

Expanding Tradable Benefits of Inland Waterways in India

The development of inland water transport (IWT) is in its nascent stages in India and the government envisages making it fully operational, within and across states, by next 10-12 years. According to the Ministry of Shipping, the present share of cargo movement through inland waterways is just 0.4 per cent (about 4 billion tonne-km) of the total inland cargo movement with projections to enhance it to 20 billion tonne km by 2020.

To realise this target, it is inevitable to revamp the IWT sector through investment in infrastructure development, technology up-gradation and institutional support. Nonetheless, it is imperative to understand its development dynamics through economic, geo-political, social and environmental angles and initiate an inclusive policy discourse (within and outside the government) for optimal facilitation of IWT.

Under the *Jal Marg Vikas Project*, the Government of India is primarily focussing on developing NW1 (1620 km of Haldia-Allahabad stretch in the Ganga-Bhagirathi-Hoogly river system) with the introduction of multimodal terminals at Haldia, Sahibganj and Varanasi; two inter-modal terminals in Kalughat and Ghazipur; five Roll-On-Roll-Off terminals as well as a new navigational lock in Farakka, thereby linking it with the larger Amritsar-Kolkata industrial corridor. NW1 and NW2 (891 km from Dhubri to Sadiya of Brahmaputra river) being connected to the protocol routes under the India-Bangladesh Protocol on Inland Water Transit and Trade (PIWTT), the development of these waterways will have cross border implications, thereby boosting trade through inland waterways. The Inland Waterways Authority of India (IWAI) is also undertaking a feasibility study on NW6 (121 km from Bhanga to Lakhipur in Barak River) which also has the potential to connect the North East region of India with Kolkata as well as Bangladesh.

Apart from economic benefits realised from enhanced trade, development of inland waterways would increase people-to-people connectivity in remote hinterlands and generate livelihood opportunities in freight handling, boat making, and vessel repairing and tourism sectors. However, given the dynamic nature of Ganga and Brahmaputra rivers, maintaining Least Available Depth (LAD) for navigation is the most critical aspect to establish seamless connectivity through waterways.

Furthermore, there are issues related to livelihood concerns of riverine communities as well as environmental regarding dredging, pollution waste management etc. In this context, CUTS International conducted a diagnostic study to identify and analyse functions and governance of existing policies, laws and regulations governing inland waterways in Ganga and Brahmaputra basins taking into account their trans-boundary implications and livelihood aspects.

