



REPORT NO.: RES34590

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RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
INTEGRATED COASTAL ZONE MANAGEMENT
APPROVED ON JUNE 15, 2010
TO
THE REPUBLIC OF INDIA

ENVIRONMENT & NATURAL RESOURCES

SOUTH ASIA

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I. BASIC DATA

Product Information

Project ID P097985	Financing Instrument Investment Project Financing
Original EA Category Full Assessment (A)	Current EA Category Full Assessment (A)
Approval Date 15-Jun-2010	Current Closing Date 29-Dec-2018

Organizations

Borrower The Republic of India	Responsible Agency Society of Integrated Coastal Management
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Project Development Objective (PDO)

Original PDO

The project development objective is to assist GoI in building national capacity for implementation of comprehensive coastal management approach in the country, and piloting the integrated coastal zone management approach in states of Gujarat, Orissa and West Bengal.

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-47650	15-Jun-2010	22-Jul-2010	22-Sep-2010	29-Dec-2018	221.97	149.39	62.16
TF-91901	12-Aug-2008	12-Aug-2008	12-Aug-2008	30-Jun-2011	.01	.01	0

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



II. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES

The DEA requested extension of closing date of the project to March 31, 2020 on November 20, 2017. In response, the Bank management approved a partial extension of 12 (twelve) months until December 29, 2018. During this extended period, the overall project ratings have improved to satisfactory levels. Extension of the closing date up to the requested remaining 15 (fifteen) months is now considered prudent for replicating some of the successful initiatives already taken up in the project, especially with respect to further enhancing activities to support livelihood security of the coastal communities. This summary presents: (1) Project Status; and (2) Proposed Changes

(1) PROJECT STATUS

The project PDO is to assist the Government of India in building national capacity for implementation of comprehensive coastal management approach in the country and piloting the integrated coastal zone management approach in the states of Gujarat, Odisha and West Bengal.

The ratings for achievement of the Development Objective (DO) and the Implementation Performance (IP) for the project improved to Satisfactory (S) level by July 2018, from being Moderately Satisfactory (MS) in the years prior to restructuring/extension in December 2017. All 5 PDO indicators and all 16 intermediate outcome indicators are either already met or are on-track to be met by the currently scheduled closing date of December 29, 2018.

The project has several achievements, more significant of these include: (a) policy reform – new regulations related to coastal zone management and integrated island management in 2011, after a nationwide consultation that lasted more than a year; (b) establishment of institutions at national, state and district levels supportive of integrated coastal zone management; (c) creating substantive knowledge base needed for the country at both national and state levels, which are introduced for the first time in the country and, for several themes, for the first time in the region or globally; (d) establishment and operationalization of a world-class knowledge provider – the National Center for Sustainable Coastal Management (NCSCM) at Chennai – which is not only providing cutting edge knowledge to the national and state governments, but has also started offering knowledge support to the Indian Ocean Rim Countries or to platforms such as West Africa Coastal Alliance. Integrated coastal zone management plans have been prepared for three intended sediment cells in the pilot states of Gujarat, Odisha and West Bengal, and most of the pilot investments demonstrating thematic, inter-agency integration have been completed. Several actions for mainstreaming gender and climate aspects as designed have been completed. The target for beneficiaries has exceeded.

The project itself was included, as a whole, into India's Intended Nationally Determined Contribution (INDC) for the Framework Convention on Climate Change in 2015. Later, expanding the same themes and principles of the project, the Government of India had announced the National Coastal Mission (which is the ninth mission of the national Climate Action Program that includes other missions such as the National Solar Mission, National Mission for Sustainable Agriculture, National Water Mission, etc.). A proposed second financing from the WBG (titled as Enhancing Coastal and Ocean Resource Efficiency Project, P167804) is also seen to be an important part of the National Coastal Mission.

