

CREATE A VENICE IN KOLKATA

AN EXCITING OPPORTUNITY FOR ENTERPRISING DEVELOPERS

WEST BENGAL INDUSTRIAL DEVELOPMENT CORPORATION (WBIDC)

INVITES

Expression of Interest from DEVELOPER CUM OPERATOR

for

THE NORTH CANAL SYSTEM OF KOLKATA



A unique opportunity is available for an enterprising developer cum operator to create the required infrastructure and operate Passenger, Cargo and Leisure Vessels on North Canal from Chitpur to Kulti via Salt Lake and Rajarhat, the upcoming New Kolkata Township. This Canal stretches over a distance of 43 KM and was earlier used for passenger and cargo movement from Kolkata to Assam through Bangladesh.

The proposed Project is being offered to prospective developers on a Build-operate-transfer (BOT) basis. Newly dredged, fully functional canal will be given to the developer to build appropriate passenger and cargo landing systems/ terminals, in phases. In return, the developer will have the right to operate vessels and collect toll from other vessel

operators in the canal during the specified operational period. The operator may also explore other commercial opportunities available at terminals, footbridges etc. for overall project viability.

Renowned canal restoration and operation entity of UK, British Waterways, prepared the basic feasibility report along with ICICI Winfra. Based on this report a Project Information Brief (PIB) has been prepared which contains a description of the Project, operational details of the canal, drawings, layout plans and boat designs prepared by British Waterways, along with broad terms and conditions for the BOT operator.

Interested parties may collect the PIB prepared for prospective developer from the office of ICICI Winfra till 18/4/05 by paying Rs. 5000/- by way of pay order / demand draft in favour of 'ICICI- West Bengal Infrastructure Development Corporation Ltd.', payable at Kolkata.

After evaluating the terms and conditions as described in the PIB, interested parties may submit their Expression of Interest by 10th May 2005 in prescribed format.

Shortlisted parties from the above process would be invited to participate in the tendering process.

WBIDC reserves the right to accept or reject any or all proposals received or to terminate the entire process without assigning any reason.

Reclamation of the North Canal System of Kolkata

The state government has recently designated WBIDC as the Nodal Implementing Agency for implementing a project for Reclamation of the North Canal System (New Cut – Kestopur – Bhangarkata Canals) for navigational purposes. The project is proposed to be implemented on a 30-year BOT basis by a suitable private sector developer. The BOT Operator will be responsible for building the necessary navigational infrastructure along the Canal and recover its investment by operating / leasing out operations of passenger, cargo and leisure vessels in the Canal. The canal is currently being dredged and cut to designed specifications by the Irrigation Department and WBHIDCO.

The man made North Canal System, which in itself is a summation of several shorter stretches of canals, was primarily designed as a navigation canal. The Canal is 43 Km. long and originates at Chitpur, next to Cossipore terminal on the east bank of river Hoogly and ends at Kultigang, where it flows into Bidyadhari River. On its way, it runs through Bagbazar and Shyambazar, along VIP Road and Salt Lake, pass the new Kolkata Township of Rajarhat and along rural areas touching the trading post of Bhangore. The distance from Chitpur to beginning of River Raimangal, the official entry point to the Bangladesh river system, via this canal and river Bidyadhari is a mere 90 km. Opposed to this, the present waterways distance between Kolkata and the same entry point to Bangladesh at the mouth of River Raimangal is 275 km. down River Hoogly and the Sunderbans. CIWTC and others now move cargo to Bangladesh and Assam using this longer route.

Till as late as the '60s the canal was extensively used for carrying passenger and cargo from Kolkata to Dibrugarh through what is now Bangladesh. There were bi-weekly steamer services and raw jute and fresh vegetables came to Kolkata and building materials went from the city to the rural areas and beyond. Thereafter due to extensive refugee encroachment on the urban portions of the canal banks, increased urban pollution and siltation have combined to render these canals unusable. It ended up being a stagnant body of filthy water and a pollution hazard.

Considering the past history of the canal and the present condition of the transport infrastructure of Kolkata, the state government wishes to reclaim the 43-K.M. long North Canal for various Navigation purposes.

