

REVISED GUIDELINES OF SCHEME FOR
PRODUCT/INFRASTRUCTURE
DEVELOPMENT FOR DESTINATIONS AND CIRCUITS

1. In the 9th Plan assistance was provided in the following fields:-

1. Construction of budget accommodation.
2. Tourist complexes.
3. Wayside amenities.
4. Tourist Reception Centre.
5. Refurbishment of monuments.
6. Special tourism projects.
7. Adventure and sports facilities.
8. Sound and Light shows and illumination of monuments.

These schemes were merged into following two schemes during the 10th five year plan.

1. Integrated Development of Tourist Circuits
2. Product/Infrastructure and Destination Development.

2. In order to carefully regulate the Product Development the above two schemes are now merged into one scheme “**Product/Infrastructure Development for Destinations and Circuits**”. This scheme will have the following two components;

- A) Major destinations and circuits development
- B) Rural Tourism infrastructure development

A. Major destinations and circuits development

3. The focus under this revised scheme will be on the improvement of existing product and developing new tourism products to the world standard. It will also focus on Integrated Infrastructure Development of the tourist sites. These tourist sites/destinations would be carefully selected based on its tourism potential. The aim would be to provide all infrastructure facilities required by the tourists within such destinations and circuits. Master Planning of these destinations and circuits will be undertaken so as to develop them in an integrated holistic manner. The aim will be convergence of resources and expertise through coordinated action with State Governments/U.Ts and Private Sectors. Tourist Destinations and Circuits in each State would be identified in consultation with the State Governments and would be taken up for development. This would include activities ranging from preparation of a master plan to implementation of the master plan. Projects to be taken up under this scheme should follow an integrated, projectised, area development

approach. Comprehensive DPRs should be prepared for each project after consultations with all the stakeholders.

4. **Definition of a destination:** Destination is a place of tourist interest. For being eligible under this scheme the destination must be among the most visited sites in the State, or a recognized Heritage monument. A group of tourist attractions located in the same village, town or city would also qualify.

5. **Definition of a Circuit:** A tourist Circuit is defined as a route on which at least three major tourist destinations are located such that none of these are in the same town, village or city. At the same time they are not separated by a long distance. It should have well defined entry and exit points. A tourist who enters at the entry point should get motivated to visit all the places identified on the circuit. The objective of having a tourist circuit is to increase the total number of visits to all the destinations on the circuit on the one hand and to provide to the tourist the attractions of all the destinations located on the circuit.

6. **Identification of tourist destinations and Circuits:** The destinations & circuits will be selected on the basis of its tourism potential in consultation with the State Governments. The Destinations/ Circuits to be taken up for development will be identified by the Ministry of Tourism at the beginning of each year. A tourist circuit could be limited to a State or it could be a regional circuit covering more than a State/UT. The identification of the project, the implementing agency, and the mode of channelisation of funds would be done in consultation with the State Govt./UT Administration.

7. **Funding pattern of the project:** The Ministry of Tourism would bear 100% of the project cost based on the project plan and estimates submitted, excluding the items which are the exclusive responsibility of the State Governments, as mentioned at para 8 below. While there may be no ceiling on project cost, Government of India contribution would be capped at Rs. 25 crore for destination development and Rs.50 crore for circuit development for identified major destinations and circuits based on tourist traffic. However, the existing ceiling of Rs.5 crore and Rs.8 crore for destination and circuit respectively would continue for other projects. In respect of each large project involving central financial assistance of Rs.25 crore and above, the Ministry should formalise MOUs with State Government and other stakeholders indicating the works to be undertaken by them in physical and financial terms. Total project should include contribution from State Government and contribution from other stakeholders. State Government contribution towards land, rehabilitation package, O&M and external infrastructure like water supply, electricity and roads, as envisaged in para-8 below, should be quantified in the DPR. The provisions for preparation of comprehensive DPRs for Destinations/Circuit Project will be as follows:

- a) Large Destinations/Circuit Project involving central financial assistance of Rs.25 crore and above will be assisted towards the cost of DPR preparation amounting to 50% of the total cost of DPR preparation or Rs.15 lakh, whichever is lower.
- b) As far as the assistance towards preparation of DPR for smaller projects of destination/circuits are concerned, the assistance will be limited to 50% of the total cost of DPR preparation or Rs.10 lakh, whichever is lower.

