfalls of debate and without going beyond the professional competence and responsibility of the RF spokesman. Copies of proposed docket items and officer actions should be furnished the Delhi office promptly in order that resident RF staff may have a basis for answering the more straightforward questions. Other questions, especially in Humanities and Social Sciences, might need reference to New York; on some, it might be desirable to suggest that the official questioner be referred to the recipient institution for the desired information. Our colleagues should know that we recognize the difficulty in which they might find themselves and will give them full support. We should also remind ourselves that if these "post-notification" negotiations become numerous and vexing, the result must be a sharp reduction in our grants program in India; there are too many other urgent needs in the world to permit us to become enmeshed in such difficulties.

(f) Initially, we should assume that we are free to proceed in the absence of a comment from the Ministry of Finance within thirty days of its receipt of our notification. This has not been specifically agreed upon by the Ministry and may require further negotiation between the Ministry and DR.

(g) There is little point in our attempting to assess in advance the situation which would be created by comments from the Ministry which are more complicated than "approved" or "no objection." We must deal with such cases individually.

(h) All notifications should be sent to the Ministry of Finance by the RF office in India, in the name of Dr. Cummings. RF Directors should determine who will prepare notifications; those represented by colleagues in India may have them prepared locally if they wish.

(i) It is suggested that notifications be numbered serially by programs, whether prepared in Delhi or New York, and numbers of those prepared in Delhi be furnished New York by air mail. This will facilitate such cables as "MEPH 6 SS 8 AG 5 cleared"; "Objections H 12"; "BMR 8 uncommented" (meaning 30 days have passed without reply); "Delay requested SS 10." The Delhi office should maintain a tickler file to indicate date of delivery of notifications to the Ministry of Finance and expiration of 30-day period.

(j) It is to be hoped that the handling of notifications will not become a career in itself; it is especially important that our professional staff in India not be diverted from main tasks for this purpose. If experience indicates the need, we might assign an experienced secretary or staff assistant from New York (perhaps in rotation) to handle as much of it as possible.

III. We should attempt in good spirit to make the procedure requested by the Government of India workable. The rather complicated steps required by an essentially simple request underline the practical advantages of our traditional simplicity of method. But we should not permit the inconvenience of the new procedure to affect individual judgments

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about needs and opportunities in India, which remains a country of special Foundation interest. Any change in our general approach would be one for corporate rather than individual decision.

Dean Rusk