

# DREAM DESTINATION FOR WORLD CLASS TOURISTS... ...NIGHTMARE FOR THE HIMALAYAS!

## Impacts of the proposed Himalayan Ski-Village Project in Kullu, Himachal Pradesh

### A preliminary fact finding report

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## A Brief Background

Himachal Pradesh, the northern hill-state of India, is known the world over for its spectacular beauty of the snow capped Himalayas and picture post card locations endowed with the natural charm of terrace farms, forested mountain slopes and alpine meadows. As a result, for several decades now Himachal has been a favoured holiday destination, especially for tourists and travellers from northern India, looking for a get away in the summers. While the neighbouring Jammu and Kashmir was the more popular tourist place, compared to Himachal, the growing conflict situation in the Kashmir valley especially after the late 1980s played a major role in opening up Himachal as the alternate tourist destination.

Today, more than 70 lakh tourists flock to the state and a bulk of these are domestic tourists<sup>2</sup>. Within the state it has been the Kullu and Shimla districts, which are comparatively easily accessible, with substantial and growing transport and communication infrastructure which receives the majority of the tourist traffic. Of the two districts, it is the Kullu valley which is home to the river Beas that is more popular, with Manali, which receives snow in the winter, being the point of attraction. The number of visitors to the Kullu-Manali circuit grew from 38,000 in 1975 to 1,30,000 in 1985 and visitations were projected to be 250,000 by 1990. This figure has been between 30 to 50 lakhs in 2007. Domestic tourists dominate the tourism market by a ratio of 20:1 and total tourism revenues were estimated at Rs 2-2.5 billion (approximately US\$6.2-7.7 million), about a fifth of the state's domestic product (AME, 1995a). Today, tourism contributes more than 5 billion rupees to the state revenue, forming 2% of the State Domestic Product. But while this might be the bright side of the story, there is more to consider.

There have been various studies and assessments of the adverse impacts that tourism has had on the environment of mountain states like Himachal in general and the Kullu Valley in particular. "Manali in Himachal Pradesh was a small hill resort catering to the needs of people who loved nature. Now it is an overcrowded city with ugly multi-storied buildings."<sup>3</sup> Researchers have discovered that the ecological footprint of Manali is now 25 times greater than its size (Cole and Sinclair 2002). "The chaotic, sudden nature of Manali's development has caused the town to now face serious environmental problems. The only final solution to Manali's environmental problem is an end to the tourism industry in Manali. The town should be focusing on waste management, decreasing fossil fuel dependency, forest protection, economy minded tourism, and informing both tourists and residents to be environmentally aware to prevent further environmental problems in the future<sup>4</sup>."

The Planning Commission of India in 2005 brought out the Himachal Pradesh Development Report, which carried a critical analysis of the tourism sector in the state. The report states that the Himachal Tourism Department is pursuing a tourism policy sans action and overselling the already saturated Shimla-Kullu-Manali circuit. However, the concern for the pressures on infrastructure was not so much about the stress on local resources but came more out of the fact that the state was not tapping into other potential tourism spots to increase the sector's contribution to the economy of the state. In order to serve this objective the Report laid out a set of recommendations to reform the tourism sector. The foremost amongst this was a change in its Land Policy to attract private investments in tourism sector, particularly section 118 of the HP Land Reforms Act which restricts buying and selling of property by non-Himachalis.

"The tourism sector has to be seen as an industry by reorienting the entire philosophy to a marketing concept, focusing singularly on the tourist," is one of the recommendations made in the Report. It also suggests disinvestment in the HP Tourism Development Corporation which controls much of the tourism in Himachal. But the discourse of private investments in tourism started before the Report was brought out, with the State's Tourism Policy in 2000 where public-private partnerships were spoken of. The salient features of the policy included:

- § Single window clearance for all tourism related projects
- § Special incentive package for development of satellite towns and cyber cities with investment of over US\$ 21.5 million by NRIs and foreign investors
- § Declaration of a 10 year tax holiday for entertainment units and deferred payment of luxury tax by hotels and tourism units

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<sup>2</sup> [www.himachaltourism.nic.in](http://www.himachaltourism.nic.in)

<sup>3</sup> T. Venugopalan, Emerging Dimensions of Tourism - India Specific

<sup>4</sup> <http://globalwarmingexposed.blogspot.com>

In the years following this policy the state of Himachal Pradesh saw newer proposals in the tourism sector and ranked second in the country in the number of tourism projects sanctioned between 2001 and 2004<sup>5</sup>. In addition to this, in 2007 the central Ministry of Tourism provided in-principle approvals to projects worth almost Rs. 29 crore for tourism related activities in Himachal<sup>6</sup>. The Asian Development Bank (ADB) has also asked the state government to submit proposals for developing theme-based tourism circuits so that it can release funds for building the necessary infrastructure for these projects. The ADB is showing a special interest in eco-tourism projects.<sup>7</sup> The stage has been set for massive private and foreign investment in the tourism sector and the environmental and socio-cultural implications that have played out till now are about to increase manifold.

### The Ski-Village Project

Alfred Brush Ford's business company ABF International came to India in 2005 with a spate of investments in mega tourism projects. 3 of these, worth \$159 million were in West Bengal (Mayapur).<sup>8</sup> The fourth one with an investment of \$300 million was a Ski Village to be built in Kullu-Manali. The ABF International floated separate companies for each of these projects. The Himalayan Ski Village Limited (HSV), in which Alfred Ford maintained the largest share<sup>9</sup>, was floated for the Himachal mega-tourism project (See Annexure-2 for details of the company's management). The Memorandum of Understanding (MoU) for the proposed Himalayan Ski-Village Resort in Kullu District was inked on 9<sup>th</sup> December 2005, after the State Cabinet approval.

#### **About the Project**

(refer Annexure 3 for a map)

- § 133 acres of built up area at Whispering rocks (resort arrival and Gondola terminal); Village Khanora - Primary mountain village; Kothi Village - Hotels; Chalets; Five 7 star hotels, Six 5 star hotels, Four 6 star hotels;
- § 6000 acres of access to pristine forests and mountain areas
- § 1546380 sq.ft. (about 36 acres) area under entertainment facilities - fitness spas, shopping malls; sports centre; restaurants
- § Storage house and support base (Heli pad and gas station) near Beas river
- § Employment to be generated - 1000 direct and 3000 indirect
- § Annual Royalty of up to Rs 3.5 crores to Government of Himachal Pradesh

**SOURCE - Extracted from a copy of the DPR referenced at Forest Department's Office in Kullu**

Initial news reports indicated that the project would involve construction of 700-plus hotel rooms of four, five and seven star classes, villas and condominiums, shopping complexes, restaurants, luxurious spa facilities apart from skiing and winter sports facilities. "The sheer magnitude of the project was the cause for the initial skepticism", says Pushpaal Thakur, a resident of the Kullu Valley and a member of Jan Jagran Evam Vikas Samiti (JJVS), a local NGO based in Kullu District. The first alarm bells, however, rang in the State Assembly when the Bharatiya Janata Party (then in the opposition) raised a hue and cry on some of the terms of the MoU.<sup>10</sup> JJVS, through their contacts in Shimla, managed to get a hold of the copy of the MoU which revealed that the government had granted various rights to the company for the project which would have serious implications for the local environment and livelihoods.

A glance through some of the clauses of the MoU is enough to reveal that the government has heavily short changed public and the state's interest for a project that seems to be a property development plan for huge private profits. Irrevocable rights to use water, power and land without the provisions of 118 of the HP Land Reforms Act being applicable is what shocked the residents of the proposed project area and have been the key reason for suspicion and protests.

### Clauses for concern in the MoU

#### **1. Assistance to the company in acquiring land**

The MoU has outlined various obligations for the government which include 'assisting' the project in

- ü obtaining subsidies and incentives
- ü obtaining 99 year lease over 5 hectares of government land

<sup>5</sup> <http://ibef.org/download/HimachalPradesh.pdf>. The detailed policy, the projects sanctioned and operations thereafter is not available on the government website and may need to be sought from the concerned department.