8. Activities/items under State/UT component: The State/UT Governments will be fully responsible for the following components of the project:

- i) Making the land available for development.
- ii) Implementation of rehabilitation package, where shifting of dwellings or commercial units is required. However, the Government of India would provide assistance for construction of Tourist Reception Centres including shopping complexes to house the displaced shops.
- iii) Operation, maintenance and management of the assets created.
- iv) External infrastructure like Water Supply, Electricity and Roads (not covered under para 9 (iv) below)

9. Activities/items under Central component: The assistance under this scheme will be focussed on development of public goods instead of private goods. There should also be convergence with other programmes of Government and duplication shall be avoided. The following works may be taken up under the Scheme under the Central component-

- i. Improvement of the surroundings of the destination. This would include activities like landscaping, development of parks, fencing, compound wall etc.
- ii. Illumination of the Tourist destination and the area around and SEL Shows etc.
- iii. Providing for improvement in solid waste management and sewerage management, Public Conveniences, etc.
- iv. Improvement of road connectivity leading to the tourist sites, especially from the National Highways/State highways and other entry points.
- v. Construction of Wayside Public Conveniences
- vi. Construction of Budget Accommodation, Restaurant & Wayside Amenities including one time assistance for its air-conditioning and furnishings. This component will be supported only in selected places of Jammu & Kashmir and all North Eastern States, and Eco-tourism projects where private sector investment is not forthcoming or not possible.
- vii. Procurement of equipments directly related to tourism, like Water Sports, Adventure Sports, Eco-friendly modes of transport for moving within the Tourism Zone and equipments for cleaning of the tourist destination will be eligible for 25% grant.
- viii. Construction of public buildings which are required to be demolished because of implementation of the Master Plan.

- ix. Refurbishment of the Monuments.
- x. Signages and display boards showing Tourist Area Maps and documentation on places of interest at the locations.
- xi. Tourist Arrival Centres, Reception Centres, Interpretation Centres
- xii. Improvement of municipal services directly related to Tourism
- xiii. Other work/activities directly related to tourism.

10. **Release of Funds:** The funds would be released to the implementing agency as indicated in Para 6 above in three instalments for identified destination and circuit amounting to Rs.25 crore and Rs.50 crore respectively, once the detailed cost estimates of the projects are received. On sanction of the project, the first instalment of 50% of the approved Central Financial Assistance (CFA) will be released to the implementing agency. The second instalment of 30% will be released after receipt of 50% utilisation certificate of the previous instalment. The balance 20% would be released on the completion of the work and on receipt of the Utilisation Certificate. However, CFA in two instalments would be released for other destination and circuit sanctioned for Rs.5 crore and Rs.8 crore respectively. The first instalment in this case will be 80% of the approved CFA on sanction of the project and second instalment will be balance 20% of the approved CFA on the completion of the work and on receipt of the Utilisation Certificate.

11. **Codal formalities:** The Implementing agency shall follow all codal formalities while awarding contracts and procurement of equipment and ensure complete transparency in its transactions. There would not be any compulsion to execute projects through CPWD. The execution of projects would primarily be the responsibility of State Governments and local agencies. However, whenever a project is to be driven by the Central Government, central agencies could be engaged both for project preparation and for implementation with consent of State/U.T. Govt. concerned.

12. **Management of assets created:** The infrastructure and assets created will be maintained and managed by the State/UT Governments or their agencies with no financial commitment to Govt. of India. The sustainable maintenance plan for the assets to be created must be built into the project proposal for this purpose.

13. **Monitoring Committee:** State level Monitoring Committees would be set up under the Chairmanship of the respective Secretary (Tourism) of the State/UT Government. This Committee would consist of a nominee of the Ministry of Tourism, Govt. of India and a nominee of the implementing agency. This committee will monitor the physical and financial progress of the sanctioned projects and submit the reports to the Ministry on regular basis. The Committee will be responsible for completion of projects within the stipulated period.

B. Rural Tourism Infrastructure Development

14. Tourism growth potential can be harnessed as a strategy for Rural Development. The development of a strong platform around the concept of Rural tourism is definitely useful for a country like India, where almost 74% of the population resides in its 7 million villages. Across the world the trends of industrialization and development have had an urban centric approach. Alongside, the stresses of urban lifestyles have led to a "counter-urbanization" syndrome. This has led to growing interest in the rural areas. At the same time this trend of urbanization has led to falling income levels, lesser job opportunities in the rural areas leading to desertion of villages. Rural Tourism is one of the few activities which can provide a solution to these problems. Besides, there are other factors which are shifting the trend towards rural tourism like increasing levels of awareness, growing interest in heritage and culture and improved accessibility, and environmental consciousness. In the developed countries, this has resulted in a new style of tourism of visiting village settings to experience and live a relaxed and healthy lifestyle. This concept has taken the shape of a Rural Tourism Product.

