

**AZAD JAMMU & KASHMIR  
TOURISM & ARCHAEOLOGY DEPARTMENT**

Voice: +92 5822 921317/ 921420 Fax: +92 5822 921660

E-mail: <mailto:ajktourism@hotmail.com> Website: [www.ajktourism.gov.pk](http://www.ajktourism.gov.pk)

**AZAD JAMMU & KASHMIR  
TOURISM POLICY-2018**



**DIRECTORATE GENERAL**

**TOURISM & ARCHAEOLOGY**

**AZAD JAMMU & KASHMIR**

**MUZAFFARABAD**

**2018**

## **FOREWARD**

Tourism has emerged as the largest global industry of the 21<sup>st</sup> century. It has become the mainstay of many developing economies in the world and is considered a relatively better option for earning foreign exchange, creating jobs, stimulating sluggish economies, reducing economies disparities, promoting good-will and intra-regional harmony besides being a benign activity both socially and culturally.

The state of Azad Jammu and Kashmir is blessed with immense potential for tourism from both domestic as well as international tourists (unfortunately international tourism is too low in AJK). There is number of locations which are untapped and can be developed as major tourist destinations, having all the natural as well as the cultural resources for attracting tourists. Some of the important natural sources are excellent climate, beautiful high altitude lakes, locations for adventure sports, wild life, trout fish, flora and fauna, alpine forest, natural waterfalls and streams, etc. as for the cultural sources, the state has some of the most important famous religious shrines of Sufi saints, 6<sup>th</sup> kingdom of Sikhs (Muzaffarabad), Hindu Temples, historical monuments, plethora of local festivals, distinct cuisine, craftsmanship skills for intricate and fine woodwork, woolen carpets, textiles, paper machine, etc. The southern part of the State abounds in the biggest of the fresh water lake Mangla Lake. A large number of smaller lakes in the higher reaches of the mountain ranges in the north provide surprises for trekkers. The state is blessed with the potential of adventure, nature, culture and history where every tourist has something to get himself entertained, enjoy, explore and experience. These potentials remained to be harnessed well so that the State can get maximum benefits through development of tourism. Needless to say, Tourism is the lifeline of Azad Jammu & Kashmir and all possible efforts need to be undertaken for retaining, maintaining and sustaining it.

The first national Tourism Policy, adopted in 1990, promoted investment in Tourism sector through introduction of fiscal incentives and concessions. However, major targets regarding tourist arrivals and earnings, domestic tourist traffic, employment etc. could not be achieved due to security issues, negative country image, inadequate funding and implementation difficulties. Realizing the importance of tourism for strengthening national economy, to promote employment, create national harmony, enhance mutual understanding, National Tourism Policy-2010 was evolved and was about to be launched by the Governments,

but at the same time tourism along with other subjects was devolved to provincial Governments under 18<sup>th</sup> constitutional amendment. After 18<sup>th</sup> amendment in the Constitution of Pakistan under which Tourism was devolved from federal to provincial subject. The provinces of Pakistan, Gilgit Baltistan and AJK after 18<sup>th</sup> amendment were assigned to establish provincial/State based Tourism Policy.

Realizing the importance of domestic tourism for strengthening our State economy, to promote employment, create harmony at State and national level, enhance mutual understanding among our own people as well as the peoples of Pakistan and Gilgit Baltistan, Ajk Tourism Department in consultation with all stakeholders and afterwards organizing a two days long workshop by inviting prominent tourism experts from Pakistan/AJK (Public and Private stakeholders) the State Tourism Policy has been evolved. The policy defined the role of the Government and the Private Sector in tourism, provided strategies to achieve the long and short term goals for the next 20 years and for onwards planning. The policy was formulated after thorough consultations with all stake-holders in public and private sector and their valuable inputs have been incorporated in the policy to make the policy direction-oriented and acceptable to all stake-holders by devising an implementation mechanism to achieve its goals and targets.

