Central Road Fund (Amendment) Bill

Why in news?

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The government has proposed to make amendments to the Central Road Fund Act, 2000, to insert ‘national waterways’ into the Act.

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What are the provisions?

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- The Central Road Fund Act pertains to the CR Fund which is made up of cess on petrol and high speed diesel.
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- The cess is at present in the rate of Rs 6 per litre.
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- The amendment seeks to allocate a part of this cess to fund the National Waterways (NWs) project.
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- Under the provisions of the bill, an allocation of 2.5% of CRF proceeds would go for funding the waterways project.
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What are the benefits?

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- The National Waterways (NWs) Act, 2016 aimed at developing and maintaining the existing five NWs and 106 new NWs across the country.
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- However, the implementation is not in full swing with challenges in funding for the infrastructure such as jetties, terminals, and navigational channels.
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- An allocation of 2.5% of CRF proceeds would provide approximately Rs2,000 crore per annum for the development and maintenance of NWs.
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- It ensures a sustainable source of funding, as current budgetary support and funds from multilateral institutions are inadequate.
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- It also offers incentives and certainty for the private sector to invest in the inland waterways transport sector.
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- The move comes along with all the benefits of transportation through the waterways that include -
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- environment-friendly, cleaner mode of transportation.
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- lower logistics cost as cargo transportation through water is much cheaper.
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- enable diversion of traffic from over-congested roads and railways.
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Source: The Hindu

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