Under this Scheme, thrust will be to promote village tourism as the primary tourism product to spread tourism and its socio-economic benefits to rural and new geographic regions. Key geographic regions would be identified for development and promotion of Rural Tourism. The implementation would be done through a Convergence Committee headed by the District Collector. Activities like improving the environment, hygiene, infrastructure etc. would be eligible for assistance. Apart from providing financial assistance the focus would be to tap the resources available under different schemes of Ministry of Rural Development, State Govts. and other Ministries/Departments of the Govt. of India.

15. **Definition of Rural Tourism:** Any form of tourism that showcases the rural life, art, culture and heritage at rural locations, thereby benefiting the local community economically and socially as well as enabling interaction between the tourists and the locals for a more enriching tourism experience can be termed as rural tourism. Rural tourism is essentially an activity which takes place in the countryside. It is multi-faceted and may entail farm/agricultural tourism, cultural tourism, nature tourism, adventure tourism, and ecotourism. As against conventional tourism, rural tourism has certain typical characteristics like: it is experience oriented, the locations are sparsely populated, it is predominantly in natural environment, it meshes with seasonality and local events and is based on preservation of culture, heritage and traditions.

16. **Identification of villages:** Each State/UT Govt. would be requested to furnish proposals for promotion of rural tourism. Based on the merits, the proposals would be identified for implementation in the country.

17. **Preparation of detailed plan for implementation of the project:**

After short listing the proposals, the State/UT Govts would be requested to draw up a detailed plan of action. The thrust here would be to achieve convergence between the different schemes of the Govt. of India and the State Govts. It should be ensured that at least 50% of the project should be implemented through achieving convergence of different schemes. Assistance upto Rs.3.00 lakh would be provided to the State Govt. for engaging an expert for preparing the project report.

18. **Assistance under the Scheme:** A maximum of Rs. 50 lakh would be sanctioned under this scheme. The activities listed under the para 19 could be taken up.

19. **Permissible activities:** The following works may be taken up under the Scheme:

- i) Improvement of the surroundings of the village. This would include activities like landscaping, development of parks, fencing, compound wall etc.
- ii) Improvements to roads within the Panchayat limits. This shall not include any major road which connects the village.
- iii) Illumination in the village.
- iv) Providing for improvement in solid waste management and sewerage management.
- v) Construction of Wayside Amenities.
- vi) Procurement of equipments directly related to tourism, like Water Sports, Adventure Sports, Eco-friendly modes of transport for moving within the tourism zone.
- vii) Refurbishment of the Monuments.
- viii) Signages.
- ix) Reception Centres.
- x) Other work/activities directly related to tourism.
- xi) Tourist Accommodation.

20. **Constitution of a Convergence Committee:** A Convergence Committee would be set up under the District Collector with all stakeholders as members, to oversee the implementation of the project. Since, there is a need for flexibility and innovation while implementing such projects, therefore, this Committee will also decide to change sanctioned items based on new perceptions emerging during implementation within overall project plan and cost already sanctioned keeping the Ministry of Tourism informed for record.

21. **Execution of the works:** The execution of the work would be entrusted to any Central Govt./State Govt. agency and the funds would be released directly to the implementing agency by the Govt. of India as recommended by the State Govt.

22. **Installments of release:** On sanction of a work the first instalment of 80% of the sanctioned amount of CFA will be released. The second instalment of 20% would be released on submission of the UC and completion certificate.

23. **Codal formalities:** The implementing agency shall follow all codal formalities while awarding contracts and procurement of equipments and ensure complete transparency in its transactions. While executing the works the implementing agency shall follow the Schedule of rates prescribed by the CPWD or the State PWD or Zila Parishad/Panchayat or DRDA or Rural Engineering Department. However, if there is any item of work to be undertaken does not have rates prescribed by any one of the above mentioned agencies then the District Collector could certify the reasonableness of the rates.

24. **Management of assets created:** The infrastructure and assets created will be maintained and managed by the State/UT Governments or their agencies with no financial commitment to Govt. of India. The sustainable maintenance plan for the assets to be created must be built into the project proposal for this purpose.
