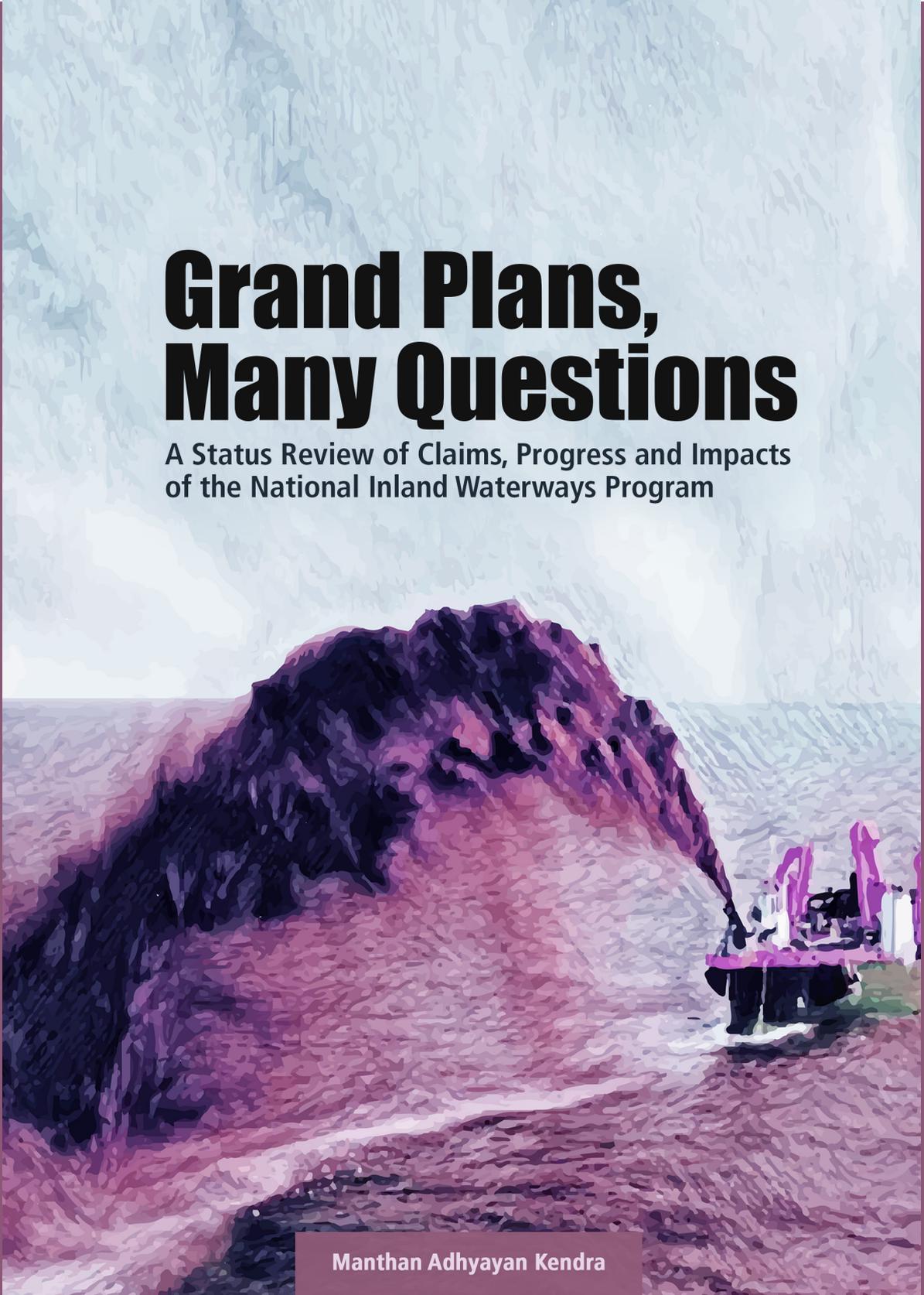


Key Insights and Highlights from

Grand Plans, Many Questions

A Status Review of Claims, Progress and Impacts of the National Inland Waterways Program