<sup>6</sup> <http://himachal.us/2007/07/13/29-crore-for-tourism-projects-in-himachal/2446/news/himachal-news>

<sup>7</sup> <http://www.indiaenews.com/business/20080211/96963.htm>

<sup>8</sup> <http://www.sunmediaonline.com/indiachronicle/october/investmentupdate.html>

<sup>9</sup> As per the Detailed Project Report

<sup>10</sup> <http://www.tribuneindia.com/2005/20051228/himachal.htm>

- ü acquiring up to 60 hectares of private land at fair market prices
- ü acquiring such other private lands or leased out government lands as may be needed for the project

While the MoU mentions the amount of area to be acquired as 65 hectares on one end, it also provides a clause (the last one) which allows for expansion of the project area.

## **2. Exemption from Section 118 of the HP Land Reforms Act**

The MoU states that the government will "*Allow the company to sell or sublease to any person the commercial residential buildings or sites within the project area for the purpose of the project - The government shall grant exemption from the provision of section 118 of the HPLRA for sale of up to 300 defined units to Non-Himachalis*".

The HPLRA was passed in 1972 with the prime objective of transferring land to the tillers as well as ensuring distribution of land to tenants and the landless. As a protective mechanism, Section 118 of the Act provided for restriction of buying and selling of land by non-Himachalis in Himachal Pradesh. The implementation of this Act in the state was rather quick and successful. While over the years people figured out ways to bypass section 118 and other provisions, this was on a very small scale in connivance with local administration or the state government. However, the last decade or so has seen the increasing trend in transfer of land to industries in the state. It is believed that while in many cases this land is leased by the State Government, in some of the MoUs with large corporate houses the State has made exemptions from Section 118 for the companies<sup>11</sup>. Last year the State Government instituted a New Policy on Development of Townships where it specifically spoke of exemptions for private developers from this section. This is bound to have serious implications for the land ownership pattern that has existed in the state so far. Moreover such exemptions defeat the very purpose of the Act which was to ensure reasonable ownership of land in local hands.

## **3. Granting of rights over common property resources**

The MoU, apart from providing access to land resources, provides for granting of "*irrevocable license to the company for use of ski trails and the making of snow/ice on such trails for the duration of the lease; and for construction of trail markers, retention ponds, underground waterlines and water pumps along the trails and grooming of the trails for skiing*". The government has committed to provide to "*the Company and its invitees water rights in the project area, including tapping of unused nallas/ground water and for building retention ponds for snow making and supply to resort village.*"

Additionally, the government will be obliged to "*Facilitate and secure free use of the common law right of the legally admitted skiers by the company to pass and repass on the ski trails without impediment and also allow the company and its invitees full access to Public and Private roads and accord permission to build roads, ropeways or gondolas wherever required*". It is clear from such provisions that the intention of the government is to grant extensive rights to the developers over common resources that will be needed for development and running of the resort and remove any obstacles that they may face in accessing these resources. In particular, the use of the word "irrevocable" needs serious consideration and it curtails the ability of all parties, including the government itself, to be able to go back on the MoU.

## **4. Unequal access to and denial of right to information**

While on one hand the MoU states that it will be the responsibility of the government to "*Provide to the Company within a reasonable time normally not exceeding 15 days, copies of all available documents, data, information relevant to the project*", on the other it has a clause that makes any information about the project to be let out in the public domain virtually impossible. The clause that "*The parties shall not divulge any trade, technical and commercial secrets or confidential matters of one and another to a third party*" can be (and is being) used to deny any information about the project to the local community who are rightful demanders of all information regarding the project.

## **5. Minimal Obligations for the company**

As per the MoU the Company has to invest a minimum of \$135 million within a period of five years from the execution of the Implementation Agreement (IA) and that phase I of the project which shall include skiing and hospitality operations shall be completed within three years from the date of starting the project. The only obligation that attempts to ensure benefits to the local community is one which states that the company should ensure that a minimum of 70% of the total employees shall be residents of Himachal Pradesh. However, the MoU goes on to add a disclaiming clause which states that "*Subject to availability and suitability, the*

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<sup>11</sup> Kulbhushan Upamanyu, Senior Environmental Activist of the Him Niti Abhiyan, a state level network of movements  
Fact Finding Report on Himalayan Ski Village in Kullu (HP)  
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unskilled and skilled staff and other non-executive shall be recruited on priority through local employment exchanges and displaced families if any”

The MoU also mentions that 50% of the royalty shall go to a trust of the affected Gram Panchayats.

Based on this MoU, the Implementation Agreement was signed by the HP government on 5<sup>th</sup> June 2006. While this previous section has highlighted clauses of concern in the MoU, the likely impacts of such a project getting implemented, given the social, cultural and environmental sensitivity of the region also need to be analysed. This is provided in the section below.

### Likely impacts of the Project

#### a. Environmental Implications

Picture 1: The project site at Palchhaan



The Detailed project report (DPR) (which is not in the public domain) as well as various news paper reports reveal that the developments in the Ski Village ranging from hospitality, vacation homes and entertainment facilities to gondolas, ropeways and ski areas will be located at heights between 7,500 and 14,000 ft above sea level on the left bank of the Beas River starting from Palchhaan village in Manali. While the built up area would be spread over an area of 133 acres, the project would require access to 6000 acres of the mountain range for skiing activities. “We have learnt from the news papers and the project website about that this would range between

Chandrakhani Pass and Rohtang pass extending to the Spiti border” adds Pushpaal Thakur of JJVS - (refer to Map - Figure 1).

The abstract of the Project Report suggests that approximately 14.7 hectares of the land required to be diverted to the project is Forest Land under the jurisdiction of the Forest Department. Apart from this the rest of the land which will not be diverted but accessed for skiing and other winter sports is all mostly under temperate forests of Cedar, Birch, Fir and Alpine Grassland meadows.

Construction activity in these lands, alpine areas and high forested slopes would require large scale deforestation. The larger and the long term impact of commercial activity on the slopes would be on the entire ecosystem. The deforestation would have a direct impact on the local flora and fauna. This, coupled with accentuated soil erosion would mean less water retention in the hills, increased risk of floods and siltation in agricultural fields and dams downstream. Also, the alpine meadows and temperate forests are a home to many a medicinal plant. Wildlife like the Monal pheasant and the Musk deer are still found here. “*The peak tourist season is also the breeding/nesting season for most of the birds and pheasants. It is interesting to see that when Heli-skiing and other activities happen on the upper reaches most of these birds are forced to move lower down. The Forest Department has been trying to cope with this problem*” Mahinder Singh, a Kullu based lawyer states.

It would also be improper to look at the environmental impacts of this project in isolation. There is a need to assess this project in terms of the cumulative impact it will have considering that the area is already facing severe environmental pressures as a result of the 192 MW Allain Duhangan Hydropower project which has caused tremendous deforestation along the slopes. Kapil Mohan Micro Hydel Project at Palchhaan (where the HSV plans to set up) is already disturbing the streams. Further, existing road construction and other activities have destabilized slopes due to tourist traffic and increased urbanization.

Besides the pollution of air and water that will be caused by the construction, the pollution of water resources in the high altitude areas due to the use of chemicals for stabilizing snow is feared to make water in local sources undrinkable and unusable for agriculture. The added flow of tourist vehicles will also be an additional impact due to pollution and local warming.

Picture 2: Destruction by Allain Duhangan Hydro Project



The clearance for diversion of forest land for the project would have to be granted by the Ministry of Environment and Forests (MoEF) at the Centre under the Forest Conservation Act. As per the Conservator of Forests at Kullu the matter has not reached his office yet. Considering that the project is being treated as a 'construction project' under the Environment Impact Assessment Notification (EIA), 2006 of the Environment Protection Act, it may not even need to go through the rigorous Environment Clearance process as for other mega projects. The EIA Notification, 2006 (amended from an earlier more stricter one issued in 1994) spares construction projects from Public Hearings at the local level, which are mandatory for other mega development projects in the environment decision making process. The importance of Public Hearing lies on the fact that it is one of the chief avenues for ensuring public consultation on development processes and projects. It gives a legal space to the communities to reject projects that they consider are not in their interest.

In addition, as per the provisions of the EIA Notification, 2006, state governments are authorized to grant environmental clearance for all construction projects through an Expert Committee constituted specifically for this purpose. In the case of HP, since such a Committee is yet to be constituted, the clearance is pending before the Expert Committee for construction projects at the central government level.

