



RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
COASTAL EMBANKMENT IMPROVEMENT PROJECT - PHASE I (CEIP-I)  
APPROVED ON JUNE 26, 2013  
TO  
PEOPLE'S REPUBLIC OF BANGLADESH

URBAN, RESILIENCE AND LAND GLOBAL PRACTICE

SOUTH ASIA

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**ABBREVIATIONS AND ACRONYMS**

BWDB	Bangladesh Water Development Board
CEIP	Coastal Embankment Improvement Project
IDA	International Development Association
M&E	Monitoring and Evaluation
PDO	Project Development Objective
PMU	Project Management Unit
PP	Procurement Panel
PPCR	Pilot Program for Climate Resilience
PSC	Project Steering Committee
TA	Technical Assistance
TF	Trust Fund
WMO	Water Management Organization



**Note to Task Teams:** The following sections are system generated and can only be edited online in the Portal.

**BASIC DATA**

**Product Information**

Project ID P128276	Financing Instrument Investment Project Financing
Original EA Category Full Assessment (A)	Current EA Category Full Assessment (A)
Approval Date 26-Jun-2013	Current Closing Date 31-Dec-2020

**Organizations**

Borrower Government of Bangladesh	Responsible Agency Bangladesh Water Development Board
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**Project Development Objective (PDO)**

Original PDO

The project development objectives are to (a) increase the area protected in selected polders from tidal flooding and frequent storm surges, which are expected to worsen due to climate change; (b) improve agricultural production by reducing saline water intrusion in selected polders; and (c) improve the Government of Bangladesh's capacity to respond promptly and effectively to an eligible crisis or emergency.

**Summary Status of Financing**

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-52800	26-Jun-2013	01-Oct-2013	24-Nov-2013	31-Dec-2020	375.00	178.77	167.39
TF-14713	01-Oct-2013	01-Oct-2013	24-Nov-2013	31-Dec-2020	25.00	24.99	.01



### Policy Waiver(s)

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

No

**Note to Task Teams:** End of system generated content, document is editable from here.

## I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

### A. Background

1. The Coastal Embankment Improvement Project Phase I (CEIP-I) was approved in June 26, 2013 with an IDA credit of US\$ 375 million and a Pilot Program for Climate Resilience (PPCR) Grant of US\$ 25 million. The project development objectives (PDO) are to (a) increase the area protected in selected polders<sup>1</sup> from tidal flooding and frequent storm surges, which are expected to worsen due to climate change; (b) improve agricultural production by reducing saline water intrusion in selected polders; and (c) improve the Government of Bangladesh's capacity to respond promptly and effectively to an eligible crisis or emergency. This would be achieved through the rehabilitation and improvement of embankments in 17 polders, establishment of Water Management Organizations (WMOs)<sup>2</sup> for operation and maintenance, and completion of a study on long-term coastal dynamics to inform future coastal protection investments in Bangladesh.

2. On October 17, 2019, the Government of Bangladesh submitted a restructuring request. The proposed restructuring comprises: (i) reduction of the project's scope from 17 to 10 polders due to cost-overruns; and (ii) an 18-month extension of the closing date until June 30, 2022 to complete the project activities.

### B. Project Status

3. Progress towards achievement of the PDO is Satisfactory and overall implementation progress is Moderately Satisfactory. Disbursement stands at 51.4% (SDR 127.74 million; US\$ 178.77 million equivalent) from IDA Credit and 100% (US\$ 24.99 million) from PPCR Grant. As of October 31, 2019, overall physical progress is 38.93% against the original target, and 51.87% against the proposed reduced scope of 10 polders. Works are implemented through 2 works contracts. The first one, covering 4 polders, was signed on November 1, 2015 and is at 80.35% physical progress (as of October 31, 2019) with works expected to be completed by June 2020. The second contract, covering 6 polders, was signed on March 8, 2017 and is at 35.58% (as of October 31, 2019) with works expected to be completed by June 2022. Due to cyclone and

<sup>1</sup> The Dutch term "polder" is used to designate areas that are enclosed on all sides by dykes or embankments, separating them hydrologically from the main river system and offering protection against tidal floods, salinity intrusion and sedimentation. Polders are equipped by in- and outlets to control the water inside the embanked area.

<sup>2</sup> WMOs refer to all types of organizations within a polder or scheme for participatory water management. Water Management Group (WMG) is formed for each hydraulic boundary known as Water Management Unit (WMU) within a polder/scheme. There are several WMUs in a polder/scheme having WMG for each. An apex body of the WMGs is formed with representatives from each WMG called Water Management Association (WMA) for each polder/scheme. The WMGs and the WMA in a polder/scheme are known as WMOs.



monsoon seasons, the construction season in the coast is reduced to approximately 7 months a year, from November to May.