**Mushtaq Ahmed Minhas**  
**Minster for Tourism, GoAJ&K**

## **PRELIMINARY**

Whereas, over the decades, tourism has experienced continued growth and deepening diversification to become one of the fastest growing economic sectors in the world. Modern tourism is closely linked to development and encompasses growing number of new destinations. These dynamics have turned tourism into a key driver for socio-economic progress

And whereas, tourism has become one of the major players in international commerce and represents at the same time one of the main income sources for many developing countries. This global spread of tourism in industrialized and developed states has produced economic and employment benefits in many related sectors-from construction to agriculture or telecommunications. The contribution of tourism to economic well-being depends on the quality and the revenues of the tourism offer

And whereas, it is necessary to develop, create and promote eco-tourism and to develop the tourism economy in prime destinations in AJ&K to a level that is comparable to that of Swat and Kaghan Valleys, to promote social and economic development of local communities and strengthen environmental education, to take measures to improve quality of visitor and to ensure that tourism does not contribute to deterioration of quality of landscape and environment;

And whereas, existing laws/policies does not regulate the issues related to tourism in AJ&K and there is need to have a specific policy to provide simplest mechanism and to facilitate investors for development and promotion of tourism sector;

And whereas, it is necessary to adopt legislative and regulatory measures for improvement and access to tourism destinations, amenities available to the visitors, maintain environmental quality and create awareness through increased dissemination of tourism information to the public;

And whereas, to achieve the above purposes, it is necessary to frame a policy of the Government so as to obtain the desired objectives in this connection;

Now, therefore in view of cabinet decision on \_\_\_\_\_, the President of Azad Jammu and Kashmir is pleased to approve Azad Jammu and Kashmir Tourism Policy, 2018 as follows:-

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### **CHAPTER 1**

*"Tourism is defined as the travel for leisure, recreational or business purposes. The word tourism organization defined tourist as people who travel to and stay in places outside their usual environment for more than 24 hours and not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited"*

## **TOURSIM IN AJ&K**

### **1. INTRODUCTION:**

Tourism is one of the most rapidly growing industries in the world which appreciably adds to the GDP. It is an important source of income generation, jobs creation, poverty reduction, foreign exchange earnings, promotion of cross-cultural understanding and cooperation. Tourism comprises of several service activities including transportation, communication, hospitality, catering, entertainment and advertising etc. It is the quality of these services that promotes effectiveness of tourism efforts. Azad Jammu & Kashmir (AJ&K) is blessed with abundant natural resources. It has hilly & mountainous topography characterized by deep ravines, rugged and undulating terrain. It is endowed with natural beauty with thick forests, fast flowing rivers & winding streams, lakes, waterfalls, valleys, beautiful landscapes, biodiversity and other tourist attractions. It has good number of archaeological & historical heritage and monuments which have withstood the ravages of time and other factors to unfold the ancient history of the State of Azad Jammu & Kashmir. The State, however, has not yet capitalized its tremendous tourism potential due to lack of market-oriented approaches and geopolitical situation. At the field level insufficient and inadequate road infrastructure, lack of connectivity to various locations, deficient communication/ information facilities are some of the major issues which the tourists mostly confront. However, the most stringent problem is the tourist accommodation at tourist locations or in the neighborhoods. There are many places where hotels, resorts are either non-existent or do not offer budget accommodation to the tourists/visitors which discourage tourists. Tourism is an investment area where role of local population/communities is vital in tourism promotion by involving them through an integrated approach for developing domestic hospitality industry. It is imperative that if this potential sector flourishes, it would yield economic growth and income generation besides area development. It has been recognized that tourism is one of the potential areas to provide employment opportunities and to become driver of economy in a more inclusive manner.

#### **1.1. GEO-CLIMATIC CONDITIONS IN AJ&K**

The State of Azad Jammu and Kashmir is considered as one of the most beautiful places on earth and have full potential in attracting tourists. It falls within the Himalayan orogenic belt and lies between longitude 73°-75° & latitude 33°- 36°. It comprises of an area of 5134 square miles (13,297 square kilometers). The elevation varies from 360 meters in the south to 6325 meters in the north. AJK is divided into ten administrative districts namely; Neelum, Muzaffarabad, Hattian, Bagh, Haveli, Poonch, and Sudhnoti in the north and Kotli, Mirpur, and Bhimber in the south. The south contains dry subtropical climate while the north has most moist temperate. AJK has a wide range of climatic conditions with significant variation in the rainfall pattern across different regions both in terms of amount and distribution. Average annual rainfall ranges from 1000 mm to 2000 mm. However, precipitation in the northern districts is 30% to 60% in the shape of snow. In winter, snow line lies around 1200 meters while in summer it is 3300 meters. Temperature ranges between 20°C to 32°C in summer while minimum temperature in winter remains below Zero to 07°C.