In the case of the Ski Village project, the Terms of Reference for the clearance procedure to be followed are yet to be put forth by the Ministry of Environment and Forests, which is why there is a push from NGOs and local groups that the project must be thoroughly assessed and placed before local communities in a Public Hearing. (Refer section on *Responses to the Project*)

#### b. Livelihood Concerns

In mountain areas it is virtually impossible to separate any environmental impact from the natural resource based livelihoods because of the intrinsic connection between the two. Mountain communities, typically located lower down, below their forest base, rely completely on resource flows from the upper reaches for their day to day survival. Hence any disturbance of the local ecosystem and slopes is bound to affect communities inhabiting the area.

Picture 3: Apple Orchards in Kullu



The river Beas runs through the Kullu Valley which is inhabited mostly by farming communities (Thakurs) tending apple orchards along the terraced slopes. Kullu is the second highest producer of apples in the state of HP contributing to 22% of the production after Shimla.

While the project proposal (for which the MoU was signed) is looking at an area of 133 acres; this area is massive for mountain regions. Local activists have estimated that a total of 12 *panchayats* with more than 60 villages and a population of almost 40000 people (the table below indicate 32000

population based on the 2001 census) would be directly and indirectly affected if the project is allowed to come up and expand (refer table below).

Initially, Shuru (where the company office is now located), Prini and Sethan were identified as the sites. However, now the proposed location seems to have changed to Palchhaan and Kothi. While land purchase or acquisition may take place only in the Palchhaan *panchayat* (with 5 revenue villages), the construction and development activities would be spread over a larger area. Also while the MoU makes repeated mention of "Affected Gram Panchayats" it is not clear which Panchayats these are, what criteria have been used to

categorise them as “affected” and what the company and government considers as “affected”. Moreover, this is just the initial projection. To what extent the project expands into forest and private lands after getting established in the area is anybody's guess

**Table 1: Details of the 12 Panchayats that would be affected by the project**

Sl.No	Name of Panchayat	No of villages	Population (as per 2001 census)	Livestock numbers	No of schools	No of health centers	Water source
1	Burua	2	2360	600	1	1	Tap supply
2	Vashishth	6	4600	2500	3	2	Tap Supply+ Stream+ Spring
3	Preeni	4	1280	1230	1	1	Tap Supply+ Stream+Kuhl
4	Jagat Sukh	6	3500	1590	3	2	Tap supply+ Spring
5	Gojara	3	2800	1600	1	1	- do-
6	Karjaan	4	1600	690	1	1	Kuhl + Spring
7	Soel	4	1942	1791	3	1	Kuhl+ Tap Supply
8	Hallan-1	11	3545	1825	2	1	Kuhl + Spring+ Tap Supply
9	Naggar	8	3450	1970	5	2	Tap Supply+ Stream+Kuhl
10	Nathan	6	5215	2220	3	1	Kuhl+ Tap Supply
11	Archandi	3	1040	900	1	1	Tap Supply
12	Jana	3	1500	1700	1	1	Tap supply+ Spring
		60	32832	18616	25	15	

Source - Jan Jagran Evam Vikas Samiti

Some of the chief livelihood concerns faced by the people living in these 60 villages would be:

- Deforestation, Slope destabilization and landslides - Construction activity in the alpine areas and high forested slopes would require large scale deforestation. This area would be more than the area that the Company actually acquires as it is allowed through the MoU to construct trail markers, retention ponds, underground waterlines and water pumps etc. The larger and the long term impact of commercial activity on the slopes would be on the entire ecosystem affecting the flow of natural resource like fodder, fuelwood, grass and medicinal herbs to the villages which are located lower down along the slopes. Soil erosion is the first fallout of any construction on a mountain side. This further leads to problems like flooding, landslides, loss of flora and siltation in agricultural fields which will directly affect the villages.
- Diversion of streams used for drinking water and irrigation - As per the Project Report the Company will tap raw water at 1440 kilo liter per day from the Kothi Beas and Harnola Nalas. The creation of artificial snow (which extends the skiing season beyond natural snowfall periods) will require huge quantities of water and power. While the company has repeatedly stressed that artificial snow will not be made - the MoU states the contrary. These nallas or streams are the main source of drinking and irrigation water in the villages downstream as shown by the data in the table above. Villagers fear that the use of chemicals in artificial snow making will pollute the water sources rendering them un-potable. *“If water that is used to irrigate the apple orchards and farms is diverted then the local economy would be directly hit”*, says Irawati Devi of Katrain Mahila Mandal.
- Access and availability of fuel wood, fodder and timber - Apart from the water, these forests are used for fuel wood, timber, grazing animals, collection of medicinal herbs and fodder by the local villagers since time immemorial. Their community rights are recorded in a document called the *Wajib-ul-arj* (a legally recognised instrument by the Forest Department made during the British Settlement time) which specifies the rights of each village to the forests. In order to facilitate the access of the staff and the guests of the company, the access of the local people to the hill slopes in order to exercise these rights will be restricted.
- Access to Alpine meadows for grazing and medicinal plants - The alpine meadows are not just used for extraction of medicinal plants by communities, especially some of the Khampas of the Spiti Valley who have settled in the area. Nomadic communities, Gujjars and Gaddis, from 6 districts of the state actually bring their livestock (buffaloes, sheep and goats) to the area for about 6 months of the year for grazing in the high altitude pastures. Their livelihoods run on the sale of milk and meat in the local markets during this time (from April to November -around the onset of winter and snow). Their rights and livelihoods would be completely displaced if the project comes up. The rights of these communities are recognised in the *Wajib-ul-arj* as well and they are issued permits by the local forest department for the grazing rights in the area. Further, the local Panchayats are also paid royalty for granting grazing rights by the Gujjar communities.

The company is promising job creation to the tune of about 4000 persons [direct (1000) and indirect (3000)] and that 70% of these would be for Himachalis. But local people are skeptical about this. "These are empty promises. Most of the existing tourism is controlled by outsiders. Besides, our perception is that the number of livelihoods lost will be more than those created," states Mahinder, a young lawyer in Kullu. But the crux of the issue was lucidly expressed by a young woman of the Katrain Mahila Mandal "Apni zameen pe kaam kartein hain lekin kum se kum hum malik hain, unke liye naukar nahin banna chahate" (We work on our own lands but are at least owners of the land. We do not want to become their (company's) servants).

### c. Cultural and Spiritual Concerns

Central to the local life and environment are the local cultural traditions of the Kullu Valley, dictated by the local deities or *devtas*. The traditional temples, made out of local stone and cedar wood, carved beautifully by local artisans, are in forests (on the same slopes where the skiing activity is proposed) where, according to belief, the local deities and spirits reside. These areas are considered as sacred and are the foundations of local social, religious and cultural life. The life of the people of Kullu revolves around the blessings and wrath of these local *devis* and *devtas*.

People see a project like this invading their cultural and sacred spaces. It is interesting to note that the local opposition to the project actually built up after February 2007 when local deities were evoked to give their opinion on the project and they said that no project should be allowed to come up<sup>12</sup>.

### International Experiences of Ski Resorts and Villages

If experiences and reports from ski-resorts in other countries are anything to go by, there is more reason for worry than cheer. Substantial documentation and studies are available that indicate a direct correlation between forces affecting climate change and mega tourism resorts that promote winter sports and skiing. 'Two Degrees from Melt Down' a case study from Chamonix Valley in France is a brilliant account of the socio-economic and environmental consequences of winter sports-based tourism in the Swiss Alps. It narrates how the French Government is gradually reversing its policies to discourage such kind of tourism. It quotes studies that have documented the depletion of snow and retreating of glaciers as a result of the increased tourist activities. The article quotes Clare Simon of the International Commission for the Protection of Alps (CIPRA) 'Tourists here are called "wallets" by the locals. People can't wait for them to leave each year. They are really disliked. They don't try to know anything about the place. They treat it like Disneyland, come here and play. More and more people are starting to question whether tourism in its current form is such a wonderful thing. The Dutch, Swiss and British are buying lots of second homes here and pricing out the locals'.