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*Full report is available on the website – www.manthan-india.org

Key Insights and Highlights

With the enforcement of National Waterways Act, 2016, India has a total of 111 National Inland Waterways declared on almost all major rivers, creeks, estuaries of the country. Five years after the program to develop the National Waterways for large scale commercial shipping and navigation was launched, Manthan is bringing out this report to review the progress made (before the outbreak of Covid-19), whether the claims and promises have been fulfilled and what have been the impacts of the program. Some of the key findings of this report are as follows: -

1. Large number of promises were made, grand plans announced and many benefits were claimed for the waterways.
2. The five years since the program was launched clearly show that these were largely hype. Claimed benefits of the waterways also did not materialise underlying the fact that many claimed benefits, like low costs and environmental friendliness are simply fallacious, being based on wrong or incomplete analysis. Progress and realisation of many of the projections and promises made at the start of the programme has been far below promise.
3. The actual investments, though more than in earlier years, and rising over the years, are way below the Rs 2000 crores per year promised by then Minister for Shipping, Shri Nitin Gadkari, and there is little evidence of any of the Rs. 12,000 crores that this was supposed to leverage. Budget 2021-22 allocates only Rs. 623 crores to inland waterways.
4. Actual investments have also fallen far short of the requirements for the projected development of waterways. Also,

these seem focussed on a limited number of waterways like the World Bank funded NW-1 (Ganga) and NW-2 (Brahmaputra), meaning other waterways may see much slower development.

5. Out of the 37 waterways that were to be developed in three years by 2019, work has not even begun on 21 waterways. On remaining 16 waterways, development of waterway has started and is at various stages, along with two more waterways not listed in the 37, and these waterways are operational to a limited extent. Thus, a total of 18 waterways are partly operational and where developmental activity has been taken up. However, it must be noted that many of these 18 waterways were already operational even before 2016 –e.g., the Amba waterway (NW-10 now), Goa Waterways (now NW 68, 111), Sundarbans waterways (NW -97 now) etc.
6. Goods transported over inland waterways have risen steadily from 55.47 million tons in 2016-17 to 73.64 million tons in 2019-20. The waterways being used by the private operators like operational Waterways in Goa, Gujarat continue to be the major contributors of traffic on National Waterways, constituting more than 75% of the cargo moved.
7. Most of the waterway cargo movement is happening mainly in tidal stretches (and mainly over relatively shorter distance) where depths are readily available or can be maintained at least cost. This is also true for the Ganga waterway.
8. Most of the feasible waterways are also those operating in such tidal areas. However, these have some of the most significant ecological and social impacts as the tidal/ estuarine areas are very sensitive and productive zones.

9. More than 90% of the cargo moved on inland waterways is bulk commodities viz. coal & coke, iron ore, fly ash, limestone etc., with coal, iron ore and fly ash constituting 35%, 34% and 10% respectively.
10. Multi-modal terminals for the National Waterway -1 have been inaugurated at Varanasi in Uttar Pradesh (November 2018) and at Sahibganj in Jharkhand (September 2019) but actual utilisation of these terminals has been abysmal. For example, only 280 tons of cargo was handled at Varanasi terminal in the 14 months after its inauguration by the PM, as against projected 3.5 million tons.
11. By 2020-21, detailed studies showed that the number of waterways found to be viable for cargo transport are only 23 out of the 106 National Waterways announced in 2016. According to the Action Plan released by Inland Waterways Authority of India in April 2020, out of the 106 newly declared waterways, 63 are found to be non-viable for cargo or passenger/tourism. This confirms the viability issues raised by Manthan.
12. While lower cost is touted as the major advantage of waterways compared to railways and roadways, these claims appear to be more of a generic statement and not based on the specific costs for specific waterways. The IWAI is not releasing any cost data for any of the operational waterway. This raises the question as to whether this is because in actual practice, inland water transport remains high-cost contrary to the generic claims.
13. The only data available for cost of transport by any waterway is for the Ganga waterway. The latest report of the World

