

‘HOSPITALITY DEVELOPMENT AND PROMOTION BOARD (HDPB)’

Construction of hotels is primarily a private sector activity which is capital intensive and has a long gestation period. The constraints being faced by the hotel industry in addition to the high cost and limited availability of land is the procurement of multiple clearances / approvals which are required from the Central and State Government agencies for hotel projects. In some cases as many as 65 or more clearances/approvals are required by hotel projects which vary from State to State.

The often cumbersome process involved in obtaining multiple clearances for the hotel projects results in:

- Delay in implementation of the project.
- Cost escalation making the project less profitable and often unviable.
- Discourage Promoters for investing in such projects.
- In some instance, the project is stopped midway and restructured for some other use such as apartments etc.

To address the constraints being faced by the hotel industry in obtaining multiple clearances, and to streamline the system for speedy clearances of hotel projects, the Government has approved the setting up of a ‘Hospitality Development and Promotion Board (HDPB)’ for hotel projects.

1. HDPB will meet at regular intervals with following functions:
 - (i) Monitor and facilitate the clearances/ approvals of Hotel Projects.
 - (ii) The Secretariat of the Board to be a single point for receiving applications.
 - (iii) To review and advice on hotel development policies.

The Board would be operational at three levels:

- (i) Clearances that are exclusively the responsibility of Central Ministries/ authorities.
 - (ii) Central clearance incumbent upon State Government clearances and
 - (iii) Clearances that are the responsibility of State or other levels of State Government
2. At Central level, the board shall be chaired by Secretary (Tourism), Government of India with Additional Director General (Tourism) JS level IAS officer, as the convener and members drawn from concerned Ministries/Departments viz. Urban Development, Environment, Culture, Civil Aviation, Finance, Home, Chairman NDMC/ Commissioner MCD/ Vice Chairman DDA (in respect of projects coming up in Delhi) and two

non-official members having knowledge of hospitality sector with a 2 year term.

3. The State Governments shall be advised by Ministry of Tourism to set up similar State Level Boards, if such Boards do not exist.
4. The HDPB will not supersede any statutory clearances required by other ministries/agencies. However, the regular monitoring and reviewing would increase their accountability. The review and monitoring would put pressure on the concerned agencies / departments to adhere to stipulated time schedule. The board can at any time take up any matters of concern to the highest level of the Central/State Governments.

The clearances to be given by the concerned agencies would be based on their statutory provisions.

5. It is expected that the Hospitality Development and Promotion Board will contribute in the following manner:
 - (i) Implementing a transparent system for the effective monitoring of hotel projects
 - (ii) Ensure timely accrual of approvals / clearances / NOCs by the multiple agencies and facilitate the implementation of hotel projects
 - (iii) Expeditious clearances will enable completion of hotel projects in time leading to enhancement of room availability for the tourists.