The reality of Kullu Valley is not so distant from that of the Swiss Alps. Around 80 million tourists visit the Alps each year, where as the local resident populations is merely 16 million. In case of Kullu- Manali, which has a population of 351,000 (3 lakh 51 thousand) the tourist population visiting annually outweighs the local population by at least 10 times. Further, the design of the Himalayan Ski Village clearly also indicates that it is going to encourage vacation homes for the elite apart from general entertainment for all kinds of tourists.

Even if we were to believe that any serious skiing activity is likely to take place at the HSV, the odds are still against the environment. In the United States, which has a large number of skiers, environmental groups are raising their voices against what they call the "ski area expansion arms race". "With skier numbers essentially flat nationwide for the past twenty years, any ski area expansion and concomitant marketing for the limited pool of skiers must steal skiers from other ski areas. This in turn pressures other ski areas to also expand or otherwise "improve" their ski area, in short, the "ski area expansion arms race"<sup>13</sup>. With 90% of the US's skiing resorts being on public lands, the environmentalists have been crying hoarse about the repercussions of these on the Alpine Tundra regions.

### Local responses, the campaign and current status -

Below is the timetable of events related to the project as they unfolded from 2005 to date:

- § 9<sup>th</sup> December 2005 - The MoU for the ski village was signed
- § December 2005 - January 2006 - matter raised by the BJP in the State Assembly

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<sup>12</sup> Hindu gods turn down plans for a Himalayan ski resort, The Telegraph, 21st Feb, 2006  
<http://www.telegraph.co.uk/news/main.jhtml?xml=/news/2006/02/21/wqods21.xml>

<sup>13</sup> Ski Areas Citizens Coalition, Colorado Wild's website  
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§ 10<sup>th</sup> January 2006 - first Meeting on the issue of the Jan Jagran Evam Vikas Samiti - a small local group of residents of the area. Under the leadership of Lal Chand Katoch and Pushpaal Singh Thakur decided to take up the issue after the news of the MoU hit the papers.

Jan Hit Sangarsh Samiti - Local Network of 24 NGOs of Kullu District under the leadership of S.R. Verma extended support to the campaign

§ 16<sup>th</sup> February 2006 - A Jagati Puch or Dev Sansad (literally meaning parliament of gods) was held at Naggar at a local temple and the local deities, through an oracle, rejected the project on the grounds that it will bring doom for the people. They also suggested that the battle should be fought at the judicial level.

§ 5<sup>th</sup> June 2006 - the Implementation Agreement was finalized. As per newspaper reports the company was to submit a Detailed Project Report within 6 months of the IA to the State Government

§ June 2006 - 2007 - Local Mobilisation against the project. Resolutions by 10 out of 12 Panchayats were passed against the project

§ December 2006 - The project proponents signed a memorandum of understanding (MoU) with FINPRO, Naturpolis, the Kuusamo municipality (Finnish Organisations) to take the Manali resort forward<sup>14</sup>

*As a part of this collaboration 40 skiers from Himachal (some from Manali) were taken to Finland for a training programme by the company. The company meanwhile set up its office at Shuru in Manali. An IFS officer, Mr. Sanjeeva Pandey, has been deputed by the Government to work with the project team.*

§ March 2007 - The DPR was submitted to the State Government

§ 5<sup>th</sup> June 2007 - A year after the Implementation Agreement, the Council of Ministers approved the DPR. As per the Managing Director of the project an EIA report along with the DPR was submitted to the State Government. The EIA report was also submitted to the Central MoEF.

*The Detailed Project Report is not available at the District Collector's office as it is being treated as a 'confidential' document. . The JJVS had filed an RTI application for DPR at the Tourism Department in Shimla but was denied the Information under the clause of 'commercial confidence' (in the RTI Act 2005). They did not go for first appeal. However, a copy of the draft DPR was shown by the Conservator of Forests and some of the project details provided in this report have been picked up from there*

§ 6<sup>th</sup> June 2007 - PIL was filed in the High Court by JJVS and made 6 parties to the case (government departments, MoEF and the company). A hotelier called Sanjeev Sharma, from Vashishth Panchayat also filed a PIL in the matter in the same year. The second PIL made 10 parties as respondents to the case including the Ministry of Defence.

*Both the PILs were clubbed by the High Court. It is not clear if the High Court stayed the project or not. A copy of the stay order was not available with the local group, however they claim there is a stay. The company claims that there is no stay but a written undertaking by the company that no construction work would begin until all the paperwork was in place and No Objection Certificates (NoCs) from various departments sought.*

*In interviews and discussions with some locals it seemed that post the stay, the local momentum on the issue had died down. During this period the company seems to have started its public relation work in the villages and is also buying off land in Palchhaan Panchayat area through local agents. "The Sarpanch/Pradhan of Palchhaan is on the rolls of the company and is now supporting the project though he had earlier opposed it. Apparently he was taken on training to Finland by the company and as a result sold out" says Lal Chand Katoch, JJVS. This was confirmed by other local residents.*

*A meeting with Ward members of the Palchhaan Panchayat revealed that they were completely unaware of the details of the project but were confused as to whether the land that was being purchased by local agents in the village was for the Ski Village project or another tourism based SEZ by SKIL being promoted on the right bank of the Beas river in Manali. Some of the members claimed that SKIL had bought of a large amount of land in the village Shanaag (opposite Palchhaan) and most of this was Benaami (off the record) transactions. This needs to be verified.*

§ 18<sup>th</sup> June 2007 - Massive protest rally against the project. Attended by Sunderlal Bahuguna and other activists

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<sup>14</sup> 'Himalayan Ski-Village Gets a Finnish Boost' - The Economic Times, 25<sup>th</sup> May 2007

## Protest Rally Against Ski Village - 18<sup>th</sup> June 2007



- § 29<sup>th</sup> December 2007 - The Union Ministry of Environment and Forests Expert Advisory Committee (EAC) on 'New Construction Projects' listed the project for consideration/discussion but the matter was deferred since the required documents were not presented before the committee.

*"The project proponents did not come and they have not circulated any details of the project to the members of the Committee. It was decided to ascertain the interest of the project proponents in implementing the project. In case they seek environmental clearance, they may be advised to furnish relevant documents to the members of the Committee" stated the Minutes of the EAC meeting<sup>15</sup>.*

- § 11<sup>th</sup> February 2008 - Newspapers report that Chief Minister Dhumal visited Kullu and stated that the BJP government would 'review the project' since it 'lacked transparency'
- § 23<sup>rd</sup> February 2008 - JJVS, Him Niti Abhiyan (a state level coalition of people's groups and activists) and EQUATIONS submitted a memorandum to the EAC, MoEF outlining concerns related to the project and demand public consultation and serious assessment
- § 25<sup>th</sup> February 2008 - The matter was listed for consideration again at the EAC. The project proponents were asked for clarifications as well as court orders related to the project.

*As per the member secretary of the Committee Mr. Bharat Bhushan, the EAC is to take a call on if the project would be a B1 or B2 project under the EIA notification 2006. All category B projects are actually to be considered at the State Level; however since the State Level Appraisal Authority in Himachal is yet to be formed the matter is with the MoEF EAC. Three separate petitions (from Jan Hit Jagran Samiti (Kullu), Him Niti Abhiyan, and EQUATIONS) were filed with the EAC demanding that this project requires a Public Hearing considering the extent of environmental and social implications*

*Indian Institute of Forest Management (IIFM) and TERI have been appointed as consultants by the company for conducting the EIA and preparing an Environment Management Plan for the company. Coincidentally, one of the members of the EAC is from TERI, a point that has been raised as an objection in the petitions<sup>16</sup>*

*Ajay Dabra, the Managing Director of the project claimed that the PILs had not been admitted in court. "They are weak cases and don't stand a chance." He also claimed that if a Public Hearing was mandated by the EAC- MoEF then they would follow the due process. "We will distribute the EIA in Hindi and have a consultation before we go ahead with the project."*

*While there is Diversion of Forest Land involved, the Conservator of Forests at Kullu said he had not received any instructions yet. He said that there would be some threat to the forests but that he was more concerned about the local cultural sentiments.*

- § 24<sup>th</sup> March 2008 - Hearing on the PIL in the High Court at Shimla. Court moves the hearing to 9<sup>th</sup> April 2008
- § 25<sup>th</sup> March 2008 - The Ministry of Environment and Forests' Expert Committee's Recommendations put up on the Ministry's official website ([www.envfor.nic.in](http://www.envfor.nic.in)) indicate that the Project Proponents will have to carry out an Environment Clearance Public hearing for the project as the project is being treated as a B1

<sup>15</sup> [http://164.100.194.13:8080/allied\\_envclr/getAgendaMeetingMinutesSchedule.do?indCode=NCPDec%2027,%202007](http://164.100.194.13:8080/allied_envclr/getAgendaMeetingMinutesSchedule.do?indCode=NCPDec%2027,%202007)

<sup>16</sup> [www.himalayanskivillage.com](http://www.himalayanskivillage.com) ; [www.envfor.nic.in](http://www.envfor.nic.in)

project under 8(b) Township and Area Development projects. The proponents have also been asked to give a point by point clarification of all the issues raised in the representations sent to the Committee by JJVS, Him Niti Abhiyan and EQUATIONS.

