

MONTHLY UPDATES ON NATIONAL INLAND WATERWAYS OF INDIA

UPDATE-11
July 2019

This update covers the following:

- [Cargo from Bhutan transported to Bangladesh through National Waterway 2 and Indo-Bangladesh Protocol Route; Chairman IWAI said Capital Dredging done to assure depth](#)
- [Adani logistics moves largest cargo \(52 Containers of Edible Oil\) on the Ganga Waterway; Dredging Contracts for National Waterway-1 also awarded to Adani Ports and SEZ Infrastructure Ltd.](#)
- [Expert Appraisal Committee recommends Kochi Water Metro Project for the grant of Environmental Clearance; Cochin Shipyard Limited is the sole bidder for the contract on ferries](#)
- [Increase in Cargo transportation on National Inland Waterways](#)
- [Union Budget 2019-20: Allocation for the National Waterways](#)

1. Cargo from Bhutan transported to Bangladesh through National Waterway 2 and Indo-Bangladesh Protocol Route; Chairman IWAI said Capital Dredging done to assure depth

On 12th July 2019, Shri Mansukh Mandaviya, Minister of State for Shipping (Independent Charge) digitally flagged off a ship of Inland Waterways Authority of India carrying stone aggregates from Bhutan to be delivered to Bangladesh. This movement of cargo from Bhutan to Narayanganj in Bangladesh via Dhubri in Assam (National Waterway -2) over river Brahmaputra and the Indo-Bangladesh Protocol route was called 'first ever movement of its kind' for connecting Bhutan and Bangladesh through the National Inland Waterways. The cargo movement, however, was not entirely through the waterways. The stone aggregates were transported by trucks from Phuentsholing in Bhutan which is 160 km from the IWAI's Dhubri jetty in Assam. The ship carried 1000 MT of stones.



Shri Mansukh Mandaviya, Minister of State for Shipping (Independent Charge) digitally flagging off the Cargo containing Bhutan's Stone aggregates to be transported to Bangladesh via National Waterway-2 and Indo-Bangladesh Protocol route. (Source: [IWAI](#))

While this 'development' was called a historic one for promoting cargo transportation through inland waterways, Shri Pravir Pandey, Chairman IWAI, informed that, "*capital dredging has been carried out to maintain an assured draft in the navigation channel. Maintenance dredging will be carried out as required.*" ([PIB release, Ministry of Shipping, 12th July 2019](#))

This is the first time that an official from Inland Waterways Authority of India has accepted that Capital Dredging is carried out to maintain an assured draft in the navigation channel for National Inland Waterways. It is noteworthy because Capital dredging and Maintenance dredging are covered in the list of activities which require environmental clearance under item 7 (e) to the schedule of Environment Impact Assessment Notification 2006, as amended from time to time. Ministry of Shipping has been evading the environmental clearance by declaring most dredging operations as maintenance dredging which is exempted from environmental clearance by Ministry of Environment, Forest and Climate Change after a high-level meeting (held in October 2017) of Ministry of Water Resources, Ministry of Shipping, and Ministry of Environment, Forest and Climate Change (Source: Information gathered by Manthan through the RTI Act). This exemption is a contravention of the Environment Impact Assessment Notification 2006, and is subject to the final outcome of the case in the National Green Tribunal (O.A 404 of 2019; Earlier O.A. 487 of 2015) on the applicability of EIA Notification 2006 for the National Inland Waterways Project.

2. Adani logistics moves largest cargo (52 Containers of Edible Oil) on the Ganga Waterway; Dredging Contracts for National Waterway-1 also awarded to Adani Ports and SEZ Infrastructure Ltd.

“52 containers loaded on Inland Vessel MV Bhavya on Tuesday sailed for Patna from Haldia on river Ganga (National Waterway-1).

“The containers belonging to Adani Logistic Limited carrying edible oil of Adani Wilmar will reach its destination in 9-10 days after covering a distance of 955 kilometres.” (Source:

https://www.business-standard.com/article/news-ani/country-s-largest-container-cargo-en-route-to-patna-from-haldia-119073101296_1.html)



Loaded Barge showing Containerised Cargo carrying Edible Oil for Adani Logistics on National Waterway-2. (Source: [IWAI](#))

As per the information available on the website of the Inland Waterways Authority of India, three Contracts for dredging in the stretches of the river Ganga for National Waterway-1 have already been awarded to the M/s Adani Ports and SEZ infrastructure Ltd. These stretches include –

- Farakka-Kahalgaon stretch (146 km). The estimated quantity of dredging required is 2.865 million CuM.
- Sultanganj-Mahendrapur stretch (74 km). The estimated quantity of dredging required is 3.369 million CuM.
- Mahendrapur-Barh stretch (71 km). The estimated quantity of dredging required is 3.232 million CuM.