## **1.2. SOCIO-ECONOMIC PROFILE OF AJK:**

In AJK, rural population mostly depends on forestry, livestock, agriculture and non-formal employment to earn livelihood and majority lives under economic subsistence level. Some salient demographic and social indicators are:

- Rural/Urban population ratio is 88:12.
- Average family size according to MICS (2007-08) Survey is 6.7 members.
- Population density per square kilometer is 328.
- National average per capita income has been estimated to be 1512 US\$
- According to Labor Force Survey unemployment rate is 14.4%.
- Infant mortality rate is approximately 62 per 1000 live births, whereas the immunization rate for the children under 5 years of age is more than 94%.
- Rapid increase in population is putting enormous stress on the available resources Particularly the forests which are shrinking in acreage at faster rate.
- Literacy rate 74% (2015) has shown progressive trend.

## **1.3. IDENTIFICATION OF LOCAL TOURISM SPECTRUM**

The AJK Government established the AJK Tourism Department for harvesting the existing tourism treasure through a well-established promotional and regulatory mechanism. The department was mandated to develop tourism on commercial basis by identifying different sites and providing basic infrastructure at various locations in AJK. The tourism development activities remained limited due to nonexistence of tourism policy, limited resources, inadequate technical know-how, absence of public-private partnership, frequent man-made & natural calamities and absence of basic infrastructure etc. It is pertinent to mention that Neelum Valley attracts tourists on account of its scenic beauty. It was observed that around 1,000,000 tourists visited Neelum Valley in 2016. The north AJK is rich in snow bound areas and has the potential

of paragliding, skiing, para trooping facilities etc. The tourist activities are however, dependent upon the border situation with India and in a number of time, the Neelum Valley road has to be closed on account of security reasons. However, the south of AJK consisting of Bhimber, Mirpur and Kotli have potential mainly religious tourism all over the year. The area has rich religious and archeological tourism on account of shrines, historical monuments and water sports as vital attractions for the tourists besides availability of adequate lodging facilities facing Mangla Lake. Although, there is optimal tourism potential in AJK but it has received less progressive financial and other inputs to maximize its utility and benefits.

#### 1.4. ECONOMIC IMPACT OF TOURISM IN AJK:

Year	2015	2016	2017	Average	Income
Tourist Arrival	1.000 Million	1.200 Million	1.450 Million	1.212 Million	1.212x0.003 Million =3.63 Billion in Rs. For per year.

## 2. AJK TOURISM PROFILE:

Azad Kashmir has great potential for development of tourism. Its numerous picturesque spots, dense forests, winding rivers, turbulent foaming streams, majestic towering mountains, flora & fauna, bracing climate and historical & cultural heritage all together make it an excellent tourist resort. Despite the tourism potential available in abundance, it could not be explored for a long time. It was mainly due to the absence of the infrastructure, paucity of funds and other problems of varied type. However, with the overall improvement of the conditions in the area, tourism also got some attention since 2008 and since then efforts are being made to develop and provide basic amenities for the tourists in Azad Kashmir. Some of the famous tourist potential destinations are as follow;

<ul style="list-style-type: none"> <li>• Neelum Valley,</li> <li>• Jhelum Valley,</li> <li>• Leepa Valley</li> <li>• Sudhan Gali and Ganga Choti</li> <li>• Haveli Kahuta</li> </ul>	<ul style="list-style-type: none"> <li>• Pearl Valley</li> <li>• Ghori Maar and Toli Peer</li> <li>• Bana Valley</li> <li>• Mangla Lakes and Surrounding</li> <li>• Samahni Valley</li> </ul>
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### 2.1: Neelum Valley



Running through the Lesser Himalayas, the valley of the Neelum River (called Kishan Ganga before partition) is main attraction of Azad Jammu & Kashmir. This Valley is well recognized due to its snow-covered peaks, fountains, springs and waterfalls, flowering trees and plants and profusion of wildlife. Geographically too, it is a hospitable valley. The Neelum Valley about 242 kilometers long bow-shaped with majestic pine, fir and Deodar trees, lies north-south of Muzaffarabad.

The area is also ideal for mountain tourism. A part of Nanga Parbat Massif falls in this area which is dominated by “Sarwaali Peak” (6326 meters) the high mountain in Azad Kashmir.

Moreover like Kaghan Valley it is famous for fishing and angling activities in Neelum River and Jagran Nullah which are stocked with trout fish.

## **2.2: Jhelum Valley:**

This is an ideal valley both the domestic and international tourists. The curling river Jhelum passes through from east to west between the high green mountains of this valley and joins the river Neelum at domel near Muzaffarabad city.

A 59 Kms long metal road runs along the river Jhelum from Muzaffarabad to Chakothei, which is located adjacent to line of control (LOC). Buses & wagons ply on this route regularly while the route also used for Muzaffarabad Sri nagar trade.