### **Concluding remarks**

It is clear that, the Himalayan Ski Village Project proposed at Kullu is unsuitable, incongruous and detrimental to the lives of the local community and environment of the region. Further, it is a project has been approved without due public consultation thereby undermining their right to determine what form of development they seek for themselves and the region and is therefore being severely opposed by them. Local communities have taken up the issue of campaign against the project seriously and are determined to get facts and answers from the government and company to their concerns. While the company has to get NoCs from several other State Departments including the Defence Ministry (considering that the Rohtang Pass is used by the Indian Army for transportation and the Chinese Border is close-by), the decision of the High Court on the PILs filed is being awaited for by the local people. It is clear that the resolve of the local people is to oppose the project.

### **About the organisations:**

**JJVS:** Jan Jangran Evam Vikas Samiti, is a Kullu based organisation that is working on issues of social and environmental concerns in the area for the past three years. It has been actively campaigning on the Ski Village issue for two years now.

#### **Contact Persons:**

Pushpaal Thakur (Telephone 9418282033)

Lal Chand Katoch (Telephone - 9418067010)

**Him Niti Campaign:** The Him Niti Abhiyan is a state level coalition of people's groups and activists campaigning against exploitation of mountain resources and are advocating for policies that promote Sustainable Livelihoods and Conservation of the natural wealth of Himachal Pradesh. The Abhiyan has been supporting people's movements fighting against destructive development projects in the mountains for many years now

#### **Contact Persons:**

Kulbhushan Upmanyu (Telephone : 094184-12853, [kbupmanyu@gmail.com](mailto:kbupmanyu@gmail.com));

Guman Singh (Telephone: 094182-77220, [guman107@yahoo.co.in](mailto:guman107@yahoo.co.in))

Rahul Saxena (Telephone: 098160-25246, [lvk@navrachna.org](mailto:lvk@navrachna.org))

c/o Lok Vigyan Kendra, Chanakyapuri Colony, Ghuggar Nala Road, Palampur, HP

**EQUATIONS** (Equitable Tourism Options), is a not-for-profit organisation that is involved in research, campaigns and advocacy on impacts of tourism and development issues. Founded in 1985, their work has focused on impacts of tourism on women, child, ecosystems, communities, institutions of local governance and effect of globalisation.

#### **Contact:**

**EQUATIONS**

# 415, 2-C Cross, 4<sup>th</sup> Main, OMBR Layout, Banaswadi, Bangalore 560043

Telephone: +91-80-25457607 / 25457659 Fax: 25457665

[info@equitabletourism.org](mailto:info@equitabletourism.org) website: [www.equitabletourism.org](http://www.equitabletourism.org)

### Annexure 1: Persons Interviewed during the Visit

1. Members of Jan Jagran Evam Vikas Samiti and Jan Hit Sangarsh Samiti
2. Mahila Mandal - Katrain Village
3. Panchayat Members - Palchhaan
4. Mr. Sunder Mahant - Jagat Sukh Village
5. Mr. Negi, Conservator of Forests, Kullu
6. Revenue Officer, Kullu, District Collectorate
7. Mr. Kapoor, Journalist, Dainik Jagran
8. Mr. Ajay Dabra, Managing Director, HSV Ltd

### Annexure 2: Management of the company- Himalayan Ski-Village

**Alfred Ford - Chairman** Alfred has taken an active role in several large tourism projects in India including the Mayapur Planetarium with 2,000 hotel rooms and extensive botanical gardens, in West Bengal. Alfred Ford, the great grandson of Henry Ford, is a director of the Ford Motor Company Fund, the Ford Family Office Group and the Mayapur Foundation. Ford is also a board member and part owner of Channel Net LLC, a technology company from California, which builds IT systems for Fortune 500 companies. He is Chairman of McPhar Ltd, involved in distance sensing and gamma ray detection for the oil exploration industry, worldwide. He is an active investor in the equity markets, property development, software development and other business ventures. Ford also sits on the boards of numerous charitable institutions, has received several awards for his support to Indian culture and is married to Dr. Sharmila Bhattacharya for the last twenty years.

**John Sims - Managing Director** John has over 14 years of working experience in India, primarily in tourism and hospitality development as well as in small mining projects. He is the Chairman of Mines Management Private Limited, a diamond exploration company working in Andhra Pradesh. Sims was President of Club Indus, a resort division of The Oberoi Hotel Group, and founded The SITA Group in Florida, a resort development and marketing company which has eventually become The Hyatt Vacation Club. He also gained extensive experience in his early years of marketing commercial properties in Los Angeles.

**Glenn Trotman - Director and CFO** Glenn has over 20 years of Investment Banking experience and was Director at HSBC Asset Management (HK), Bank of Bermuda (HK) and BNP Paribas Asset Management (HK). He has extensive experience in managing and raising investment portfolios for a number of Central Banks, Institutions, Pension Funds and Private investors throughout Asia.

**Ajay Dabra - Director Corporate Affairs** - Ajay studied law at Himachal Pradesh University, and has lived in the proposed ski village area for 19 years where he is active in construction & development. He developed Manali Resort, a 50 room 3 star hotel.

**Nasser Munjee - Director** Nasser is the former MD & CEO of Infrastructure Development Finance Corporation of India, and is Senior Advisor to KPMG. A board member of 12 listed companies and banks; Mr. Munjee studied at London School of Economics and University of Chicago. He was President of Bombay Chambers of Commerce and Industry and is the chairman of The Indian Association for Savings and Credit.

**Roddy Sale - Director** Roddy has extensive experience of dealing in Indian capital markets, specializing in multinational entry and acquisition strategies particularly in mining, media and telecom industries. He was instrumental in establishing the Indian office of Jardine Fleming and has vast understanding of Private Equity Financing and Mergers & Acquisitions. He was also the Managing Director and the head of Investment Banking at JP Morgan, India & Sri Lanka.

As per the website - [www.himalayanskivillage.com](http://www.himalayanskivillage.com)

Annexure 3: Rough Map of the Ski Village



Source: Plotted (not to scale) with help of Jan Jagran Evam Vikas Samiti

## Annexure 4: Media reports on the Ski Village

The Tribune, 4<sup>th</sup> January 2004  
Development taking toll on forests  
Subhash Sharma

KULU: The adverse environmental impact of tourism and hydroelectric projects in Kulu-Manali in the north-western Himalayas has reached an alarming situation. More than 10,000 green trees have been cut during the past two years and about 30,000 are awaiting the axe of the so-called, development in this district. The Rs 2,000-crore project of the Rohtang tunnel would require felling of 684 fully grown and 350 small trees, just to make an approach road to the south portal of the tunnel, besides 20,000 trees would be cut to complete the 2051-MW Parbati hydroelectric project in the Manikaran and Sainj valleys of the district. The muck from the holing of the tunnel would further disturb the ecology and environment though the comprehensive plans were being chalked out to manage the dumping of the muck. If not more at least 5 to 10 per cent of the extracted muck would be carried by the river down to the water reservoirs of Larji and BSL projects.

A study conducted by Dr Jagdish C. Kuniyal, Mr Arun P. Jain and Mr Ardhendu S. Shannigrahi of the GB Pant Institute of Himalayan Environment and Development, Himachal unit at Mohal, 4 km from here, reflected that the environmental situation arising at Kulu and Manali due to increasing pressure of tourism and deforestation has registered dangerous proportions of polluted air, water and an increase in suspended particulate matter (SPM). An in-depth study over a period of four years (1996-1999) showed that the SPM has gone up to 112 ug/m<sup>3</sup> at Manali during summers beyond permissible level (100 ug/m<sup>3</sup>) and in Kulu 118.8ug/m<sup>3</sup>. The total waste generated was nearly 63 per cent in Kulu and 72 per cent in Manali which is higher than that of the non-biodegradable level.

