



ODISHA PORT POLICY

2022

*Towards a Holistic Development
of Maritime Ecosystem*



Department of Commerce and Transport (Commerce),
Government of Odisha

The Odisha Gazette

EXTRAORDINARY
PUBLISHED BY AUTHORITY

No. 3242, CUTTACK, SATURDAY, NOVEMBER 19, 2022/KARTIKA 28, 1944

[No.4725–COM-GEN-CORSP-0002/2020/Com.]

COMMERCE & TRANSPORT (COMMERCE) DEPARTMENT

RESOLUTION

The 19th November, 2022

ODISHA PORT POLICY

2022

***“TOWARDS A HOLISTIC DEVELOPMENT
OF
MARITIME ECOSYSTEM”***

Acronyms

| | |
|--------|---|
| AI | Artificial Intelligence |
| BOOST | Build, Own, Operate, Share, Transfer |
| CEZ | Coastal Economic Zone |
| CMSI | Centre for Maritime & Shipping Innovations |
| FTWZ | Free Trade & Warehousing Zone |
| GDP | Gross Domestic Product |
| GPP | Green Port Plan |
| ICB | International Competitive Bidding |
| ICD | Inland Container Depot |
| IPMIS | Integrated Port Management & Information System |
| IWT | Inland Water Transport |
| LEADS | Logistics Ease Across Different States |
| MCRP | Maritime Coastal Regional Plans |
| MoU | Memorandum of Understanding |
| MTPA | Million Ton Per Annum |
| OMB | Odisha Maritime Board |
| OMPP | Odisha Maritime Perspective Plan |
| OPCAP | Odisha Ports Capacity Augmentation Plan |
| OREDA | Odisha Renewable Energy Development Authority |
| OSPCB | Odisha State Pollution Control Board |
| PCPIR | Petroleum, Chemicals and Petro-chemicals Investment Regions |
| POMS | Port Operations Management System |
| PSC | Port Safety Code |
| PWD | Public Works Department, Government of Odisha |
| RO-PAX | Passenger Roll On Roll Off |
| ROT | Rehabilitate, Operate & Transfer |
| SEZ | Special Economic Zones |

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Definitions

In this Policy, unless the context otherwise requires:

1. **Barge:** A boat with a flat bottom that is used for transportation of goods.
2. **Brownfield Port:** A port which is newly constructed or restructured on a site that has had previous development on it.
3. **Captive Jetty:** A jetty constructed for landing and shipping by an industry located in Odisha for landing and shipping of their captive industrial raw materials or loading and unloading of their finished products of industry located in Odisha.
4. **Coastal Economic Zone:** An agglomeration of firms, institutions, business and other industry players in the maritime sector that are geographically located close to each other and have a synergy between their activities.
5. **Coastal Shipping:** The shipping of cargo from one jetty to another jetty within India using vessels specific for this purpose.
6. **Commercial Port:** A port where all the cargoes including captive and commercial are handled.
7. **Developer:** The party responsible for the development of the port.
8. **Greenfield Port:** A port which is newly constructed on a previously undeveloped site for commercial development.
9. **Hinterland:** The geographical region over which a port has the dominant market share.
10. **Jetty:** Artificial structure into the sea enabling passage of passengers and cargoes to and from the vessel.
11. **Major Port:** Any port designated by the Government of India as a major port under the Major Port Trusts Act 1963.
12. **Non-Major Port:** A port other than a major port declared as such by the Government of India under any law and are declared by Government of Odisha under clause (s) of sub-section (1) of section 2 of the Indian Ports Bill, 2021;

13. **Odisha Maritime Board or OMB:** The Odisha Maritime Board includes any officer or servant authorised by it. OMB is the statutory body of State Government of Odisha.
14. **Operator:** The individual or group or the company or their authorised agency that develops or promotes and / or operates the port.
15. **Passenger:** Any person carried in a mechanically propelled vessel other than the Master and Crew and the owner, his family and servant.
16. **Port:** Port means an Indian port to which the Odisha Maritime Board Act applies within such limits as may, from time to time, be defined by the State Government under the Indian Ports Act.
17. **Private Jetty:** A jetty or wharf, which is newly constructed or renovated or modernised with mechanised handling by private party with private investment or leased by OMB to the private party.
18. **Private Port:** A port, which is newly constructed or renovated or modernised with mechanised handling by private party with private investment or leased by OMB to the private party.
19. **Privatisation:** The transfer of a business, industry or service from public to private ownership and control.
20. **RO-PAX:** A Roll-On/ Roll-Off (RORO) vessel built for freight vehicle transport along with passenger accommodation. "RO-PAX" is an abbreviation of roll-on/roll-off passenger.
21. **Royalty Rate:** The Royalty payable by the Concessionaire to Government for the specified cargo in accordance with the Policy.
22. **Subsidy:** Financial assistance in cash or kind provided by the State Government, the Government agency or the specified Government agency.
23. **Vessel:** Barges, boats, tugs, launches or any other mechanised or non-mechanised floating craft and also include anything made for the conveyance mainly by water of human being or of goods.

1 Indian Maritime Sector

India is one of the largest and fastest growing economies, with an 8.7% GDP growth rate in 2021-22. The seaports in India account for 95% of the merchandise trade. India is also one of the largest peninsular countries in the world; it has nearly 7,500 km of coastline and over 200 major and non-major ports. The Major Ports come under the purview of the Central Government, whereas the Non-Major Ports are under the respective State Governments. The ports form the backbone of India's exports & imports, coastal and cruise shipping and international trade.