## **2.3:Leepa Valley:**

This is the most fascinating & loveliest valley in Azad Kashmir. A metal road branches off for Leepa from Naily, 45 kilometers from Muzaffarabad, climbs over the Reshian Gali 3200 meters high and then descends to 1677 meters on the other side into the Leepa Valley. The valley remains open for domestic tourists only from May to November.

## **2.4:Sudhan Gali and Ganga Choti**

Suddhen Gali located at a height of 2134 meters, links Chikkar with District Hattian as well as with District Bagh. This scenic spot also serves as a base camp for those interested in hiking/Trekking to the nearby 3045 meters high mountain ” Ganga Choti”..Buses & vans ply daily for Bagh, Chikkar & Muzaffarabad to this place. A tourist rest house & PWD rest house provide reasonable accommodation facilities to the tourists.

## **2.5: Haveli Kahuta**

It is situated at distance of 162 kilometers from Muzaffarabad, capital of AJ&K and at distance of 250Kilometers from Rawalpindi. Its total area is 598 Sq. Kms. According to census of 1998, its total population is 0.112 million. Annual growth rate is 2.00%. Administratively this district has two subdivisions, Haveli and Khurshid Abad.

It has many picnic points like Bedori Peak (5230 meters high from sea level). Hajji Peer Pass, Hillan valley and Ali Abad are presenting a most eye catcher view for tourists. People from all parts of the country come here in summer and spring seasons. The region is popular for all weather fruits, crops, dry fruits and pure Honey.

## **2.6: Pearl Valley**

Rawalakot famous as pearl valley is situated in the heart of district Poonch. The altitude of this beautiful valley is 1615 meters. Situated at a distance of 76 kilometers from Kohala and 110 Kms from Rawalpindi, it is linked with Rawalpindi/Islamabad via Azad Pattan and Dhalkot and with Muzaffarabad via Kohallah by black top roads. The construction of Goi Nullah road between Rawalakot and Azad Pattan has reduced the distance and journey time considerably. During summer the place becomes full of green grass and beautiful flowers including many varieties of Roses. Rawalakot offers very pleasant climate during the summer. The city has some good hotels and private guest houses that provide comfortable accommodation. Here the tourism industry is growing with the increasing collaboration of public-private efforts. Its pleasant climate and easy access from other regions makes it a favorite tourist destination. **Banjosa** Lake is just 20 kilometers from Rawalakot at an altitude of 1981 meters. Its picturesque beauty and impressive surrounding is compelling and attract tourists to reach here and enjoy the nature. Amidst the captivating beauty of Banjosa, the artificial lake reflects the dense forests standing along the surroundings of the resting calm waters of Banjosa Lake.

### **2.7:Ghori Maar and Toli Pir**

Ghori Maar is situated at a distance of 30 Kilometers ahead of Rawalakot. A fair-weather road via Khaigala leads to this place. On reaching Ghori Maar, one can explore the fascinating beauty over-looking the sub valleys of Rawalakot & Bagh. AJK Tourism Department provides accommodation facilities to visitors. The road from Ghori Maar leads to Toli pir a place that offers calm atmosphere with vast green meadows stretching over a big area. The place holds the potential to mesmerize visitors.

### **2.8:Khoiratta/Valley Benah**

About 38 kilometers from Kotli ahead, a road leads to Khoiratta. Khoiratta and the nearby area "Valley Benah provide remarkable attraction to tourists because of the remains of gardens and fountains of the older times. From four kilometers ahead of Khoiratta is famous shrine of "Mai Totti Sahiba" which is visited hundreds of people daily. Rising gradually towards the high mountains of Poonch district. Its climate is more moderate than that of Mirpur due to the sub-mountainous topography.

### **2.9: Mirpur and Mangla Lake**

District Mirpur is located at the extreme South of the State and linked with Pakistan and the districts of Azad Jammu & Kashmir through several routes. District Mirpur comprises partly plain and partly hilly areas. It's hot climate and other geographical conditions closely resemble to those of Jhelum and Gujrat, the adjoining districts of Pakistan. The people of this area are basically agriculturists. During the last four decades a large number of people from this district have gone abroad, especially to United Kingdom. Today they are the major foreign exchange earning source of Pakistan. As it adjoins the industrial cities of Pakistan.