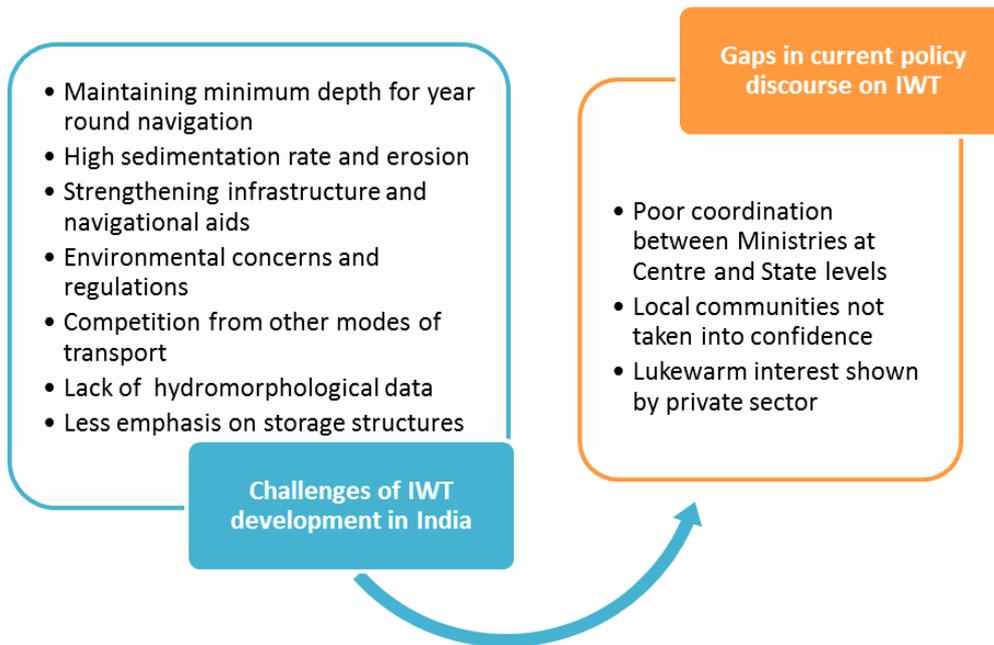
India Diagnostic Study

Locations on NW-1, NW-2, NW-16:

- ✓ Uttar Pradesh – Lucknow, Varanasi
- ✓ Bihar – Chapra, Patna, Begusarai, Khagaria, Bhagalpur
- ✓ West Bengal – Kolkata, Haldia
- ✓ Assam (Brahmaputra) – Guwahati, Pandu, Neamati, Dhubri
- ✓ Assam (Barak) – Karimganj

Stakeholders: Boatmen, fishermen, boat owners, shop owners, cooperatives, labourers, civil society organisations (CSOs), academia, women self-help groups (SHGs) and government officials

Methodology: Field survey, focus group discussions (FGDs), key informant interviews (KIIs), multi-layered stakeholder consultations



Economic Sector	
Challenges in seamless cargo movement	
<p style="text-align: center; margin: 0;">NW1</p> <ul style="list-style-type: none"> • Private sector investment concerns due to hard (infrastructure and facilities) and soft challenges (laws, rules and regulations) • Few companies and logistics service providers for the commercial movement of both cargo and passenger segments on Haldia-Rajmahal stretch • Limited number of vessels and poor maintenance by the government has given undue advantage and uncompetitive freight charges by few private operators • Need for upgradation of river systems on core routes that can support large modern vessel fleets • Lack of Special Economic Zones (SEZs) along NW1 and no long term cargo commitments by the private sector 	<p style="text-align: center; margin: 0;">NW2</p> <ul style="list-style-type: none"> • Mostly over dimensional cargo movement in NW2 (and NW1) • No dedicated cargo movement • No industries along river. The projected trade potential is mostly project cargo-based (hydro electric projects coming up in Upper Assam and Arunachal Pradesh) • Great potential for local trade of commodities essential for day-to-day life within the state of Assam and between Assam and Meghalaya • Shifting channels pose threat to permanent terminals • Altering interests and political influence of truck lobby leading to underdevelopment and usage of waterways
Recommendations	
<ul style="list-style-type: none"> • Identify stretches and commodities (on demand-base) with trade potential within and between states and design vessels accordingly • Subsidies for country boats to rejuvenate and promote local transport and trade • Subsidies for inland vessel building to attract private investors • Enhance competitiveness of water transport sector through infrastructure development and night navigation aids • Up-gradation of few inland to river sea vessels • Long term hydro-morphological studies to understand the behaviour of river and develop infrastructure and the navigable channel accordingly • Cost benefit analysis of trade via waterways to attract and convince private sector 	

Local Connectivity	Regional Connectivity
<ul style="list-style-type: none"> • Inland waterway governance framework at state level in Bihar and Uttar Pradesh has to be revamped. There is a dedicated department for IWT in West Bengal and Assam owing to the extent of use and significance particularly for connecting those living on isolated islands • Developing feeder routes connecting to national waterways will extend connectivity even to remote locations (Assam and West Bengal). Respective state governments should take initiative in developing feeder routes • Ambulance boat services from four places to Patna – Kaunhara (Sonapur), Doriganj (Chapra), KacchiDargah (Patna) and Bidupur (Hajipur) areas • Put in place disaster/flood rescue services 	<ul style="list-style-type: none"> • User-friendly customs policy providing full-fledged customs, immigration and quarantine facilities at entry and exit of international border points • Loading and unloading, warehousing and cold storage facilities, wherever necessary • Mandatory GPS tracking for vessels to ensure safety and security • Multimodal linkages from land locked countries, such as Bhutan and Nepal to reach national waterways of India and from there to the sea • Integrating inland waterways and coastal shipping • Removal or relaxation of product bans like cotton yarn for transportation via waterways • Policy regime to support the unorganised sector to conduct trade in smaller stretches across immediate borders (Dhubri-Chilmari) • Comprehensive disaster management plan and pollution control measures