The key commodities handled by the Indian Ports include iron ore, coal, petroleum products, chemical, electronics, automobiles and engineering goods. The commodities are majorly exported to the United States of America, Saudi Arabia, United Arab Emirates, Hong Kong, China, Germany and the Republic of Korea. The Sagarmala programme introduced by the Ministry of Ports, Shipping and Waterways Government of India reduces logistics costs for domestic and EXIM (Export-Import) cargo with optimised infrastructure investment. The four pillars of Sagarmala include: Port modernisation, Port Connectivity, Port led Industrialization and Coastal Community Development.

2 Odisha's Maritime Sector

Odisha, a principal maritime state situated on the eastern coast of India, has a coastline of about 480 km extending from Bahuda Mouth in Ganjam District in the south to Bichitrapur (Talashari) in Balasore District in the north. It is endowed with conducive, unique, natural and strategic port locations. Every stretch of the coast is a variety of ecological niches and habitats. The coastline traverses six coastal districts of Odisha, viz. Balasore (80 km), Bhadrak (50 km), Kendrapara (68 km), Jagatsinghpur (67 km), Puri (155 km) and Ganjam (60 km). Paradip Port is the only Major Port in the State under the control of the Government of India, which is packed to accommodate increasing traffic.

The Government of Odisha has already identified 14 potential sites for the development of Non - Major Ports, out of which, Dhamra and Gopalpur are already functioning. To facilitate the private developers for the development of such Non – Major Ports, the State Government had framed the Port Policy during the year 2004. However, the Policy has run its course, and there is a need to formulate a new Maritime Development Policy to take into account the current circumstances. Hence the need for this document.

2.1 Ports in Odisha: Present Status

There is one major port and fourteen non-major ports in the state, as follows:



Figure 1: Location of Ports in Odisha

Table 1: List of Ports in Odisha

| Sl. No. | Name of Port | District | Present Status |
|----------------|---------------------------------|-----------------|-----------------------|
| A. | MAJOR PORT | | |
| 1 | Paradip | Jagatsinghpur | Operational |
| | | | |
| B. | NON - MAJOR PORTS | | |
| 1 | Bichitrapur (Talashari) | Balasore | Notified |
| 2 | Subarnarekha Mouth (Kirtania) | Balasore | Under Construction |
| 3 | Bahabalpur | Balasore | Notified |
| 4 | Chandipur | Balasore | Notified |
| 5 | Inchuri | Balasore | Notified |
| 6 | Chudamani | Bhadrak | Notified |
| 7 | Dhamra | Bhadrak | Operational |
| 8 | Riverine Port on River Mahanadi | Kendrapara | Under Pipeline |
| 9 | Jatadhar Muhan | Jagatsinghpur | Under Pipeline |
| 10 | Astaranga | Puri | Under Construction |
| 11 | Baliharichandi | Puri | Notified |
| 12 | Palur | Ganjam | Notified |
| 13 | Gopalpur | Ganjam | Operational |
| 14 | Bahuda Muhan (Sonepur) | Ganjam | Notified |

The currently operational Non-Major Ports in Odisha are functioning on Revenue Share Model. The OMB also intends to develop the other notified ports under the same arrangement.

2.2 Odisha Maritime Board

The Odisha Maritime Board (OMB) is a statutory body formed by the State Government in line with the Odisha Maritime Board Act, 2021, and the same has been notified via Gazette notification dated 23rd August 2022. The OMB's primary function is to coordinate the activities of the 14 non-major ports in the State, optimise their efficiency and effectiveness, reduce congestion, ensure efficient material handling, and provide an integrated solution to the problems of the port operations and management.

2.2.1 Key Functions

The key functions of the Odisha Maritime Board, as defined in Chapter II Section 18 of the Odisha Maritime Board Act 2021, are listed as follows:

- (i) to initiate and develop plans and frame guidelines for the port sector in the State;
- (ii) to promote the use, development and improvement of ports in the State;
- (iii) to provide for the construction, maintenance and operation of ports in the State directly or through the Public and Private Partnership mode;
- (iv) to provide and maintain adequate and efficient lighthouses, beacons and navigational aids and services at such places as may be felt appropriate;
- (v) to regulate and control navigation within the limits of the port and port approaches in the State;
- (vi) to initiate the development plans and frame guidelines for non-nationalised inland waterways in the State;

- (vii) to exercise licensing and regulatory functions in respect of port infrastructure and services and non-nationalised inland waterways and services;
- (viii) to exercise supervision and control over all works relating to ports in the State;
- (ix) to prescribe the scales of rates for various services provided by the Board, and to review and revise the same from time to time;
- (x) to plan or provide or secure the provision of a safe economical and efficient sea and non-nationalised inland waterways transport system for movement of goods and persons from ports and other waterway stations in the State;
- (xi) to furnish to the State Government all information in respect of its property and activities and the maritime and non-nationalised inland waterways sectors in such manner and within such times as the State Government or the Government of India or the Indian Ports Association may require;
- (xii) to develop new Ports in the State as per Indian Ports Act with the approval of the State Government subject to obtaining all clearances from the competent authorities including security clearance from Ministry of Home Affairs, Government of India;
- (xiii) to promote facilities and create infrastructure for ship building, ship breaking and related activities;
- (xiv) to develop, promote, maintain and regulate ferry services and non-nationalised inland water transport system in the State for passengers and goods;
- (xv) to provide such other services and other facilities as may be necessary for the efficient operation of ports systems in the State;
- (xvi) to initiate and implement measures to safeguard environment in ports and adjoining sea-line and the non-nationalised inland waterways;

- (xvii) to render basic civic services including water-supply, drainage, sanitation and street lights in the port and non-port land under its jurisdiction;
- (xviii) to collect taxes, duties, fees and charges under this Act or as may be authorised by the State Government;
- (xix) to plan and act for optimising revenue generation from the ports and non-port lands and properties;
- (xx) to plan and exercise projects including integrated townships for productive use of non- port lands vested in port authorities in the State;
- (xxi) to appoint staff according to the terms approved by the State Government and to take necessary steps for their training; and
- (xxii) to sue parties for securing the interest of the Board, and, if sued, to defend the Board in the Courts of law.