Component 1 - National ICZM Capacity Building: In addition to reform to national regulations in consultation with states, and establishment of institutional structures at the national level, the other achievements include: (a) creation and operation of a center for excellence, the NCSCM, with state-of-the-art research facilities, which is already providing knowledge to support decision-making in 7 thematic areas; (b) completion of hazard (a combination of



erosion, flood, tidal waves) mapping on the coast of India which included aerial photography of 80,000 square km, one of the largest such mapping supported by the WBG globally; (c) completion of mapping of the ecologically sensitive areas; (d) delineating sediment cells for the country; and (e) determining relative levels and establishing levels for more than 150 major or minor ports in the country that now allows true understanding of relative sea level rise all along the coast. Combined together, these have now paved the way for promoting a program called, the 'Digital Coast' that supports integrated management of coastal and marine areas with extensive information.

Component 2 - Piloting ICZM Approaches in Gujarat: All indicators of intermediate outcomes are achieved. In addition, the significant achievements include: (a) completing community-managed mangrove plantation of over 16,500 ha, making it the largest ever such plantation in the world in one project; (b) establishing the first sea water monitoring in the country; (c) completion and revenue-sharing during operation of the DBOT contract with 15 years of operation for a large sewage treatment plant in the country (which is also a first for the WBG, and first case of technology-neutral bidding in the country—based on success of which the Government of Gujarat announced that all state-wide sewage treatment plants will use this form of contracting, motivating similar DBO contracts elsewhere in India); (d) completion of entry-point activities for livelihood security for 169 villages located on the shores of the Gulf of Kachchh; and (e) preparation of a 'model' ICZM Plan for the southern shore of the Gulf of Kachchh. The establishment of Oceanarium and Marine Research Centre for Information (MRCI) using a private-public-partnership model is the only activity that could not be completed; and rebidding for this contract is underway.

Component 3 - Piloting ICZM Approaches in Odisha: All indicators of intermediate outcomes are achieved or nearly achieved. In addition, the significant achievements include: (a) establishing the first real-time lake water quality monitoring in Asia outside Japan; (b) establishing the ecosystem report card for the Chilika Lagoon ecosystem, a first in the world, outside of the USA and Australia; (c) demonstration of technology options in coastal erosion control; (d) completion of livelihood activities for 700 self-help groups and integrating them in state-run programs; (e) federating the fisherpersons community groups, and supporting them which resulted in making such fisherpersons debt-free in 40 villages; (f) establishing community managed coastal tourism activities by providing them ownership and operating rights on assets of the state agencies; (g) enhancing research facilities and capacities of the Chilika Development Authority making it at par with such specialized agencies at a global level; (h) completing the regional coastal process studies including a year-long measurement of tides, waves, current – first time in the country, and, (i) preparation of a 'model' ICZM plans for the Paradeep- Dhamra and the Gopalpur-Chilika stretches of Odisha coast. One pilot investment – integrated solid waste management in Paradip using a private-public-partnership model could not be completed; and rebidding for this contract is underway.

Component 4 - Piloting ICZM Approaches in West Bengal: All indicators of intermediate outcomes are achieved or nearly achieved. In spite of past delays, all pilot investments are scheduled and expected to be completed by December 2018, some of which will require additional supervision during their operation during the extended project period (proposed otherwise to be managed using budget of the respective implementing agencies). The major achievements include: (a) integrated development of Digha town and beach that included comprehensive sewage treatment, storm water drainage, beach cleaning and beachfront redevelopment; (b) restoration and augmentation of marine aquarium at Digha; (c) integrated development of Sagar Island which has 250,000 people and attracts 2 million tourists every year - by bringing electricity to the island for the first time, construction of the required 24 cyclone shelters, establishing eco-friendly infrastructure including comprehensive sanitation facilities for the annual pilgrimage and tourism, and restoration of cultural assets, beach cleaning and solid waste management, and (d) ICZM Plans for Digha-Shankarpur stretch of the coast, and for Sagar Island preparation of which are scheduled to be completed by December 2018.



(2) PROPOSED CHANGES

Based on the DEA request, dated November 20, 2017, the World Bank recommends extension of the closing date for the project to March 31, 2020. This extension of closing date will be applicable to all four components of the project.