Mangla is a small beautiful modern town. It is situated at a distance of 110 kilometers from Islamabad and 15 kilometers short of Mirpur city. The construction of Mangla reservoir having

perimeter of 100 kilometers and presence of Mangla and Ramkot Forts of Mughal period have turned this place into an attractive tourist spot. Mangla has special attraction for the tourists coming on short visits because of its proximity to Jhelum, Lahore and Rawalpindi/Islamabad.

## **2.10: Samahni Valley**

It is located 17 kms in the North of *Bhimber City* and 30km in the North-East of *Mirpur*. The valley is guarded by high mountains on all sides, offers breathtaking and mesmerizing natural scenes to its visitors, waterfalls come down mountain slopes as well as streams and nalas of crystal clear waters. The mountains across the whole valley dressed in jungles of pine trees add an extra touch to the stunning view. The valley holds a peaceful and tranquil atmosphere with pollution free environment from one end to the other.

The entire valley of Samahni, is approximately 35 km long and 8 km wide, stretching from *Chawlian* to *Behmla* in the West.

The valley's inhabitants are simple, peace-loving and law abiding. The ideal time to visit the valley is in March & April and then in July, August and September. Since the vegetation and the scenery during these months are at its best.

## **3. Vision ,Mission & Objectives**

### **3.1.Vision.**

Sustainable Tourism development for inclusive growth to attain the status of “Best Tourist Destination” through efficient utilization of the State’s natural & heritage resources.

### **3.2 Mission.**

Provision of enabling environment and best facilitation for tourists and creating investment opportunities for private sector in harmony with the environmental, cultural and social values while keeping intact empathy toward custodian communities.

### **3.3 Objectives**

- Development of the Tourism and Hospitality Sector in AJK on international standards
- Standardization and Regulations frame work for tourism sector
- Augmenting the role of Government as facilitator and regulator while encouraging private investment initiative in tourism.
- Infrastructural development for eco-friendly Tourism.
- Conservation of heritage assets and religious sites.
- Development and Promotion of new facets of tourism.
- Inclusive economic growth

## **3.4 Enabling Strategies**

### **3.4.1 Development of the Tourism and Hospitality Sector in AJK on international standards**

- Training and development of human resources in Hospitality sector.
- Development of tourism products and adoption of Promotional strategies.
- R&D in tourism in collaboration with academia, research institutes and corporate sector (tourism entities).
- Development of resorts, Parks, hotels, roadside facilities including accessibility etc.
- Branding and Marketing of tourism Facilities.
- Up gradation of available infrastructure and development of new infrastructure.

### **3.4.2: Standardization and Regulations**

- Providing leadership and direction for implementation of the Policy
- Upgrading the obsolete laws governing the tourism sector.
- Provision of comprehensive partnership framework
- Setting up of standard and benchmarks for tourism sector
- Enforcement of standards and certification

### **3.4.3: Augmenting the role of Government as facilitator and encouraging private investment in tourism**

- Monetary concessions for Tourism sector.
- Concession on loan financing through schedule banks for tourism projects.
- Provision of one window operations for tourism investors.

### **3.4.4: Infrastructural Development for Eco-friendly Tourism.**

- The development of roads and other basic infrastructure, such as electricity, water and communication network.
- Conservation of bio diversity and protection of environment while developing different tourist attractions.
- Promoting responsible and sustainable tourism.
- Resumption of air service to Muzaffarabad and Rawalakot and extended to the other district headquarters. Helicopter service to the main tourist areas will also be introduced.

### **3.4.5: Identification and Conservation of heritage assets and religious sites.**

- Identification, protection and rehabilitation of the archaeological assets of AJ&K.
- Mapping of archaeological and historical religious sites
- Channelizing the expertise of private organization for conservation of heritage sites.
- Establishment of cultural historical and environmental museum.

### **3.4.6: Development and Promotion of tourism.**

- Promotion of heritage tourism and eco-tourism etc.

- Development of rest and recreational/amusement parks, Sozo park, water sports in Mangla Lake play lands and food points, vintage points for migratory birds of Mangla Lake and other potential sites in AJK.
- Promotion of summer camping, hiking, rock climbing, mountaineering, hiking, trekking, high altitude, climbing, and water based sports and adventure activities both in lakes and running water.
- Promotion of winter tourism.
- Publicity of AJK tourism through documentary films, printing material and electronic & print media.
- Development of Tourist resorts, Youth Hostels, camping, glimpsing sites and Chairlift, Cable Cars.
- Various facets of adventure tourism like White Water Rafting, Roller coaster, Bonji Diving and Zip line etc
- Implementation of flagship projects of “Tourism Corridor”.