2.3 Emerging Economic Potential of the Ports

The state of Odisha presents a vast untapped potential for ports and maritime development. Coastal Odisha's maritime development would provide a much-needed boost to the state's industrial production and act as an outlet for essential resources from the lush hinterlands. Apart from handling cargo, coastal passenger traffic could be managed effectively and affordably, which would help relieve roadway congestion. Given the state's 480-kilometre-long coastline, leisure and water sports activities and island development might be implemented to attract visitors from both within and beyond the country.

3 Validity of the Policy

This Policy shall come into force with effect from the date of notification of Policy and shall remain in force for a period of **five years** or till the declaration of a new or revised Policy.

4 Investment Destination and "*#Kalingadvantage*"

The key advantages for investment in the ports and maritime sector of Odisha may be summarised as follows:

- (i) Odisha occupies a strategic location on the eastern coast of India and acts as the gateway for freight and commodities to and from the rich hinterlands; it would serve as the engine for the Indian economy.
- (ii) The ports in Odisha facilitate the transportation, shipping, and handling of a wide range of cargo.
- (iii) The location, distribution and hinterland potential are ideal for maritime investment.
- (iv) The State has immense potential for maritime industry clusters such as dredging, shipbuilding, ship breaking and recycling.
- (v) The state of Odisha offers a conducive atmosphere for attracting investments and setting up businesses.
- (vi) Odisha's maritime sector is rapidly expanding and has enormous potential in terms of port expansion, port modernisation, special commodity port handling, port connectivity projects, overall operational efficiency improvement, port city development, and port industrialisation projects, among others.

5 Augmentation of Cargo Handling Capacity in the State

The state of Odisha handled around 160 MTPA of cargo in FY 2021-22, with the Major Port of Paradip handling the lion's share at 116 MTPA. While the focus of the OMB is to establish newer ports to cater to the increasing cargo volume, equal importance is being accorded to augment the cargo handling capacities of the existing and proposed ports. Some of the initiatives planned by the Board in this regard are as follows:

- (i) The OMB proposes to prepare the **Odisha Maritime Perspective Plan (OMPP)** to prepare a holistic maritime development for the Odisha coast. This plan would encompass the key strengths and challenges in maritime development of the Odisha coast and study the maritime ecosystem involving ports, hinterland potential, cargo evacuation, port connectivity, environmental enhancement and development of the coastal communities.
- (ii) In addition to the above, additional studies would be undertaken to study the possibility of increasing cargo throughput of the Odisha ports. The **Odisha Ports Capacity Augmentation Plan (OPCAP)** is proposed to be drafted for the same and provide an assessment & improvement framework to identify and improve the cargo handling capacities of the different ports in the State.

6 Ports and Port Connectivity

6.1 Port Projects

Development proposals for new ports (classified as '*Greenfield projects*') and renovation/augmentation/revival of existing ports (classified as '*Brownfield projects*') would be encouraged. The life cycle stages that shall be followed for the development of new port infrastructure are briefly described as follows:

6.1.1 Identification of Port Projects: Conception and Proposal

This stage would involve the technical, connectivity, economic & strategical, environmental and social impact studies for the proposed port project.

6.1.2 Development and Operations

The OMB shall perform the role of the Concessioneing Authority. Development of brownfield ports by upgrading the existing jetty and other infrastructure into a port shall also be focused on and actively promoted.

6.1.3 Project Structuring

The BOOST project structure may be used for greenfield port development and the ROT project structure may be used for brownfield development of fisheries jetty, passenger jetty or other cargo jetties/ports.

Table 2: Project Structuring Models

| Sl. No. | Project Structuring Model | Private Developer Responsibility | Ultimate ownership | Applicability | Duration (years) |
|---------|---|---|-----------------------|---|------------------|
| 1 | Build, Own, Operate, Share, Transfer (BOOST) | Design, build and operate the facility, share the facility for other cargo and transfer | OMB/Private Developer | New terminal/Jetty development | 30+10+10 |
| 2 | Rehabilitate, Operate & Transfer (ROT) | Rehabilitate and operate an existing facility and transfer | OMB | Capacity expansion, restoration of existing facility and import of a facility from abroad | 10+5+5 |

6.1.4 Concession Period

Extension of concession period for commercial ports - Grant of extension shall be provided after the end of the initial concession period, for **two additional periods not exceeding 10 years each**, based on the merit of the

application, to a cumulative maximum total of years as mentioned in Section 6.1.3.

Concession period for captive jetties – The concession period for the captive jetty would be as per clause (iv) of Section 6.1.5.2.

Concession period for other projects – For other maritime infrastructure such as tourism jetties, marinas, seaplane terminals, multi-purpose harbours, fisheries jetties and harbours, the concession period would be up to a **maximum of 10 years**. Grant of extension shall be provided after the end of the initial concession period, for **two additional periods of 5 years each** based on the merit of the application, to a **maximum cumulative total of 20 years**.