The study further reveals that the indiscriminate throwing of municipal solid waste into rivers is a common practice in this district which results in polluting of the river water. The indiscriminate felling of forests without even considering that many species were at the verge of extinct, the Department of Forests awoke too late. The study says that the forests were full of deodar, tosh, rae and kail, covering the high-altitude areas of Rohtang Pass with a dense coverage.

Similarly, in the Solang valley, the winter sports and skiing site, the villages were known for deodar trees, one was said to have the largest in the India. The situation now is pathetic as the trees as sparse due to high biotic pressure, the study adds.

Another factor responsible for deforestation is the timber distribution (TD) laws. According to the existing, every household is entitled to standing trees for construction or repair of house and trees are allotted to them at a very nominal price. Mr B.D. Suyal, Divisional Forest Officer, here said that one standing tree of deodar allotted to the TD right-holder, cost Rs 1 to Rs 8, whereas in the open market that three cost between Rs 6,000 and Rs 1.95 lakh.

The massive difference in prices is largely responsible for its diversion for smuggling or commercial use, he added.

The conservator of Forests here, Mr Vinit Kumar, said that the department had taken serious note of any kind of haphazard destruction of forests and suggested comprehensive measures for covering up the damage caused due to the deforestation. As regards the timber distribution laws, Mr Vinit Kumar said that the department took special care that the TD right-holders did not misuse the timber allotted to them. He said that the department had also suspended the rights of many persons who misused the timber allotted to them this year.

Mr Kishan Lal, an eminent environmentalist, said that the pace of destruction of forests due to the pressure caused by tourism, hydroelectric projects, construction of hotels and other developmental activities would convert this part of the Himalayas into a "desert" if not checked.

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### **Ford not to have exclusive rights in Himachal tourism projects** Indo-Asian News Service 23 November 2005

Shimla: The Himachal Pradesh government has decided to throw open around half a dozen huge tourism projects to several foreign companies, as a \$520 million Himalayan ski village project is moving closer to reality. After pressure from the opposition Bharatiya Janata Party (BJP), the ruling Congress has modified a proposed deal with Himalayan Ski Village Pvt Ltd that is engaged in the ski village project.

The modifications in the deal have taken away the exclusive rights of the company in the region. Alfred Ford, the scion of the Ford Motor Company, and a consortium of top global investors have stakes in the Himalayan Ski Village Pvt Ltd. After the state cabinet's approval over the weekend, the Himalayan Ski Village project will be one of the largest foreign direct investment projects in the country.

The BJP had raised concerns over granting of exclusive rights over a large chunk of land and water sources to the promoting company. 'The company has been asked to submit the detailed project report within six months after which the MoU (memorandum of understanding) could be signed and work begun on the project,' said a senior government official. 'By refusing to grant exclusive rights to Ford, the state government wants to throw open around half a dozen similar tourism projects in the area to other foreign companies,' the official told IANS.

'The project is in the interest of the state, so we have rejected the promoting company's demand for extensive non-competitive rights,' said state Chief Minister Virbhadra Singh. 'Two other conditions imposed on Himalayan Ski Village Pvt Ltd include providing 70 percent jobs in the project for locals and paying a revenue of Rs.600 million to the state government. The company's plea of its willingness to pay half this amount was rejected,' the official said.

Land for the project in Manali will be mostly acquired from local villagers. The company will build around 700 five-star rooms, 300 Swiss villas and a handicrafts village on a five-hectare plot.

A base car park will hold nearly 1,000 vehicles and there will be a high-tech gondola to ferry 500 passengers every hour to an altitude of 14,000 feet above sea level. Jack Zehren, a Colorado-based architect, has reportedly been hired by the company to design the resort. The design will also feature the local traditional Himalayan architecture of wood and stone houses with slanting slate roofs. The architect reportedly visited the proposed site earlier this summer.

'The investment will take place in three stages - of \$155 million, \$185 million and \$180 million,' said John Robert Sims, in-charge of the Himalayan Ski Village in India. According to company officials, the project will be finally cleared after the detailed project report is submitted by the middle of next year. Work is likely to begin sometime later in 2007 and it will take three years to complete it.

In October this year, Alfred Ford visited the proposed site in Manali and had also met top government officials in Shimla. Alfred Ford, 55, is a descendant of the legendary American tycoon Henry Ford. Alfred, whose wife is an Indian, is fond of Indian culture and is a devotee of Lord Krishna.

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Frontline Apr. 08 - 21, 2006

On thin ice

Aman Sethi in Manali

**A proposal for a multi-million-dollar ski resort in Manali incurs the wrath of the people of the Kullu valley. Many fear that ski-tourism might take its toll on the Himalayas, one of the remaining untouched ecosystems in the world.**

DEVOTEES at the Jamadagni temple at Batahar in Naggar village, in the Kullu valley, Himachal Pradesh, fidgeted nervously as the languid *gur* (temple oracle) suddenly sat bolt upright. The deity, Jamadagni, better known as Jamalu Rishi, had possessed the oracle. Silence pervaded even as the rhythmic chant of the pujari came to a halt and Jamalu Rishi's Thursday durbar began. Jamalu, who through his oracle, dispensed advice on matters ranging from childcare to apple-farming, had a far more important question to answer that day: "Should Alfred Brush Ford, great-grandson of American automobile pioneer Henry Ford, be given the rights to build a luxury ski resort in Kullu?" The oracle conveyed the deity's displeasure and said that Jamalu Rishi had called a meeting of the prominent deities of the valley to discuss the issue.

At a Jagati Puchh held on February 16 at Jagati in Naggar, the Council of the Gods unanimously vetoed the proposal for the \$520-million Himalayan Ski Village (HSV) project, the largest foreign direct investment in the Indian tourism industry.

The Kullu valley, with temples for over 300 deities, is known as the Valley of the Gods. Each deity has a *gur* to communicate with the devotees. Jamalu Rishi, believed to be the chief among the gods of the valley, has now become the symbol of the apprehensions that the people of the valley have about the motives of corporate players and the Congress government in the State. While the decision of the Council of the Gods has attracted much interest in the local, national and even international media, neither the government nor the promoters plan to backtrack on the deal signed in October last year.

"The ski resort is essential for the survival of Manali," claims Himanshu Sharma, a manager for HSV. He says that the massive investment will rejuvenate Manali's tourism industry, extend the tourist season into the

winter months, and set standards for sustainable eco-tourism. HSV promises to provide nearly 3,000 jobs to the local people and has already started training youth on the basics of adventure tourism, survival techniques and avalanche forecasting. It is also expected to improve infrastructure and transport services in the district. Sharma points out that Manali is famous for its winter sports. Hence, he says, the resort will help local skiers hone their skills. In a number of press reports, HSV has claimed that the project's ultimate aim is to host the Winter Olympics.

However, selling the project to the local people, who enjoy a symbiotic relationship with the mountains, has not been easy. They believe that a ski-village will desecrate the mountain tops, traditionally seen as the abode of the gods. Environmental and ecological factors also go against the project.

While the youth seem upbeat about the employment opportunities the resort would generate, the elders have a strange foreboding. They point out that the promises made while acquiring land for the Allain Duhangan Hydroelectric Project in Manali have not been fulfilled. "Many sold their lands in the hope of a better future," says Kishen Singh Bodh, a farmer from Sethan village. "Two years have passed; the money has been spent. Now they have neither land nor money."

The project seems to be on thin ice even contractually. There are more than a few problems with the memorandum of understanding (MoU) signed between HSV and the Virbhadr Singh government. A copy of the document, made available to *Frontline*, reveals that the government has made major concessions such as help for HSV in acquiring approximately 65 hectares of land on a 99-year lease, 60 ha of which will be privately owned. While no specific areas have been mentioned in the MoU, HSV representatives told *Frontline* that for a start, Sethan, Prini and Shuru villages had been identified for development.