#### **3.4.7: Inclusive economic growth**

- Declaration of tourism sector as tourism industry
- Creation of employment opportunities
- empowering local communities by income generation through participatory community approach
- Indigenous ownership of tourism industry
- public private joint ventures
- Promotion of niche products and facilities.

#### **4. Regulatory System:**

Keeping in view the immense tourism potential of the State, the developmental initiatives both through public and private sector require immediate necessary steps by the GoAJ&K so that a comprehensive and viable policy plan could be implemented during establishment of tourism infrastructure.

A regulatory system will be put in place for registration, certification, control, inspection, and application of punitive measures such as fines and cessation of operating in case of violations. Regulation will also require a coordinated effort with participation from the Tourism Department, Environmental Protection Agency, Police, Labour Department, Fisheries and Wildlife Department, and Food Department. The regulatory system can be mandatory or voluntary.

In this regard the below mentioned acts adopted by AJK Council may be enforced.

- Azad Jammu & Kashmir Hotels and Restaurants Act, 1979
- Azad Jammu & Kashmir Council Travel Agencies Act, 1979
- Azad Jammu & Kashmir Council Tourist Guide Act, 1979
- New regulatory initiatives(Registration of boating clubs, Adventure Tourism operators e.t.c)

## **CHAPTER 2**

## **5. Partnership Framework:**

Leasing of State land and properties to small businesses is also a form of partnership. However, large scale and capital intensive business operations such as chair lifts tourist resorts and camping sites etc located on State owned land require a more comprehensive and detailed framework for award of concession. The following principles and steps will be followed in award of projects under Partnership Framework:-

- a) The government will first prepare the project package by engaging a consultant for technical, financial, and economic feasibility of the proposed project, with special attention to safety standards to be followed. The government will also engage an independent consultant to prepare an environmental and social impact assessment for the project to avoid conflict of interest between the project design and its environmental and social assessment. The project will not be offered to investors until an EIA is approved following the AJ&K environmental legislation.
- b) The project will be offered on a Build Own Operate and Transfer (BOOT) basis, with a period not exceeding 30 years when the ownership of the project is transferred to the government.
- c) For any project located in a protected area, at least 15% of the revenues accruing to the government will be made available for management of the protected area.
- d) AJ&K PPRA Rules will be followed for procurement.
- e) For Investment purposes three modes are suggested.i.e PPP, Lease & Unsolicited.

### **Composition of Executive Committee:**

An executive committee constitute by the government to deal with all affairs of PPP framework. The Executive Committee shall consist of the following:-

- |    |  |                  |
|----|--|------------------|
| a) | Minister for Planning and Development  | Chairperson      |
| b) | Minister finance                       | Member           |
| c) | Minister Tourism                       | Member           |
| d) | Additional Chief Secretary (Dev.) AJ&K | Member           |
| e) | Secretary Forest                       | Member           |
| f) | Secretary Law                          | Member/Secretary |
| g) | Secretary Tourism                      | Member           |
| h) | Secretary Board of Revenue             | Member           |

### **Final Approval:**

All cases for disposal of land shall be accorded final approval by the Executive Committee or Government depending on the valuation of land as follows:

- ▶ Cases over Rs.100 Million of the land value will be approved by the Government.
- ▶ Cases involving up to Rs.100 Million of the land value will be approved by Executive Committee.

## **6. Miscellaneous**

### **6.1 General Administration & Financial Management**

The Tourism Department will prepare standard contracts/agreements for leasing of campsites, hotels, and government owned buildings for tourism purposes. The Tourism Department will acquire professional services for this purpose.

Lease rental will be payable on advance basis for a period to be specified in the standard contract. Failure to pay the lease rental in advance will result in immediate termination of the lease and handing over of the property back to the Tourism Department.

Revenues will be collected by the Tourism Department, and allocations will be made according to a prescribed formula for retention by the Tourism Department to manage and support the market, payments to the department that owns the property and the government. The administrative management shall be responsibility of Tourism Department

### **6.2 Investment Protection**

The main consideration for investors is their ability to protect their investments from risks. Investors avoid entering a market if risks are difficult to ascertain and mitigate.

Tourism Department is cognizant that the role of the government is to eliminate or reduce the level of risk and provide tools for mitigation/ alleviate them. Though law and order and macro-level risks are difficult to control, there are many means for the government to create mechanisms for risk management. This can be achieved through assurance of basic rights of due process, enforcement of laws and contracts, and provision of security. Therefore AJ&K Tourism Policy underpins the assurance to investors regarding security and safety of their investments.