6.1.5 Licensing of Ports

6.1.5.1 Commercial Port/PPP Port

- (i) The Non-Major Ports (both existing and upcoming) will be offered for commercial development through private sector participation
- (ii) For the selection of promoters for the ports identified for commercial developments, bids would be initially invited for selecting suitable promoters on a competitive basis and will be selected as per technical and financial evaluation.

Provided that: - The development of the commercial port shall consist of the following items: -

- a) construction of breakwaters
- b) capital dredging of the approach channel
- c) capital dredging of water basin inside breakwaters; turning circle and dock arms/ channels
- d) construction of Berths and Jetties
- e) construction of stockyards, roads, buildings and other port-related facilities

- f) navigational equipment, including tug boats and service vessels
 - g) port handling equipment, including topside facilities of berths/ jetties, pipelines and tank farms
 - h) rail / road connectivity infrastructure that the port company may construct. utilities including distribution networks, sewerage/waste
 - i) handling equipment/facilities, storage and warehousing and amenities;
- (iii) A Special Purpose Company (hereinafter referred to as "the Port Company") that may be formed to implement and operate the Non-Major Port will be a Joint Venture between the Promoters or a consortium of promoters;
- (iv) The port company may also include the anchor user industries/projects as its stakeholders. Such Anchor Industrial projects should have achieved financial closures for the respective projects prior to the Port Company's financial closure;
- (v) Aggregate investments of anchor industries/projects should be at least Rs.2,000 Crores over a period of five years;
- (vi) The lands for the Port backup area will be procured by the Port Company and by its nominated agencies on behalf of the Commerce and Transport (Commerce) Department. The Department would then lease the land to the Port Company as per the existing Land Policy Guidelines approved by the Govt. of Odisha;
- (vii) The right to construct and operate the Port will be on a nonexclusive basis;
- (viii) The entire project will be on the principle of **Build, Own, Operate, Share and Transfer (BOOST)**;
- (ix) The period of BOOST will be initially for 30 years, after considering a maximum of 4 years of the construction period, with a provision of

extension for two additional periods of 10 years each based on the merit of the application, to a maximum cumulative total of 50 years;

- (x) The BOOST period for more than 30 years could be considered for projects which entail sizable capital investment on account of site-specific marine conditions and backup infrastructure such as road, and rail linkages and which are either part of Special Economic Zones (SEZs) / Petroleum, Chemicals and Petro-chemicals Investment Regions (PCPIRs) and or included as anchor entities of such SEZs and PCPIRs developed as per the Acts / Rules of Government of India and Government of Odisha;
- (xi) OMB shall have the option either to collect the dues as per the Royalty Rates (not less than the Floor Royalty Rate determined by the Board) or to receive the share of revenue under BOOST, whichever is beneficial to OMB;
- (xii) The mode of transfer of assets at the end of the agreement period will be detailed in the respective concession agreement;
- (xiii) The company entrusted with the development of the port will raise the required capital for the development of the port, create all facilities in the port, maintain and operate the port;
- (xiv) The expenditure for the construction of new approach roads and bridges from the port up to the nearest accessible road will be borne by the developer/promoter.
- (xv) The company responsible for establishing the facilities and running the port will be appointed as Conservator for the port under section 7 (1) of the Indian Ports Act, 1908 (Central Act XV of 1908) and as amended from time to time and also as required under the International Ships and Port Facility Security Code and would therefore be responsible for all the activities relating to the port waters;
- (xvi) The company responsible for developing and running the port will fix the port tariff for all the services till a Regulatory Body is a setup for this purpose;

(xvii) Apart from handling cargo, the port may construct and provide facilities for passenger water transport and leisure cum water sports activities. In such cases, the Odisha Maritime Board shall have a right to fix tariffs and recover dues as applicable and as approved by Government.

6.1.5.2 Captive Jetty

(i) **Objective:** The main objective of the Captive Jetty Development is to aid and promote Port-led industrial development through improved Port linking infrastructure in the State.

(ii) **Eligibility:** The Captive Jetty would be awarded on the basis of Memorandum of Understanding (MoU) on the following criteria:

- a) Need of the industry for access to waterfront for riverine/sea mode of transportation
- b) Combined Investment in mother plant and jetty
- c) Size and nature of the industry
- d) Quantum of Livelihood Generation
- e) Volume of Revenue likely to be generated
- f) Land Optimisation
- g) Economic Usage of Assets

There would be no process of bidding for the award of Captive Jetty.

The prospective industry shall submit a request for allocation of Captive Jetty along with approvals, wherever required, from the concerned Ministry/Department for establishment of the said industry in Odisha

The extent of dependence of said industry on the Captive Jetty shall not be less than one-third of the total inward and outward cargo movement required by the said industry, including export, import and Coastal Cargo.

(iii) **Evaluation Criteria:** The Government shall ask the Applicant to submit a Feasibility Report for the project. The Government of Odisha shall, either in house or by engaging a Consultant/Transaction Advisor/expert(s),

evaluate the Feasibility Report, arrive at an “Estimated Cost” and calculate the optimal capacity of the Project (“Optimal Capacity”).

- (iv) **Concession Period:** The concession period for the captive jetty would be coterminous with the operational period of its anchor or port-dependent industry subject to the adherence of the determined Minimum Guaranteed Cargo (MGC), approved nature and size of the industry, scale of investment, volume of revenue and livelihood generation which shall be reviewed periodically by the Government of Odisha / Odisha Maritime Board.
- (v) **Minimum Guaranteed Cargo:** The Minimum Guaranteed Cargo (MGC) for Captive Cargo will be fixed by the Government on a project-specific basis.