Since the resort will be built on the upper reaches of the mountain, villagers living on the slopes below fear that HSV will wrest control of the area's water resources. Moreover, there is the fear that the waste generated by the resort will pollute the area's pristine streams. Recent experiences in Plachimada in Kerala, and the Sheonath river in Chhattisgarh have shown that granting private entities exclusive rights over community resources, particularly water, is dangerous. Section VII of the MoU gives HSV "the water rights in the Project Area, including the tapping of unused *nallas*/ground water and for building retention ponds for snowmaking and supply to the resort village." The MoU also grants the company an "irrevocable licence for the use of ski trails and making of snow and ice on such trails for the duration of the [land] lease and for the construction of trail markers, retention ponds, underground water lines and water pumps..." A clause allowing HSV to make snow artificially has caused genuine concern.

A recent study by the World Wide Fund for Nature (WWF) titled "The Ecoregion Conservation Plan for the Alps" termed winter ski-tourism "the most ecologically devastating form of the leisure industry". The report states that ski-runs and ski-lifts cause "irreparable damage to landscapes" and snow cannons - essential for producing artificial snow - consume energy and water, and can cause damage to mountain vegetation in the long term and, at times, chemical pollution.

The WWF study also points out that for the 1992 Winter Olympics in Savoie, France, "one million cubic metres of rocks and soil were blasted and moved, 33 ha of forest were cleared and an area of 3,300 ha was built up. Forty-two water reservoirs were installed to supply drinking and snow cannon water; land use was changed on a total of 100 ha." Concerns about the ecological impact of the Manali ski-resort therefore seem justified.

But Himanshu Sharma reiterates that the resort shall neither make artificial snow nor take control of the region's water sources. He feels that labelling the project "an ecological disaster" on the basis of the MoU is premature, as the specifics of the deal will be spelt out only in the Detailed Project Report (DPR), which will be out soon. HSV has already submitted a preliminary project report.

The mobilisation of the gods has proved to be an effective subversive strategy for the Opposition, the Bharatiya Janata Party. The Council of the Gods itself was organised by former BJP Member of Parliament and head of the Kulu royal family, Maheshwar Singh.

The villagers of Kullu are not alone in their fight against corporate interests. For decades, more than 13 native American tribes, including the Navajos and the Hopis, have fought to protect the sacred San Francisco Peaks in the U.S. from the tourist pressures of the Arizona Ski Bowl Area. The battle for San Francisco Peaks has raged since 1930, the most recent skirmish being about a proposal to extend the boundaries of the ski area.

For now, the Himachal Pradesh government has appointed a special board to look into the project. Meanwhile, Alfred Ford will have to find a way out to appease the gods of the Kullu valley.

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## DOWN TO EARTH

### Holy Hex

#### Divine wrath could put ski resort deal on ice

#### Vibha Varshney

On February 16, 2006, 'gods' came together at the Jagati Patt temple inside Hotel Castle in Naggar village, district Kullu, Himachal Pradesh. Local gods were there to discuss a proposed ski resort in the area. Based on these divine proceedings, the traditional king of Kullu, Maheshwar Singh gave a final verdict — not an inch of land should be given for the resort. The refusal to give land was because it was supposed to belong to the gods. Singh said this 'message' from the gods would be passed on to the government.

This was not what the spokespeople for The Himalayan Ski Village (HSV) Pvt Ltd had expected. It had also 'consulted' two local goddesses before going ahead with its proposal. HSV, which is headed by Alfred Brush Ford grandson of Henry Ford, signed a memorandum of understanding (MOU) with the government of Himachal Pradesh on December 9, 2005. A draft mou had however been leaked, which provoked the most powerful god, Jamlu or Jamdagni Rishi of Bhatar village, to get in touch with his *pujari*, Ludramani and sent a message to the king that consultation (*jagati poonch*) was required. Such meetings are usual in the area and are used by people to voice concerns that affected the community. The *dev bhumi* has around 365 gods and they often make their voices heard through representatives: *gurs*, *pujaris* and *kardhars*. A date was set for the meeting. Along with gods' representatives, came people from the villages and the media.

What followed next might be difficult for a non-believer to comprehend. The representatives were seated in rows and the king went around asking each to speak his or her mind. This prompted the representatives to go into a trance, after which the gods spoke through them. God after god spoke and made it clear that they did not want the ski village in the area since it would desecrate holy places. They warned the people that if the project was approved, the gods would leave and destroy the area. The local people hung on to each word.

#### Volte-face

The hsv officials could not believe that even the goddesses who had initially approved their project had turned against them, deciding to go with the majority. The officials said that they would once again call the gods and seek their approval. Meanwhile, they made their discontentment evident by finding fault with the way the jagati was handled. Only around 200 representatives had come — why were the others not called, they asked? Why were officials of hsv not called to put forth their version of the story, they queried.

#### Final ritual

"The meeting was conducted honourably as per the ancient laws," says Singh. Since everyone does not speak, the final decision is taken on the basis of a simple procedure called *malohi* — balls of cow dung (*pogle*) are made and either a root or flower considered sacred is put in it. These balls are then put in a bucket of water and the verdict depends on the ball that floats up first.

People from Bhatar point out that it was strange that while HSV officials were not willing to accept the verdict of the gods delivered in front of thousands, they expected others to believe their project had divine blessings.

#### Ambitious project

According to HSV, the proposed project would be located above Shuru village — 2,000 metres above sea level. A special ecotourism zone of 12,910 hectares (ha) would be developed on the eastern side of Beas River including the Pakhnoj nal and Alaini nal. On the east it would reach Tikru Tapri. The project cost was estimated at us \$350 million. A detailed project report and environment impact assessment would follow.

Though the final MOU was a diluted version of the one that was leaked out earlier, there are some worrisome points in it. As per the document, the government would lease the company 5 ha of forestland for a ski school and gondola towers — subject to permission from the Union ministry of environment and forests. The government would grant an irrevocable licence for 99 years to the company for the use of ski trails and making snow for such trails. Licences would also be given for construction of retention ponds, underground water lines and water pumps. John Sims, managing director of HSV, however, said later that they were not going to make snow in the area and would not be using any of the water sources, despite what was written in the MOU, (see box: *Making snow*.)

The government would assist in acquiring up to 60 ha of private land at market price, if needed. In return, the state would get somewhere between Rs 35 and 60 crore annually from the project as revenue. The company would also give an additional Rs 25 lakh for tourism development. The entire valley's tourism business at present is around Rs 300 crore and getting Rs 60 crore from just 5 ha of land does seem lucrative. The company also promises to provide around 3,000 jobs to the local people.

## Divine politics

What the voices from the heavens actually said, may not be entirely verifiable, but it is clear that the project was embroiled in the state's politics. The MOU was signed by a Congress government. The Bharatiya Janata Party (BJP) general secretary, Chander Sen Thakur, got hold of it and leaked it. It is alleged that he made changes in the actual MOU to instigate people. Others believe that HSV leaked the MOU to ascertain public opinion. Singh is a member of the BJP, and there are people who say that he wants to cash in on people's religious sentiments for his party's objectives. HSV feels that they have been dealt a raw deal. After all, other development projects in the area have gone ahead, they say. They talk about the hydel projects which are being carried out and point out that heli-skiing is taking people to the same sacred spots that their gondolas would be going to.

As of now, the two parties have made their stands very clear. The BJP will not allow the project to go ahead at any cost. They have even included the issue of the proposed village site in the agenda claiming that the area's proximity to the Chinese border could prove a threat to security when many foreigners would gain access to it. On the other hand, Chief Minister Virbhadra Singh has clearly said that his government will go ahead with the project on the basis of merit, regardless of what the gods say. Kahar Singh Thakur of Sharan village says that since the gods have given their verdict the people are prepared to go to any length to ensure that the project does not go through. On the other hand, there are villages like Jagatsukh, which would benefit from the HSV project, because land prices would had proposal for a ropeway with one terminus in Shuru village, around 300 villas on private land and also, on an erstwhile state potato farm, a 770-room luxury hotel, a sports centre, skiing slopes and a big parking area. All these would be connected by a ropeway. According to HSV officials, the MOU is just a preliminary agreement — a go-ahead from the government. A preliminary project report was supposed to follow and later an implementation agreement would be made.