Bank shows that there has been no reduction in the cost of transporting cargo on the inland waterway between Haldia and Varanasi. The cost in January 2017 was Rs. 1.10 per ton-km, and on 21 Dec 2020, after three years of work on the project, it remains the same. Clearly, the cost of cargo transport on the Ganga waterway remains high, and difference with railways is only marginal, or even absent particularly when total costs of door-to-door (origin to destination, and not just the part relating to transport over water) is considered.

14. There are serious questions about the dependability of waterways. There are many incidents of vessels getting stuck due to lower water depths, vessels facing problems even when the river flows are high, suspension of services of RoRo, seaplanes etc. This indicates either fundamental problems (like maintaining required depths) or bad planning, or both.
15. In more recent time, a sense of realism seems to have tempered the earlier hype. The admission that as many as 63 of the 106 waterways are not feasible is an important indicator. Same can be seen on individual waterways. For example, there was a lot of build-up around developing the Gandak, Ghaghara and Kosi Waterway, but the Action Plan developed by the IWAI does not mention these waterways in the list of 17 National Waterways identified for development. The study done by Manthan in July 2018 had raised serious questions about the feasibility of these waterways.
16. However, there is a major push now for seaplanes, luxury cruises and high-end tourism which mirrors the earlier optimism of cargo transport by inland waterways.
17. The creation, maintenance and operation of inland

waterways have huge adverse environmental and social impacts. Interventions in the rivers due to dredging operations, movement of barges in the navigational channels, and impacts due to the riverine terminals could lead to degradation of the aquatic ecosystem including adverse impacts on fish population, endangered species such as Gangetic Dolphins.

18. Fisher people are doubly affected, as fish populations are affected due to all of above; and the movement of large vessels often requires restricting or prohibiting access of fisher-people to their fishing areas, lead to the tearing apart of nets by barges and other vessels, and necessitates relocation of fishing jetties. Land acquisition for terminals, jetties and other infrastructure also lead to displacement and loss of livelihoods.
19. The IWAI asserts that waterways are “best suited mode of transportation for ... hazardous goods...” This statement is astounding because any leakage during transport or spillage/escape of hazardous goods in case of accidents are likely to contaminate vast stretches of water, with severe impacts of the ecology, flora fauna and communities dependent on the river. Between March 2020 and May 2020, five such fly ash laden barges sank in the various stretches of Hooghly rivers and rivers of the Sundarban which are a part of National Waterway-1 and National Waterway-97.
20. National Waterways and their components such as the Multi-modal terminals are being kept outside of the legally binding Environmental Clearance Process through a legally untenable exemption granted by the Ministry of Environment, Forests and Climate Change. A case on the applicability of Environmental Clearance for the Inland Waterways (esp. for Ganga Waterway) is still ongoing at the Principal Bench of the

National Green Tribunal for 6 years. Ministry of Environment in its draft EIA Notification 2020 has categorised the inland waterways and water aerodromes for seaplanes in Category B2 which does not require preparation of EIA report, appraisal by Centre/State or public hearing for these projects.

21. There is some indication of steps being taken to address the needs of smaller users and local communities with projects such as Arth Ganga and plans for community jetties. But the major focus and funds of the waterways programs still remain large vessels, big commercial players and corporates, luxury cruises, high end tourism.
22. It remains to be seen whether IWAI will prioritise the needs of and programs targeted at benefitting smaller users, local communities, fisher people etc. when pitted against the interests of the rich and powerful large corporate users. This is illustrated with the example of the plans to deploy cruise vessels in Varanasi where the interests of the small boats people are being sacrificed.