The Concessionaire shall achieve MGC for Captive Cargo in a staggered manner as shown below:

Table 3: MGC for Captive Cargo

| | Years from Commercial Operations Date | MGC for Captive Cargo as % of Designed Capacity |
|----------|--|--|
| 1 | 1 st , 2 nd and 3 rd year | 30% |
| 2 | 4 th and 5 th year | 50% |
| 3 | 6 th year and beyond | 70% |

- (vi) **Royalty Rate:** The Royalty Rate would be decided by the Government / Odisha Maritime Board from time to time. Further, the Royalty Rate would be indexed at a fixed escalation percentage periodically by the Government of Odisha at the following rate:

Table 4: Royalty Rate

| | Period commencing from COD | Percentage Increment |
|----------|-----------------------------------|---|
| 1 | COD to 5 years | Royalty Rate fixed by Government of Odisha or its nominated agency. |
| 2 | 6 to 10 years | Royalty Rate of 5th year + 5% escalation |
| 3 | 11 to 15 years | Royalty Rate of 10th year + 3% escalation |
| 4 | 16th year onwards | Royalty Rate of 15th year + 2% escalation |

- (vii) Royalty would either be based on per MT of captive cargo or per MT of 3rd (Third) party cargo, if any, handled with the prior permission of the Government of Odisha. The 3rd party cargoes other than the cargo mandated during emergent situations by the Government of Odisha shall attract Royalty at 1.5 times the royalty rate of captive cargo.
- (viii) **Incentives:** The Captive Jetty developer shall be eligible for the incentives in accordance with the applicable Industrial Policy Resolution (IPR) of the Government of Odisha subject to adherence to the eligibility criteria as prescribed therein.
- (ix) **Provision of Land for Development of Project:** The land requirement for the proposed Captive Jetty shall be assessed by OMB in consultation with IPICOL based on technical parameters.
- (x) **Connectivity:** Rail and road connectivity of the project to the hinterland shall be the responsibility of the Concessionaire. Government of Odisha may develop a common road which will lead to proposed industrial units and other general habitation, ancient temples, other religious centres, cyclone shelters & other infrastructure.
- (xi) **Construction, Operation & Maintenance:** The cost of construction, repair & maintenance and management of the Project during the license

period shall be borne by the Concessionaire and no liabilities whatsoever shall devolve on Government of Odisha at any point of time.

- (xii) **Dredging:** Capital dredging and maintenance dredging alongside the berth and approaches should be the responsibility of the Concessionaire.
- (xiii) **Permitted Cargoes:** Concessionaire would be allowed to handle only permitted cargoes at the Captive Jetty. However, Govt. of Odisha may ask to handle 3rd party cargo in the event of cyclones, emergency cargo for general welfare of the general public of Odisha and for any other purpose.

Government of Odisha may also permit the Concessionaire to handle Third Party Cargo in general, not exceeding the balance amount after fulfilling MGC for Captive Cargo as per Table 3, or in event of economic slowdown period of base industry with objective to facilitate the continuance of livelihood of people engaged in base industry and captive jetty.

- (xiv) **Performance:** The Traffic handled at the Project shall be monitored by Government of Odisha to ensure compliance of MGC. In case actual traffic handled is less than 90% of the applicable MGC continuously for three financial years, Government of Odisha shall be entitled to terminate the Concession after taking into account the prevailing situation, circumstances and economic scenario. This shall be treated as Concessionaire event of default and the compensation will be as governed by the Concession Agreement.
- (xv) **Exit Clause:** In case the Concessionaire desires to exit the project, prior to the completion of the Concession Period, the Government of Odisha or any other entity approved by Government of Odisha promoter would provide due compensation to the Concessionaire, based on the recoverable real time costs of the existing useable assets, at the risk and cost of the Concessionaire. The modalities of the compensations would be notified by the state in the Concession Agreement.
- (xvi) **Ownership:** The ownership of the land and waterfront allotted to the Concessionaire will rest with Government of Odisha. In the event of transfer

or takeover of the mother industrial project to which the Captive Jetty is allocated, the rights of Captive Jetty can be passed on to the new owner, however the Captive Jetty cannot be transferred separately.

- (xvii) **Conservancy:** Government of Odisha or its nominated agency shall act as Conservator and will be undertaking all functions related to Conservancy of Captive Jetty as per the prevailing laws of the State of Odisha & India.

6.1.6 Logistics and Evacuation Systems

Odisha is currently ranked in the “Achievers Category” in the Logistics Ease Across Different States (LEADS) Index 2022 as published by the Ministry of Commerce and Industry, Government of India and was ranked 7th in the 2021 rankings. This marked an improvement of three places from the 2019 rankings, and the State also stands head and shoulders above the rest of the states in the eastern region. To further the growth of logistics sector in Odisha, particularly in terms of port logistics and evacuation, the following strategic interventions have been planned:

- (i) To create an ecosystem to improve the supply chain efficiency and augment the generation of cargo, OMB shall create land banks around the ports for setting-up logistics infrastructure such as:
 - a) Free Trade & Warehousing Zone (FTWZ),
 - b) Storage facilities,
 - c) Inland Container Depot (ICD),
 - d) Industrial cum logistics parks considering future industrial development potential and the type of cargo,
 - e) Port/Jetty infrastructure.
- (ii) A **Logistics Cell** shall be established at OMB to augment the logistics infrastructure in the State. This Cell shall be entrusted to facilitate the following activities:

- a) Identification of projects,
 - b) Coordination between different departments in the Government,
 - c) Development of benchmarks based on international standards,
 - d) Support in securing approvals and clearances,
 - e) Recommendation of policy interventions,
 - f) Active collaboration with private players and key departments.
- (iii) Draft **Port Connectivity Plan** is already in process, and the notified ports under OMB's should immediately start providing alignments for the same.