Adani, according to a news report, will also operate 10 vessels on the National Waterway-1. The news report also highlights Adani’s interest in the development of the Multi-modal terminal being built in Varanasi for National Waterway-1. (Read more at https://www.amarujala.com/uttar-pradesh/varanasi/pariwan-varanasi-news-vns4753231164?fbclid=IwAR1Lc_QrhR-sUboS0XTwNat4W9zgTD0QEkdNQKXQk-azWwmaJ-LmPBswRI8)

3. Expert Appraisal Committee recommends Kochi Water Metro Project for the grant of Environmental Clearance; Cochin Shipyard Limited is the sole bidder for the contract on ferries.

Kerala Metro Rail Limited (KMRL) is developing the Water Metro Project for the Greater Cochin region on behalf of the Government of Kerala. KMRL has proposed to take up development of 45 terminals across 78.2 km channel length, most of which comes under the National Waterway -3 in Kerala. A total quantity of 6,49,367 m³ dredging has been identified for initial dredging. Maintenance dredging is assessed as 0.375 million m³/ year.

Unlike most projects involving the National Inland Waterways, Kochi Water Metro project is appraised by the Ministry of Environment, Forest and Climate Change as 'Category A' project which is covered under the Environment Impact Assessment Notification, 2006 and hence, requires appraisal at Central project.

On 11th July 2019, the Expert Appraisal Committee recommended the project for grant of Environmental and CRZ clearance with stipulated Specific and Standard conditions. (Source: Minutes of the 42nd meeting of the Expert Appraisal Committee (Infrastructure -2 held on 10-12 July 2019)



(Source: [Kochi Metro Blog](#))

“The inking of contract to manufacture 23 modern, air-conditioned ferries as part of the ₹750-crore Water Metro project is closer to being realised, with discussions between Kochi Metro Rail Limited (KMRL) and Cochin Shipyard Limited (CSL), the sole bidder in the fray, entering an advanced stage. The first of the 100-seater ferries has to be delivered by June 2020.” Read more at <https://www.thehindu.com/news/cities/Kochi/water-metro-talks-in-advanced-stage/article28288151.ece>

For more background and related news on Kochi Water Metro, See [Update -8](#).

4. Increase in Cargo transportation on National Inland Waterways

Cargo transportation on National Inland Waterways has been maintaining an increasing trend as per the written reply submitted by the Minister of State (Independent Charge) for Shipping.

Year	Cargo transported on National Waterways (in Million Tonnes)
2014-15	6.59
2015-16	8.14
2016-17	55.47
2017-18	55.03
2018-19	72.31
2019-20 (upto May'19)	14.59

(Source: Lok Sabha Question No. 4252, Cargo transportation on National Waterways, Ministry of Shipping,

Government of India)

While the National Waterways have the potential of providing cost-effective alternative mode of transport in India, the adverse environmental and social impacts are equally worth the consideration. The transport of bulk Cargo (such as Coal, Fly-Ash Fertilizers, Iron Ore, Cement, agricultural products, etc.), and hazardous Cargo (such as Chemicals, Acids, Sulphur, etc.) is in progress on the National Waterways without prior environmental clearance.

5. Union Budget 2019-20: Allocation for the National Waterways

“The allocation for Sagarmala and the Inland Water Transport Authority of India was enhanced, though the total allocation for the Ministry of Shipping saw a marginal decline of 2% to ₹1,902.56 crore.

The net allocation for Sagarmala schemes has gone up from ₹381 crore to ₹550 crore, an increase of 44%. The contribution to the Inland Water Transport Authority of India, too, went up from ₹384.95 crore in the last fiscal to ₹450 crore, a 17% increase.”

<https://www.thehindu.com/business/budget/union-budget-2019-20-call-for-port-led-development/article28298809.ece>

Read more at, <https://www.financialexpress.com/budget/budget-2019-stresses-on-massive-infrastructure-investments-to-become-5-trillion-economy/1632364/http://www.newindianexpress.com/business/2019/jul/05/government-looks-to-shift-portion-of-inland-cargo-movement-to-waterways-1999941.html>

However, total allocation for Inland Water Transport has come down to ₹757 crore from ₹891.13 crore in the last fiscal. Allocation for inland water transport includes Grants to Inland Waterways Authority of India (IWAI) which stands at ₹450 crores in the current budget allocation. In addition to the grants to the IWAI, allocation for inland water transport also includes grants to IWAI projects and aid to Bangladesh. While no amount has been allocated as aid to Bangladesh in the current budget, grants to the IWAI projects have been reduced to ₹307 crores as compared to ₹497 crores in the last fiscal budget. (Source: Budget, Ministry of Shipping, <https://www.indiabudget.gov.in/doc/eb/sbe89.pdf>)