DOCUMENT OF THE WORLD BANK

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

Regional Vice President: Annette Dixon
Country Director: Junaid Kamal Ahmad
Senior Global Practice Director: Karin Erika Kemper
Practice Manager/Manager: Kseniya Lvovskiy
Task Team Leader: Sita Ramakrishna Addepalli, Milen F. Dyoulgerov Vollen
I. BASIC DATA

Product Information

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Financing Instrument</th>
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<tr>
<td>P097985</td>
<td>Investment Project Financing</td>
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<th>Approval Date</th>
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<td>15-Jun-2010</td>
<td>29-Dec-2017</td>
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Organizations

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<tr>
<th>Borrower</th>
<th>Responsible Agency</th>
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<tr>
<td>The Republic of India</td>
<td>Society of Integrated Coastal Management</td>
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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

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Policy Waiver(s)

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

No
II. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES

A formal request to restructure the project was received by the Bank from DEA through its letter dated November 20, 2017.

This summary presents: (1) Project Status; (2) Proposed Changes. At the end of the summary, the section (3) on Project Background is provided for details on project components and history of the project over the past 7 years.

(1) PROJECT STATUS:

As on December 19, 2017 the project has disbursed around 63% of IDA funds.

Component 1- National Capacity Building: Institutional structure at National, and State level supporting of Integrated Coastal Zone Management has been established. As part of establishing knowledge and planning base, National Centre for Sustainable Coastal Management (NCSCM), a Centre of Excellence for Coastal Management, is established with state-of-the-art research facilities. NCSCM is already supporting coastal management with seven major coastal research theme areas. A comprehensive map of over 7,800 kms of India’s mainland coastal zone has been completed, and coastal hazard line has been delineated for the West coast and is currently undergoing final validation. Ongoing/Pending activities: Mapping work on East coast is in advanced stage and is expected to be completed by May, 2018. Establishment of data center for hosting country wide Hazard Line is ongoing and would be completed by August 2018. NCSCM is yet to be integrated with permanent government institutions and budget.

Component 2 – Piloting ICZM Approaches in Gujarat: Substantial part of the planned activities under this component are completed. Some of the key completed activities include: enhanced coastal and marine pollution monitoring capability of the Gujarat Pollution Control Board; completion of livelihood activities in 169 coastal villages; major pilot investments such as restoration/conservation of about 16,500 ha. of mangrove area, commissioning of first - of - its kind in India; 70 MLD Sewage Treatment Plant (STP) at Jamnagar on 15-year Design Build Operate Transfer (DBOT) contract. On-going activities: The ICZM Plan for Gulf of Kachchh is ongoing and is expected to be completed by June, 2018. Pending: The proposed Marine Research Centre and Oceanarium (MRCI), for which the re-bidding process is ongoing and is expected to be completed in early 2018. Implementation would however take further 20 months, and therefore financing for implementation of this contract will have to be secured outside this project.

Component 3: Piloting ICZM Approaches in Odisha: Most of the pilot activities under this component are completed, including : enhanced coastal and marine pollution monitoring capability of Odisha Pollution Control Board; construction of 14 cyclone shelters with community support for Operation and Maintenance (O&M); implementation of geo-tubes embankment to demonstrate technology options in coastal erosion control; coastal livelihood and community managed coastal tourism activities; and capacity building for Chilika Development Authority. On-going: The ongoing ICZM plan preparation for Paradeep-Dhamra stretch, and Gopalpur-Chilika stretch is expected to be completed by June 2018. Pending: For the Integrated Solid Waste Management Plan for Paradeep town, the procurement process is ongoing. Implementation would will take 18-20 months, and therefore financing for implementation of this contract will have to be secured outside this project.

Component 4 - Piloting ICZM Approaches in West Bengal: After initial delays, significant progress has been achieved, including completion of the following key activities: Storm water drainage and Sewerage and Sewage Treatment Plant (STP) for Digha town; improvement of Digha beach and tourism activities; restoration and improvement of Zoological Survey of India’s (ZSI) marine aquarium; establishment of eco-friendly infrastructure for annual mela and Sagar Island
as well as full electrification of the Island covering 35,000 households. Ongoing livelihood activities in Sagar Island involving over 2000 SHGs and construction of 24 cyclone shelters are in advance stage and can be completed by the end of August 2018. Pending: The ICZM Plan is to be undertaken by NCSCM which will require 12 months to complete an acceptable draft.