6.1.7 Land Acquisition

Land for the development of the private port shall have to be acquired by the port promoter/developer. OMB shall **facilitate and provide assistance** to the promoter/developer in acquisition of the land. For Government Land, the Board shall acquire the same as per the guidelines prescribed in the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and the Land Policy Guidelines approved by the Govt. of Odisha and lease the same to the promoter/developer as per the Schedule of Rates.

6.1.8 Private Participation in development of ports and jetties

- (i) The OMB would invite **International Competitive Bidding (ICB) or sign a Memorandum of Understanding (MoU)** to attract private investors in the maritime development of the State.
- (ii) Development of the captive jetties would also be encouraged to enhance the total industrial output of the State. The same shall be governed as the Captive Jetty Policy.

6.2 Connectivity infrastructure

The Port Developer would be responsible for the overall development of the Economic Corridor, including but not limited to roadways, railways, and pipeline infrastructure.

6.2.1 Road Connectivity

- (i) The **port developer** will be responsible for the development of road connectivity to the nearest highway- state or national. However, the OMB may assist by acquiring land for road connectivity projects on a case-to-case basis within the port limits.
- (ii) Models for the development of road linkage from state highways to national highways will, inter alia, include:
 - a) **Development by PWD** as per extant norms, rules and regulations. PWD may consider grant of first right of refusal to the port developer in case of a build-operate-transfer (BOT) project.
 - b) **Development by a private player** (includes the port developer).
 - The private developer may seek a grant from the Central Government or state government as applicable.
 - The private developer will acquire land for the road linkage project. However, assistance for the same may be provided by the OMB.
- (iii) The expenditure on the road linkage project can be recovered through the levying of tolls on port traffic. The local traffic will be exempted.

6.2.2 Rail connectivity

Railway linkage projects for greenfield ports may be structured on a joint venture or non-government railway model as per Policy No. 2011/infra/12/32 as issued by the Ministry of Railways, or any new amendments or policies replacing the existing Policy issued by the Ministry of Railways. The Policy provides participative models for rail connectivity and capacity augmentation.

The State Government may also participate in equity investments in non-government and joint venture models.

6.2.3 Inland Waterway Connectivity

The presence of a number of rivers represents the State's immense potential for transporting cargo to its hinterlands through the inland waterways. Integrating the waterways with the greenfield ports through inland waterways will be instrumental in improving the evacuation infrastructure of greenfield ports in Odisha. Therefore, the OMB and the State Government will encourage the development of inland waterways and their integration with ports in the State.

The OMB would identify and prioritise inland waterway routes based on social and environmental impact assessment and commercial attractiveness. The identified routes (rivers and creeks) in Odisha would be made navigable for inland/river-sea vessels, and the State will encourage the setting up of industries in the vicinity of such routes. The key policy provisions for the development of inland waterways transport in Odisha are provided in Section 7.2.

7 Coastal Shipping and Inland Waterways

7.1 Promotion of Coastal Shipping

A hub and spoke model shall be adopted for handling movement of coastal cargo in the state. This shall be undertaken as follows:

- (i) OMB shall endeavour to sign cooperation agreements with other maritime states to increase inter-state cargo volumes via coastal shipping.
- (ii) OMB shall identify the potential ports that act as hub ports and identify suitable OMB jetties that shall act as feeders to these hub ports for faster evacuation of cargo to the hinterland.
- (iii) OMB shall facilitate seagoing coasters (barges) operation by providing dedicated berthing facilities at OMB ports to cater to coastal shipping and shall maintain the required draft in channels identified for coastal movement.

- (iv) Ports/Jetties proposed within Coastal Economic Zoned and Port-related Industrial Complexes shall be promoted for coastal shipping. The nature and quantum of coastal cargo shall be assessed so that the identified jetties are equipped with dedicated berthing facilities and appropriate cargo handling infrastructure for faster evacuation of coastal cargo.
- (v) Dedicated infrastructure at the RO-PAX terminal shall be created to promote coastal shipping.
- (vi) Coastal cargo handled at non-major ports/jetties in the State shall be incentivised, and an impetus shall be given to river-sea vessels, mini bulk carriers and other suitable vessels for inland and coastal movement.

7.2 Inland Waterways in Odisha

- (i) Inland Waterways Transport (IWT) is an economical and eco-friendly mode of transportation that could be used for the movement of cargo and passengers in Odisha.
- (ii) IWT projects require investments for systematic development of fairway, fleet, terminals and navigational aids. Initial government support is inevitable as IWT has a long gestation period for return on investment. Considering the constraints faced by IWT and its growth potential, the OMB will encourage:
 - a) Creation of infrastructure such as fairways, terminals and navigational aids;
 - b) Increase in IWT's fleet;
 - c) Private sector participation in the IWT sector and provision of fiscal incentives to developers, consignees and end-users in the initial stages;
 - d) Greater awareness among users to facilitate the shift to IWT from other modes of transportation.