They are in favour of the project. Environmental groups are happy with the decision taken at the *jagati*. "Development should take place on land where there are people and not on the mountain tops," says Kishan Lal, director, Himalayan Paryavaran evam Vanya Prani Suraksha Smiti, Manali.

The Kullu valley is already a prominent tourist area and the state can develop the area in a systematic manner. The number of Indian and foreign tourists has been increasing steadily in the last few years. "Though extensive infrastructure (meaning a large network of hotels) is available in the area, it is used only for around three months. The ski village could extend this period to around nine months," says Raj Kishen Gaur, the local Congress MLA and former state tourism minister. But given the fact that HSV plans to make a big hotel, his logic does not seem to follow. Another reason Gaur gives for letting the project go ahead is that it would promote the sport and Manali could then be used as a venue for the Winter Olympics. But Sims's claim that snow is not going to be made makes it clear this is not going to happen, because artificial snow is needed to meet Olympic standards.

## American-model

HSV is based on the American ski resort model more geared towards real estate development than promoting tourism or skiing. This type of development also takes away business from local entrepreneurs. According to Gautam Thakur, president of the Manali Hoteliers Association, while they have no problems with infrastructure in the form of ski lifts and the like, they are opposed to the luxury hotel and the villas.

When asked whether the company would be willing to invest just in the infrastructure and not the hotel, Sims says that this would not be a viable business proposition. Iqbal Sharma, chairperson, local advisory council of HSV, contends they would be making the hotel on private land and it would be similar to any other hotel in the area. The problem is that the MOU agrees to exempt HSV from a state law that does not allow the sale of land to non-Himachal residents. The company wants this exemption to be able to sell the 300 villas at prices higher than what Himachalis can afford.

## Swiss-model

People involved in high-end tourism in the state say that the government should encourage the Switzerland model, which promotes "low-density, high-value" tourism. Estimates show that adventure sport activity like heli-skiing can generate around Rs 5 crore through 1,470 guest nights in 70-day occupancy during 2005. To make this kind of profit a luxury hotel in Manali would have to host about 39,000 guests to generate the same amount of revenue. More guests would lead to greater environmental impact. But heli-skiing has its own adverse effects and it is not advisable to increase risks such as avalanches.

On the other hand, the Swiss model concentrates on helping local communities develop infrastructure and benefit directly from tourism, by providing more opportunities to develop local businesses. The Swiss government recently passed a law specifically designed to restrain real estate developers from following the US resort model.

HSV is trying to sell itself in India as a model for a socially responsible and planned tourist trade. But the

business model it has developed does not inspire confidence in this sales pitch Even if the government clinches the deal, it might have to factor in the interests of local communities. If for no other reason, then to appease the gods.

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**Ski village in present form not acceptable: Dhumal**  
INS, Tue, Feb 12 03:23 AM

It seems the \$300 million Himalayan Ski Village project in Himachal Pradesh is heading for some real trouble. A day after his visit to Manali, Chief Minister Prem Kumar Dhumal said the project lacks transparency.

"We will take into account all aspects, including its clearance from the Union Ministry of Defence, Environment and Forests before giving the go- ahead to the project."

Addressing the mediapersons, the Chief Minister said, "No international bidding was invited for the project. What's more, the project has not undergone an environment impact assessment.

"A PIL against the project is also pending before the High Court and the Government will take into account all aspects before a final decision. We will not decide on the project without going for open tenders." The project's fate continue to hang in the balance after the state HC stayed the execution work last year following a PIL filed by an NGO and some local residents.

Regarding the need for an expansion of the railway network in Himachal, the Chief Minister said he has sent a proposal to the Centre seeking extention of the Delhi-Chandigarh Shatabadi train upto Una and introduction of a new Shatabadi between Delhi and Pathankot for tourism promotion. "Since the railway budget is expected in a few days, I hope the Union Railways Minister will include some of the proposals, including the Bhannupalli-Bilaspur broad gauge line."

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## Annexure 5: Recommendations of the Expert Committee (MoEF) on the Ski Village Project

Construction of Ski Village Complex at Tehsil Manali, District Kullu, Himachal Pradesh by M/s. Himalayan Ski Village Pvt. Ltd. (No: 21-643/2007-IA.III)

The project involves the development of a Ski Village on a plot area of 92.6 ha. It is proposed to construct Hotels (restaurants, cafes, entertainment and shopping areas). It is also proposed to construct apartments and villas. The resort will be divided into four parts Lower Kothi Village (Area A) will have 7 Star Spa hotel (50 rooms), 4 Star Hotel (76 rooms), 7 Star Suite Hotel Units (35 Units) and restaurants (80 seats), retail shops and residential units (Chalets 126, Condominiums 400 and Pent houses. 40 units). Similar type of facilities shall be developed at whispering rocks, Khanora village area, Upper Kothi Village and Beas Base-Resort Operation Centre. Total daily water requirement will be 1200 KLD and power demand will be 22,000 KVA.

The above proposal was earlier listed for appraisal in the 54<sup>th</sup> meeting of the Expert Appraisal Committee held during 27<sup>th</sup> 29<sup>th</sup> December 2007 and put up for consideration in the 57<sup>th</sup> meeting held on 25<sup>th</sup> 28<sup>th</sup> February 2008. During discussions, the following points emerged:

- (i) The project falls under category B1, item 8(b) Township and Area Development projects and requires an Environmental Impact Assessment Study including public consultation/ hearing.
- (ii) There is a case going on in the Hon'ble High Court of Himachal Pradesh. Submit details of major issues raised in the Writ Petition and present status of the case.
- (iii) Submit a copy of the map showing what is the existing use of the land and what is the proposed land use. Obtain a landuse conversion certificate from State Govt.
- (iv) Since there is public resistance and complaints about the project, it is suggested to conduct a Public Hearing at the project site through State Pollution Control Board/District Administration as per the procedure laid out in EIA notification 2006.
- (v) Copies of representations received from NGOs and local residents opposing the project are enclosed. Submit para-wise comments/clarifications on the issues raised in the representations.
- (vi) There is a proposal connecting different hill tops by ropeways (gandolas). Submit details of the trees to be cut and impact on green cover and soil erosion. A separate permission/NOC shall be obtained.
- (vii) Project is close to the Defence Establishment. Obtain and submit a copy of NOC /permission from competent authority.
- (viii) Project is within 10 km. from Reserved Forest/ sanctuary. Obtain and submit a copy of NOC/permission from competent authority.
- (ix) Submit proposals to check the erosion of soil, especially the excavated earth.
- (x) The power consumption proposed is nearly ten times that required for normal use. Examine the possibilities of reduction of demand for power as well as use of solar energy and other alternative sources of energy.
- (xi) Arrange for supply of power from two or more sources rather than installation of diesel generating sets in hilly regions.
- (xii) Borewells are proposed as source of water. Selection of source should be supported by adequate hydrological and hydro-geological studies of available alternatives.
- (xiii) Examine and submit details of disposal of hazardous wastes, with an interim facility until state facility is set up. Also examine details of disposal of glass and mercury (from proposed bulb eater).
- (xiv) Examine Emergency Response Plan/ Disaster Management Plan.
- (xv) Submit details of traffic and transportation studies and the impacts of increased traffic.
- (xvi) The proposal and EIA/EMP report should be prepared keeping in view the aforesaid observations.

(xvii) Other issues to be considered are noted below:

- § Environmental and social impacts of proposed entertainment tourism
- § Measures to protect the cultural integrity of the region
- § Generation of income to local people/ villagers
- § CSR and sustainability issues
- § Justify such a large provision for conference facility and residences
- § For water treatment, UV backup is not required if chlorination is proposed.
- § The proposal indicates the use of a lot of vehicles. Care should be taken for preventing ill-effects of noise, oil and grease.
- § Construction wastes should not be put in the low lying areas ? use the same in road widening or relaying/construction of roads
- § For cardboard and other packaging wastes, suggest appropriate treatment/disposal.
- § Solar water heaters are mentioned, but the energy calculations do not show their use
- § Traffic management plan should be prepared
- § Rare and endangered species should be identified
- § Public access should not be unduly curtailed.

***The Committee recommends for preparation of the detailed EIA incorporating the aforesaid observations, conducting public consultation /public hearing and submitting the proposal for considering issue of environmental clearance.***