

Inland Water Transport Projects

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Background

- Inland Water Transport (IWT) is an environment friendly mode of transport
- It has a vast potential to act as an alternate and supplementary mode of transportation under certain conditions
- India has an extensive network of rivers, lakes and canals which, upon development, can provide an efficient network of inland transportation

Source: IWA

Background

- IWT sector continues to play an important role in the overall transport scenario of some regions namely Goa, Kerala, North-East and West Bengal
- The current share of IWT in total inland transport is not very significant
- For an upward shift in the share of IWT, IWAI/GOI are undertaking various investment projects towards fairway development, provision of terminals, navigational aids etc.

Inland Water Transport Policy..1

- To actively promote the IWT sector for it to take a reasonable share in the inter-modal mix of inland transport
- Increasing the coverage of National Waterways and provision of necessary infrastructure for shipping and navigation and in augmenting the IWT fleet
- Large-scale private sector participation both for creation of infrastructure and for fleet operations to supplement the government efforts

Inland Water Transport Policy..2

- To develop waterways for navigation with the necessary infrastructure such as fairway, terminals, navigational aids and fleet so that the IWT mode becomes competitive and attracts cargo dictated by market forces
- Government to act as a provider, facilitator and regulator and, at the same time, offer various concessions to the private sector for their effective participation by way of investment for creation of enhanced IWT infrastructure and fleet operations
- The entire IWT Policy document is available at IWA website at <http://iwai.nic.in/iwtpolicy.htm>

Inland Water Transport – Govt. Focus..1

The Government, with a view to promote IWT, has launched several schemes. Some of the same are listed hereunder :

- Vessel Building Subsidy of 30%
- Equity participation by Govt. in BOT Projects up to 40%
- Viability Gap Funding
- Tax exemption similar to National Highways
- Enhancement in depreciation rate for inland vessels
- Joint Venture by IWAI
- Customs Duty concessions

Inland Water Transport – Govt. Focus..2

The Government, with a view to promote PPP in IWT sector, has identified several areas :

- Construction and operation of river terminals or river ports
- Ownership and operation of vessels for cargo and passengers
- Provision and operation of mechanized cargo-handling systems
- Fairway development and maintenance
- Putting up and maintenance of navigational aids
- Provision of Pilotage services
- Setting up and running of IWT training institutions

IIDC's Project Development Approach

In view of the nature of IWT projects and the lack of private sector confidence in the sector, there is a need to adopt a comprehensive Project Development approach that ensures that :

- Legal / Legislative frameworks are in place
- The project is thoroughly prepared/evaluated
- Technology Options have been evaluated
- Appropriate PSP options have been selected
- Consultation process has been carried out involving various stakeholders and institutions
- Appropriate clearances/ commitments have been obtained from authorities
- It is ready for inviting Private Sector Participation, if required

IIDC Role in Project Development

IIDC would, as a part of the Project Development Exercise, be involved as under:

Throughout the Project Lifecycle

- Conceptualizing Project
- Project Preparation
- Project Construction
- Project Operation

Assessment of all Project Dimensions

- Strategic
- Technical
- Financial / Economical
- Legal / Regulatory
- Institutional
- Funding
- Socio-Environment
- Procurement / Commercial
- Stakeholders Management

Benefits of Project Development Approach

- Project Development Approach examines and prepares the Project from all stakeholders perspective including the citizens
- Project development provides clarity :
 - Government - basis of support to make the project bankable
 - Private Sector - to bid at nominal bid costs and risk premia
 - Financing Agencies - the bankability of the project

IIDC in Inland Water Transport Sector

- IWT Terminals
 - Tezpur (Assam)
 - Jogighopa (Assam)
- IWT Based Logistics Project
 - Coal movement between Haldia and Farakka

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