8.1 Coastal Economic Zones and Port-related Industrial Complex

In a bid to enhance operational efficiency, self-sufficiency and competitiveness, the Coastal Economic Zones have been conceptualised to provide a one-stop solution for the entire maritime ecosystem. The cluster aims to congregate service providers related to the domain of maritime and shipping. The development strategy for such clusters shall focus on:

- (i) Develop a specialised facility for **Maritime & Shipping Alternate Dispute Resolution services** at the cluster to facilitate cost-effective resolution of maritime disputes for the members of the shipping fraternity;
- (ii) Ensure **single window clearance** and facilitation mechanism for maritime businesses intended in the cluster;
- (iii) Offer facilities like immigration, shipping permits, overseas remittances and legal services to enhance operational flexibility at the cluster;
- (iv) Evolve as a **Centre for Maritime & Shipping Innovations (CMSI)** by forging a strategic alliance with the global institutions /authorities of repute to undertake Research and Development activities in the maritime sector and offer specialised technical services to stakeholders in these domains;
- (v) Provide continued avenues for professional development and high quality of life;
- (vi) Work on the principle of “compete, co-exist and cooperate”;
- (vii) **Collaboration with leading maritime and shipping institutions** as well as other leading global Coastal Economic Zones to augment maritime knowledge and capacity;
- (viii) Conduct seminars & promotional events and aggressive marketing globally to establish reputation credentials of the cluster by attracting reputed industry organisations; and

- (ix) Consolidate and maintain the status of the cluster,
- (x) **Promote allied maritime industries** such as shipbuilding, repair, and recycling along the coast of Odisha,
- (xi) **Coordinate with the Department of Fisheries** to develop fishing harbours, fish landing centres and other landside fisheries infrastructures such as drying platforms, processing plants, ice plants, and cold storage.

8.2 Allied Infrastructure and Services

- (i) Port-led industrialisation shall enable regional development of the State's coastal districts and reduce logistics costs and time for cargo movement. The conceptualised CEZs shall be promoted, and **Integrated Maritime Coastal Regional Plans (MCRPs)** shall be developed.
- (ii) Promotion of specialised cargo handling operations for industrial clusters in these regions is envisaged. A special incentive package shall be devised to promote the support infrastructure to the ports.
- (iii) An inter-departmental Task Force is envisaged for better coordination between departments for the development and implementation of MCRPs as well as the overall Maritime Board. A specialised cell within OMB shall be formed for coordination with this Task Force.

8.3 Promotion of Marine Tourism

Odisha is a land of white sand and the blue sea. The spectacular coastal features, pristine beaches and idyllic lagoons offer an unparalleled experience to the tourists. The following policy initiatives are being

- (i) **Coastal Tourism Master Plan:** The Odisha Maritime Board shall coordinate with the Department of Tourism, Government of Odisha, to prepare a Coastal Tourism Master Plan to identify the possible sustainable interventions in different coastal areas for the promotion of Coastal Tourism.

The Coastal Master Plan may include the following:

- a) Mapping of all the identified tourism development sites
- b) Concept Mapping of the coastal circuit
- c) Interventions for each zone/beach cluster
- d) Formulation of guidelines to ensure the development is in line with the Coastal Regulation Zone Guidelines.

(ii) **Cruise Tourism:** The Odisha Maritime Board will promote Cruise Tourism for the state of Odisha in coordination with the Department of Tourism, Government of Odisha.

For docking of the cruise ships; existing berths at Non-Major Port maybe used and associated ancillary infrastructure to be developed such as waiting lounge, vehicle parking, etc. at the terminal.

Furthermore, depending upon the demand; full-fledged berth may be developed to cater to the Cruise Ships in the future.

The Board or through its nodal agency will identify the routes in collaboration with the Cruise Operators; for operations along the Coast and the possibility of Riverine Cruise maybe explored.

The Board may sign Memorandum of Understandings (MoU) between Cruise Operators and a Designated Non-Major Port Authority.

Further, the Board or through its nodal agency will make provision for seamless Custom Clearance and Immigrations Checks for passenger and crew.

The Standards & Guidelines for operations of cruises and yachts will be drafted by the Board in order to ascertain the provision of proper infrastructure and safety of foreign and domestic tourists.

- (iii) **Marinas and Multi-purpose Harbours:** The Odisha Maritime Board envisages to develop Marinas and Multi-purpose Harbours along the coast of Odisha in order to boost tourism and other ancillary sectors.

The sites may be developed near to the notified port locations and tourist hotspots along the coast of Odisha.

The Marinas and Multi-purpose Harbours would be developed under Public Private Partnership [PPP] Model.

The Board or through its nodal agency will develop or construct the Hard Infrastructure i.e., Core Project Components such as Berthing Facility and Terminals.

The Private Players would have the responsibility of procurement of Boats/Yachts and the operation of the facility.

- (iv) **State Maritime Museum:** The Odisha State Maritime Museum at Cuttack would be brought under the purview of the Odisha Maritime Board to showcase Odisha's rich maritime history and shipbuilding legacy. The State Maritime Museum will be re-developed at par with the International Standards.

- (v) **Water Sports:** Revision of Guidelines for Adventure Water Sports would be done in order to encourage and promote leisure cum water sports activities. It would outline the Standard Operating Procedures, Permissible Activities, identify the areas for development, and interventions for creation of Water Sports Infrastructure.

- (vi) **Sea-plane Connectivity:** The Odisha Maritime Board shall carry out pre-feasibility study for the locations decided by the Board or in collaboration with relevant State and Central government Agencies.

Developing a seaplane network would provide seamless connectivity and boost the tourism sector. Thus, the possibility of Sea – Plane connectivity in the state of Odisha can also be explored.