The proposed changes include: (a) Extension of project closing date from December 29, 2018 to March 31, 2020; and (b) reallocation among disbursement categories for utilizing the estimated savings to implement enhanced activities for livelihood security of coastal communities under Component 2 of the project, and to continue selected activities already initiated under Components 1, 3 and 4 of the project.

In alignment with the PDO, it is proposed that the part of the identified project savings (approximately USD20 million including counterpart share) is allocated for scaling up the activities related to livelihood security of coastal communities. Among the three project states, additional activities are not possible or advantageous in Odisha (where the staff and capacity at the levels of project villages and the state project management unit have been demobilized after successful completion of the livelihood activities, and after ensuring sustainability of the community groups established by the project through integration in state-run larger livelihood programs) and in West Bengal (where the livelihood activities are scheduled to be completed by December 2018, where sustainability actions are yet to be completed). In contrast, in Gujarat, substantial portions of the staff and capacity at the levels of project villages and the state project management unit were retained (even if the planned activities were completed in the villages about two years ago). Therefore, USD20 million from the estimated saving will be reallocated to Component 2. Further, during the project so far, major portions of the works identified through the village level participatory planning processes in Gujarat could not be taken up given the limits of allocation of funds to such activities. The proposed reallocation will bring the livelihood security and improvement targets at par with similar activities in Odisha and West Bengal. Further, given the need of focusing on achieving substantial success, the activities will be implemented in 110 villages located on the north shore of the Gulf of Kachchh, and around Dandi, and not in all project villages supported in the project by Component 2 so far.

The extension of closing date recommended above facilitates completion of expenditure of USD14 million (including counterpart share) in two contracts that were to remain unfinished in December 2018. Part of the remaining USD9 million savings (including counterpart share) will be used for incremental operating cost, and a part estimated to be USD6 million will be used to continue some of the activities initiated under the project, which were otherwise proposed to be met from the National Coastal Mission, if the project were to close on December 2018.

Action Plan for Monitoring ongoing activities:

The Bank has been and will continue to monitor the progress of the project by conducting site visits regularly and working continuously with the senior management of National and State Project Management Units to close all the ongoing activities successfully. The team will continue to monitor the agreed time-bound action plan on physical as well as financial progress. An implementation support mission will also be conducted by the Bank team to formally record the progress of the committed activities, especially activities related to enhanced livelihood security of coastal communities along the northern shore of the Gulf of Kachchh in Component 2. The National Project Management Unit (SICOM) will continue to consolidate the audit reports from all the three State Project Management Units implementing the project in respective states. MoEFCC will ensure that the ongoing Monitoring and Evaluation (M&E) activities are extended to the proposed enhanced livelihood activities.



III. DETAILED CHANGES

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-47650	Effective	31-Dec-2015	29-Dec-2017, 29-Dec-2018	31-Mar-2020	31-Jul-2020
TF-91901	Closed	30-Jun-2009	29-Jun-2010, 30-Jun-2011, 27-Dec-2011		

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Ln/Cr/TF	Current Expenditure Category	Current Allocation	Actuals + Committed	Proposed Allocation	Disbursement % (Type Total)	
					Current	Proposed
IDA-47650-001 Currency: XDR	GDS,WRKS,IOC,CS, NON-CS FOR PART A	49,403,000.00	28,543,293.84	49,403,000.00	77.70	77.70
	GD,WRK,IOC,CS, NON-CS,PLT INVT-PRT B	35,556,700.00	26,250,893.35	44,008,000.00	77.70	77.70
	GD,WRK,IOC,CS, NON-CS,PLT INVT-PRT C	30,596,500.00	22,153,121.13	26,076,000.00	77.70	77.70
	GD,WRK,IOC,CS, NON-CS,PLT INVT-PRT D	30,613,800.00	23,750,392.67	26,683,000.00	77.70	77.70
	REFUND OF PREPARATION ADVANCE	730,000.00	654,322.39	730,000.00		
	Total	146,900,000.00	101,352,023.38	146,900,000.00		



The World Bank

Integrated Coastal Zone Management (P097985)