Social Sector	
Challenges in Tourism	Challenges in Livelihood
<ul style="list-style-type: none"> • Seasonal business-itinerary subjected to river condition • Pontoon bridges across channel on the Ganga obstructs free movement of vessels • Tax exemptions and holidays for hotels, but not for cruises • Fixed ports of call in protocol routes will lessen tourism prospects as they may not be at places of tourist interest 	<ul style="list-style-type: none"> • Traditional boatmen communities (<i>Nishad/Mallah</i>) seek job prospects in inland navigation and disaster management • Concerns of fishermen regarding interference of vessels with fishing gears; reduced fish availability due to noise pollution caused by vessel movement and dredging activities • Monopoly of boat insurance companies in Assam and Bihar • Limited access to financial services for construction and boat repair • Renewal of licence has been denied for small mechanised boats since the enactment of Turtle Sanctuary Act at Assighat near Varanasi • Poor infrastructure at <i>ghats</i> in Dhubri increases the drudgery of freight handlers. Despite paying multiple taxes to the Municipal Corporation, IWT Department and State Tax (Meghalaya), local <i>ghats</i> lack basic infrastructure.

Recommendations

- Promoting tourism and adventure sports, such as river rafting on the Ganga, Gandak and Manas rivers will attract tourists from India, Nepal and Bhutan
- More flexibility in terms of designated routes, jetties and disembarkation points in case of cross border tourism between India and Bangladesh
- Introducing mechanised/hydraulic dismantling and assembling system for pontoon bridges for passage of vessels
- Adopting green standards by cruise operating tourism companies with regards to waste management and pollution control
- Engaging local people in river training, disaster management, freight handling and other services will supplement their livelihoods
- Capacity building and skill development in hospitality will enhance livelihood opportunities in the tourism sector
- Establishing crew training centres at state level will facilitate training of local people to interpret sophisticated river information and GPS readings

Policy Discourse

Though development and regulation of national waterways is the mandate of IWAI under the Ministry of Shipping, several other ministries are also involved indirectly in the development of inland waterways. Sectoral demands of water for irrigation, drinking and sanitation are priority of state governments and are under the purview of Ministry of Water Resources. River tourism will have involvement of Ministry of Tourism whereas the protocol routes between India and Bangladesh is under a trade agreement with the Ministry of Commerce. Passenger cruise service between these countries is under the purview of Ministry of External Affairs while Ministry of Environment, Forests and Climate Change gives environmental clearances.

Development of IWT sector creates a wide range of livelihood opportunities for riverine communities. In order to attain those opportunities, greater inclusion of civil society, communities and businesses in the policy making process is essential. Thus, a better coordination among relevant ministries/departments at Centre and state levels and a more inclusive discussion with all stakeholders will lead in developing a holistic approach to ensure sustainable development of inland navigation for realising maximum economic benefits.



The project 'Expanding tradable benefits of trans-boundary water: Promoting navigational usage of inland waterways in Ganga and Brahmaputra basins' is being implemented by CUTS International and its strategic partners – Royal Society for Protection of Nature (RSPN), South Asia Watch on Trade, Economics & Environment (SAWTEE) and Unnayan Shamannay. We acknowledge inputs received from the community consultations in Dhubri, Assam jointly organised by CUTS International and International Union for Conservation of Nature (IUCN) as well as the Bangladesh-India Dialogues facilitated by IUCN under the BRIDGE GBM Project. More details are available at: www.cuts-citee.org/IW/

This publication is made possible with by the support of The Asia Foundation. The views and opinions expressed in this publication is that of CUTS International and partners and not of The Asia Foundation.

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