The funding/grant for development of viable sites can be sought under the Regional Connectivity Scheme (RCS) – UDAN (Ude Desh ka Aam Nagrik).

Under the purview of the Scheme, there are provisions for Viability Gap Funding and concessions by Central Government, State Governments and Airport Operators to the Selected Airlines Operators (SAOs).

- (vii) **Research & Development:** The Odisha Maritime Board also encourages active research and development to promote innovative maritime technologies to be introduced in the ports & maritime sector.

The Board thus proposes that a Maritime University in Odisha be established to bridge the skill gap in the maritime industry and create industry-ready professionals.

This university would provide training to young & bright youth of the State and collaborate with the leading maritime institutes to inculcate the best practices in the industry from across the world.

9 Establishment of Ship Breaking and Recycling Industry

The ship recycling industry converts the outlived ships into steel and recyclable items to be sold in the market. India has one of the world's most extensive shipbreaking facilities, with an average scrap of 6.2 million GT per year, accounting for 33% of the capacity of the world.

The Odisha Maritime Board shall encourage and promote Ship Breaking and Recycling Industry and delineate the guidelines to be followed by such industry.

The OMB shall promote industries which will offer world-class ship repair facilities for the ships calling at the ports of Odisha or any other suitable location, attract private investments in the Ship Recycling Facilities, generate employment opportunities in the sector and boost the overall socio-economic development of the coastal region of the state of Odisha.

The OMB would allot suitable location for setting up of ship breaking and recycling yards; prescribe processes for arrival, anchoring and beaching; followed by the ship recycling process and occupational safety and health management guidelines.

The OMB would identify suitable locations for setting up the ship breaking and recycling facilities in Odisha.

10 Technology Intervention

- (i) Development of a Web-based portal with Bi-Lingual support for the Odisha Maritime Board for better visibility of port projects of the State to all the stakeholders.
- (ii) Re-engineering of the Boat Management System for streamlining the registration, renewal and survey of the boats.
- (iii) Development of an Integrated Port Management & Information System (IPMIS) for the Board with a project dashboard to efficiently track the progress of different projects.
- (iv) Development of an Online Enrolment System for the candidates in the Crew training Institute at Chandabali, Bhadrak.
- (v) Implementation of a Vessels Traffic Management System to determine vessel positions, the position of other traffic or meteorological hazard warnings and extensively manage the traffic within a port or waterway.
- (vi) Preparation of a Digital Plan for the ports and jetties under OMB.
- (vii) The initialisation of E-Governance transformation by implementing single window clearance, online e-payment, online file tracking, grievance redressal, e-file system, intelligent logistics/hinterland information system and integration of weighbridges, toll plazas and RTO checkpoints.
- (viii) Automation in port operations shall be promoted, and Port Operations Management System (POMS) shall be implemented.

- (ix) The use of disruptive technologies such as Artificial Intelligence (AI) and Block Chain shall be promoted.

11 Sustainable Maritime Development

OMB is poised to become a maritime leader in India's port development, privatisation and specialised cargo handling. To ensure the sustainable development of the ports and maritime sector in Odisha, the Board actively encourages a sustainable port development concept that enables the integration of environment-friendly methods of port activities, operations and management.

- (i) OMB shall develop a Green Port Plan (GPP) with inputs from maritime stakeholders to address environmental challenges. A regulatory framework shall be developed to address dredging and land reclamation issues to ensure ports' compliance with the GPP.
- (ii) Incentivise use of cleaner fuels in ships, minimise impervious port surfaces, upgrade/ retrofit cargo equipment, explore financially viable options for converting bulk cargo to palletised cargo and shore-side power for vessels docked at berth shall be incorporated in GPP.
- (iii) Encouragement would be provided to the private developers to set up Container Terminals and Clean Cargo ports on the coast of Odisha.
- (iv) OMB shall ensure regular environment and energy audits of OMB ports by OSPCB and OREDA and ensure regular compliance with national and international environmental codes through checklists.
- (v) A Port Safety Code (PSC) covering all safety precautions and an oil spill contingency plan shall be developed and monitored for the ports by OMB. The PSC shall comply with all relevant Statutory Acts/ Rules and shall be integrated with all OMB ports through IT.
- (vi) Sustainable practices shall be encouraged in ship recycling on the coast of Odisha through the preparation of regular tracking and monitoring framework and compliance with international ship breaking conventions such as the Hong Kong

Convention and European Union Convention, and national laws such as Hazardous Waste Rules 1989.

- (vii) OMB shall provide support for the feasibility and development of offshore wind farms and other innovative sources of renewable energy, such as ocean thermal energy in Odisha, so it does not impact port traffic or operations. Offshore wind energy farms shall be developed through private sector participation to meet the entire (100%) renewable energy demand of OMB jetties.
- (viii) OMB shall also provide support and job opportunities in sustainable maritime activities to the members of the coastal community and those impacted by port activities.
- (ix) Acts of environmental degradation such as oil spillage, dumping of ship waste would attract a heavy penalty, which would be decided by the OMB.

12 Policy Implementation and Monitoring

The Odisha Maritime Board, chaired by the Chief Secretary, shall monitor the Policy's implementation and progress periodically, develop procedures and modalities when required, and act as the nodal agency to implement it.

Note – Any clarification pertaining to the Odisha Port Policy 2022, if so required, the decision of the Government is final and binding.

ORDER – Ordered that the Resolution be published in the Extraordinary issue of the *Odisha Gazette* and copies of the Resolution be forwarded to all Department / all Heads of the Department.

By Order of the Governor
BISHNUPADA SETHI
Principal Secretary to Government