Ratings of the Project:

The ratings for implementation progress (IP) of the project, as well as towards achievement of the project development objective (PDO) was Moderately Satisfactory (MS) for the past year. In early December 2017, the PDO rating was downgraded to Moderately Unsatisfactory (MU) as some of the key project activities such as the entire coastline hazard line mapping cannot be completed before current project closing date of December, 29, 2017.

(2) PROPOSED CHANGES

The World Bank recommends extension of the project by twelve (12) months (against the request of 27 months), from December 29, 2017 to December 29, 2018. This project closing date extension will allow: (a) completing all the ongoing activities including works’ contracts under the four components; (b) undertaking the preparation of the ICZM Plan for West Bengal through NCSCM, with draft plans completed, (c) helping Odisha and Gujarat states with procurement processes to secure successful bids for MRCI and ISWM contracts and with achieving financial closure through budgetary support by a combination of state and central government funds. Implementation of these contracts would not be feasible under the project, and a decision on uncommitted funds will be taken at a later date during the extended project period; and (d) initiate preparation of ICZMP-2. The extension will also be used for supporting MOEFCC to take necessary actions to ensure sustainability of and post-project budgetary support for the new national institutions, namely, the National Centre for Sustainable Coastal Management (NCSCM) and the Society for Coastal Management (SICOM). This will help their smooth transition to merge with the National Coastal Mission, and put in place sustainable mechanisms for implementing the ICZMP-2. By enabling all the above, the proposed extension will allow to largely achieve the PDO and complete the project satisfactorily.

Action Plan for Monitoring ongoing activities:

The Project Development Objective (PDO) remains achievable with the proposed closing date. 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 expedite completion of the ongoing activities. 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. MoEFCC will ensure that the Monitoring and Evaluation (M&E) activities are commissioned on priority and also sustain the national level institutions – NCSCM and SICOM.

(3) PROJECT BACKGROUND

The 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, Orissa and West Bengal.

The Integrated Coastal Zone Management Project for XDR 146.9 million of IDA Credit No. 4765-IN was approved by the Bank’s Board of Executive Directors on June 15, 2010 and became effective on September 22, 2010. While
Government of India (GOI) is the borrower for this loan, the responsible agency for implementing the project is Society for Coastal Management (SICOM) at the National level, supported by State Project Management Units in Gujarat, Odisha, and West Bengal. The IDA credit was to be used for establishing national level capacity building for coastal management and piloting Integrated Coastal Zone Management approaches in three States.

The Project implementation cover components which include: (1) National Capacity Building; (2) Piloting ICZM Approaches in Gujarat; (3) Piloting ICZM Approaches in Odisha; (4) Piloting ICZM Approaches in West Bengal. The project also includes pilot investments to demonstrate: (a) conservation and protection of coastal resources, including mangrove and coastal shelterbelt plantations and coastal protection works; (b) provision of environmental infrastructure for pollution management under Public Private partnership Framework; the first-of-its-kind in India, including pollution abatement from coastal settlements; and (c) livelihood security of coastal communities, including support to Community Based Organizations (CBO) coordinated livelihood improvement activities.

Following the initial implementation delays, a project restructuring was carried out during December 2015, which included a 2-year extension. After the restructuring, the project has shown performance with cumulative project commitments growing from 58% to 88%, and a corresponding disbursement progress from 40% to 63%. It is further expected that work completed by December 29, 2017 (current project closing date) will increase disbursements to over 70%. The National Project Management Unit (SICOM - a society) consolidate the audit reports from all the three State Project Management Units implementing the project in respective states. The audit reports for the project till FY 16-17 have been submitted and all issues are addressed and there are no pending audit reports.

III. DETAILED CHANGES

LOAN CLOSING DATE(S)

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<th>Ln/Cr/Tf</th>
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