### **6.3 Period of Lease**

The duration of lease shall be up to 30 years which is renewable on mutual consent and subject to fulfillment of all codal formalities

### **6.4 Market value of the Land**

The market value of the land shall be assessed by Collector/Land Revenue authority of the relevant districts of AJ&K where the land is situated.

If the price of land being offered is equal to or more than the assessed value, the Executive Committee may take an independent decision. All other cases shall be submitted to Government for approval.

#### **6.5. Premium**

- 1) It shall be fixed with reference to land value and be charged not less than 30% of the land value.
- 2) The payment may be made in lump sum or it may be re-structured so as to be staggered in equal installments as follows:
  - a. First at the time of award of lease.
  - b. Second on the expiry of the construction period as per lease agreement.
  - c. Third installment six months after the second installment.

#### **6.6. Rent**

The annual rent of the land shall be fixed at a sum which will be equal to 1/30th of the value of land (prevailing market value of the land) for the first ten years. It shall be enhanced by 100% on expiry of each term of ten years.

#### **6.7 Non-Utilization Charges**

Where the lessee fails to commence construction or commits delay in launching of a project, he will be liable to pay a penalty ranging from Rs.100/-per sq. yd per annum to Rs.300/- per sq.yd per annum depending on the location of the site.

In case construction is not commenced or completed within the period or within the extended period provided in the lease agreement or allowed by the competent authority, lease shall be terminated according to the provision of the lease agreement.

#### **6.8 Monitoring and Evaluation:**

Independent monitoring and evaluation will be conducted to assess the effectiveness of implementation and to provide feedback to the Tourism Department for adjusting and improving the plans and measures undertaken. An indicator based approach with defined procedures for data collection and analysis is recommended to ensure transparency and clarity in the monitoring process. A system for on-line complaints by visitors will also be set up.

#### **6.9 Implementation of Policy:**

The AJ&K Tourism Policy shall come into force at once.

#### **6.10 Applicability & Amendments:**

This policy shall apply to all state subjects including tourism related projects which are to be implemented through agreement between private investors and tourism agency.



The Government may approve to amend, alter a clause or insert a new clause in the policy which is necessary in order to implement the tourism project.

**6.11 Right to Due Process of Law**

Arbitration Act 1940 and other prevailing laws enforced in AJ&K, which protects investors right and to arbitrate their commercial disputes under arbitration agreements, will be applicable to all tourism projects.

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**Annexures**

**1. Private Investment Framework**

**1.1: Investment over Rs. One Billion:**

- a) On BOOT basis, not exceeding 30 years
- b) Bidding framework under this Policy and PPRA rules would be prepared by reputed independent consultant/s.
- c) Evaluation of bids will be carried out under advice from a reputed independent consultant.
- d) The case may be sent to Government for approval

**1.2: Investment Less than Rs. One Billion:**

- a) On BOOT basis, not exceeding 10 years
- b) Bidding framework under this Policy and PPRA rules would be prepared by reputed independent consultant/s.
- c) Evaluation of bids will be carried out under advice from a reputed independent consultant.
- d) The case may be sent to Executive Committee for approval

**1.3 Investment up to Rs. 10 Million:**

- a) On BOOT basis, not exceeding 05 years.
- b) Bidding framework will be done by the Tourism Department.
- c) Evaluation of bids will be carried out by the committee of Tourism Department.
- d) The case may be sent to Executive Committee for approval

**1.4 Investment up to Rs. 01 Million:**

- a) On BOOT basis, not exceeding 03 years.
- b) Bidding framework will be done by the Tourism Department.
- c) Evaluation of bids will be carried out by the committee of Tourism Department.
- d) The case may be sent to Executive Committee for approval

**2. Leasing Framework**

**Basic principles for**

**a) Leasing of land and properties.**

- a) Leases for provision of tourism services will be granted only by the Tourism Department. Where land or property involved is not owned by Tourism Department, the ownership of that land or property for tourism purposes will be first transferred to Tourism Department.
- b) The parties with mutual consent may change the term of lease according to changing market conditions.

- c) While limiting the leasing period, the period will be balanced to provide adequate incentive to operators to plan and invest in mobilization and start-up.
- d) The government will have the option to require the lessee to either remove all constructions and restore the site to original conditions or transfer all constructions to the government free of cost at the end of the lease period.
- e) Leasing period will not extend beyond the period specified for each type of facility under any circumstances. The lease will terminate at the end of the period and will not be extendable under any circumstances as per prescribed Rules.