Accordingly, the Transport Department, through WBTIDC had, in 1998, appointed ICICI Winfra to prepare a project report for the reclamation of the canal. ICICI Winfra had prepared a very detailed project report, covering all technical, market and financial feasibility aspects, in conjunction with British Waterways of UK and WBTIDC and submitted the same to the Hon'able Chief Minister in 2000. British Waterways has years of experience of renovating very similar canals in the UK.

The report confirmed the technical feasibility of the project and proposed that it be used for passenger and cargo transportation and for tourism purposes. The proposed passenger transportation was both for urban commuters between Kolkata and Rajarhat / Salt Lake (especially during peak office hours) and long haul movement from Kulti to and from the city. It was proposed as a part of a multi-modal transport system as the Chitpur end dovetails well with the metro rail system at Shovabazar station and the Bagbazar station of the Circular rail system (a mere 100 m. away). Recently, new options have opened up since several long distance trains are about to start operations from Cossipore terminal and the canal can conveniently carry workers from Kolkata to the upcoming Bantala Leather Complex, which is also located along its banks.

The cargo movement is initially meant for fresh vegetables and farm produces from the rural hinterland to Kolkata and building and finished products in the opposite direction within the canal and upto eastern parts of Sunderbans. Later containerized cargo, like cement, can move from the Cossipore railway terminal to Bangladesh and beyond. Commuter movement is proposed during the day and cargo during the night. Beyond the busy corridor between Chitpur and Rajarhat, leisure vessels can move in the canal round the clock.

To facilitate the movement of man and material, several passenger and cargo terminals would have to build along the canal along with foot over-bridges, canal side lightings, amenities and beautification. 18 m

long and 5 m. wide twin-hull, powered boats would be able to ply along the canal, each capable of carrying over 150 sitting passengers or 4 number 20 foot fully loaded containers.



The report also contended that the navigational part of the project, estimated to cost less than Rs. 30 Crore with 18 passenger boats, than could be self-sustaining and financially viable if the state can fund the canal dredging and renovation cost and remove all encroachments along the banks. 30% of the vessel cost will be available as subsidy from IWAI.

Over the last year or so, the High Power Committee for "Revival of the New Cut – Kestopur - Bhangarkata Canal System", has been working to make the banks free of encroachments and take up the task of excavating and renovating the canal. The Committee is also attempting to clear the canal of all sewerage outfalls. This work is fast approaching completion.

The proposed Project is being offered to prospective developers on a 30-year Build-operate-transfer (BOT) contract. As part of the Project, fully dredged and functional canal with operating lock gates at both ends, will be given to the selected BOT Operator to build appropriate passenger and cargo landing systems / terminals, may be in phases. Initially, apart from 3 main terminals at Chitpur, Rajarhat and Kulti, 7 other terminals are suggested to be built up at R.G.Kar, Ultadanga, Lake Town, Baishakhi, Kestopur, Bhojerhat (near to proposed Bantala Leather Complex) and Bhangar. In return, the BOT Operator will have right to operate vessels and collect toll from other vessel operators in the canal during the specified operational period. The operator may also explore other commercial opportunities available at Terminals (shops, restaurants), footbridges (advertisement revenue) etc. for achieving overall project viability.

WBIDC proposes the selection process of BOT Operator would be in two stages. Initially a short-listing of the prospective BOT Operator would be done through evaluation of the basic expression of interest by prospective developers. Advertisement for seeking Expression of Interest from the interest parties will be released very soon. Project Information Brief, prepared by ICICI Winfra, is ready for distribution to the prospective developer to submit their basic expression of interest.

Final selection of BOT Operator would be done from the short-listed parties on the basis of Technical and Financial proposal received in the 2nd stage. A comprehensive tender document will be circulated among short listed parties for detailed Technical and Financial proposal. To prepare the detailed design and proposal in respect of the actual implementation of the Project, the pre-selected bidders will get 2 months time. The BOT Operator is expected to ensure that vessels operate during the entire concession period, after the initial build-up period of a maximum of 18 months.

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