**b) Lease of Government Owned Buildings:**

- Government owned buildings that may be leased for tourism businesses may include constructed hotels, rest houses, or other accommodation.
- The government will hand over the facility in functioning condition to the lessee, and will receive it back in the same.
- Any additional construction or expansion will be done only with prior approval of department.
- The leasing period shall be from 3 to 6 years depending on nature of additional investment.
- The lessee shall not be allowed to operate any business other than mentioned in the agreement.
- Minimum standards for motels and lodges prescribed by the Tourism Department will have to be followed by the Lessee.

**i. Procedure for grant of land or property on lease:**

The following documents are required for the purpose of grant of land on lease for establishment of a tourism unit in AJ&K.

- a) A simple application
- b) Form B and C (dully filled)
- c) Four copies of feasibility report
- d) A single line plan of the proposed project.
- e) Bank certificate regarding financial soundness/ concurrence for financing.
- f) A bank draft of processing fee amounting to Rs. 5000, in favor of Director General Tourism GoAJ&K;
- g) Registration Certificate of Company under the Companies Ordinance, 1984 as enforced in AJ&K, in case of non-state subject.

**ii Campsites**

- (i) The Tourism Department in consultation with the community and/or the relevant department such as Forest or Wildlife and Fisheries Department will identify prospective locations for campsites, mark the boundaries, and prepare a general layout plan.

- (ii) Area leased for a campsite shall not exceed 25 kanals exclusive of access to which the lessee will have non-exclusive right of excess. An area of 5 kanals will be dedicated for parking.
- (iii) The number of tents for accommodation to be placed on the site will not exceed twenty, and the number of guests will not exceed 40 exclusive of children less than 10 years old.
- (iv) The inside ground area of a tent will not exceed 9 square meters.
- (v) Minimum distance between two campsites will not be less than 500 m.
- (vi) Leasing period shall not exceed three years.
- (vii) The lessee shall not be allowed to operate any business other than camping on the premises. Operation of restaurants for guests other than those staying on the premises and shops will not be permitted.
- (viii) Minimum standards prescribed by the Tourism Department will have to be followed by the Lessee.

### **iii. Hotels**

- (i) The Tourism Department in consultation with the community and/or the relevant department such as Forest or Wildlife & Fisheries Department will identify prospective locations for the hotel, mark the boundaries, and prepare a general layout plan.
- (ii) Area leased for a campsite shall not exceed 15 kanals exclusive of access to which the lessee will have non-exclusive right of excess. An area of 5 kanals will be dedicated for parking.
- (iii) The number of rooms to be constructed for accommodation on the site will not exceed 20.
- (iv) The size of one room for accommodation will not exceed 12 square meters.
- (v) The number of guests will not exceed 50 exclusive of children less than 10 years old.
- (vi) Minimum distance between two hotels will not be less than 100 m.
- (vii) The leasing period shall not exceed 7 years.
- (viii) The lessee shall not be allowed to operate any business other than hotel and restaurant on the premises. Operation shops and retail outlets will not be permitted.
- (ix) Minimum standards for hotels prescribed by the Tourism Department will have to be followed by the Lessee.

### **Iv. Mega Projects (Like Chairlift/ Parks/ Adventure Tourism/Recreational Facilities**

- i. The Tourism Department in consultation with the community and/or the relevant department will identify prospective locations for the Mega Projects, mark the boundaries, and prepare a general layout plan.
- ii. Area leased shall be according to the need of the project exclusive of access to which the lessee will have non-exclusive right of excess. An area of 5 kanals will be dedicated for parking.

- iii. The leasing period shall not exceed 15 years.
- iv. The lessee shall not be allowed to operate any other business and Minimum standards prescribed by the Tourism Department will have to be followed by the Lessee.

### **3. Unsolicited Proposals:**

The following method for awarding a project or lease shall be adopted for tourism projects:

- (i) A Firm/person may propose a project to a Tourism Department, in order to implement the project.
- (ii) An unsolicited proposal shall be accompanied by a feasibility study, environmental impact assessment and draft of Agreement.
- (iii) The Tourism Department shall consider the unsolicited proposal from all aspects including technical and financial, and may modify the same in consultation with the firm/person who made the proposal.
- (iv) The Tourism Department shall require the firm/person to submit details about legal, technical, managerial and financial capability of the firm/person.
- (v) The Tourism Department shall evaluate the unsolicited proposal as per procedure and submit it to the executive Committee for approval.
- (vi) Executive Committee may decide to cause the site to be leased to private investors on such terms and conditions as may be prescribed.