4. All technical assistance and capacity building activities are under implementation. Establishment of WMOs through NGOs and afforestation activities (208 ha completed as of October 2019) are ongoing in all polders, and the firm carrying out the consultancy service for Long Term Monitoring, Research and Analysis of the Coastal Zone has submitted the first tranche of deliverables.

### **C. Rationale for Restructuring**

5. Cost overruns are the result of (i) increased cost of Land Acquisition mostly due to the passing of new legislation during project implementation, the Acquisition and Requisition of Immovable Property Act 2017; (ii) increased Value Added Tax (VAT) & Income Tax (IT) (2.0% increase in VAT & 2.5% increase in IT for works; 10% increase in IT for consultancy services); (iii) price escalation (increased unit cost as the Project was approved in June 2013); (iv) change in the US\$/SDR exchange rate (decreased from US\$ 375 million equivalent to US\$ 342.15 million equivalent as of November 7, 2019); and (v) the need to carry out emergency protection works during implementation.

6. Due to river bank erosion, embankment sections, prior to the construction, had to be retired and numerous sections required urgent rehabilitation. As much as 150-200 meters of inland riverbank erosion can occur in one rainy season. This frequent weathering causes great loss to land and property, affecting life and livelihood of the local community, which in most cases are poor farmers and fishermen. Absent the emergency works, this land and property, which had previously been protected by the embankment, would be lost due to erosion.

7. The implementation delays are due to: (i) longer than anticipated process for procurement due to required approvals both from the Bank and Government side; (ii) initial delays in land acquisition for the first contract; (iii) delays in mobilization of the contractor for the second works package; and (iv) severe weather conditions (Cyclones Mora in 2017, Titli in 2018 and Fani in 2019) that damaged embankment sections requiring additional work.

## **II. DESCRIPTION OF PROPOSED CHANGES**

### **A. Adjustment of Scope**

8. The Project's scope would be reduced from 17 to 10 polders due to the financing constraints. The remaining 7 polders, which have all technical designs ready, would be moved to a potential second phase of the Project together with additional polders under design, the source of financing of the second phase is not yet determined. This would allow for the ongoing 10 polders to be completed within the available funds considering the cost increases and the need to carry out additional protection works resulting from new damage and erosion during implementation.

### **B. Results Framework and Closing date extension**



9. The indicators and targets in the Results Framework are being adjusted to reflect the revised scope of the project (10 Polders). The proposed new indicators were part of the project scope but were not reflected in the original results framework. No modification in the end target is proposed for two PDO indicators (Increase cropping intensity and Contingent Emergency Appropriation). However, the end date for these indicators has been revised as per the restructuring to June 30, 2022. For the remaining PDO as well as Intermediate Results Indicators, the proposed changes to the indicator names and/or end targets are listed below:

PDO Indicators				
Original Indicator	Original End Target	Revised Indicator	Revised End Target	Rationale
Gross area protected (1000 x ha)	100.8	[no change]	66.012	End target revised from 100,800 ha to 66,012 ha proportionately to the revised scope.
Direct project beneficiaries from increased resilience to climate change (number: 1000 x person) of which female (percentage) %	760 (50%)	[no change]	724.202 (50%)	End target revised from 760,000 to 724,202 proportionately to the revised scope as well as considering 2019 population data based on 2011 Bangladesh Bureau of Statistics census w/4% annual rate.
Increase cropping intensity (%)	180	[no change]	[no change]	Only end date revised as per restructuring to June 30, 2022.
Contingent Emergency Appropriation Triggered, if requested [Y/N]	NA	[no change]	[no change]	Only end date revised as per restructuring to June 30, 2022.

Intermediate Indicators				
Original Indicator	Original End Target	Revised Indicator	Revised End Target	Rationale
Length of upgraded embankment (km)	623	[no change]	408	End target revised from 623 km to 408 km proportionally to the revised scope.
Regulators upgraded (Number)	134	This indicator has been marked for deletion	To be deleted	Duplication: This is already reflected as "drainage structures and flushing inlets replaced" in the results framework.
Drainage structures replaced/upgraded (Number)	129	This indicator has been marked for deletion	To be deleted	This indicator is proposed to be deleted. As per initial project design, indicator was "drainage structures replaced/upgraded" this



Intermediate Indicators				
Original Indicator	Original End Target	Revised Indicator	Revised End Target	Rationale
				is being separated into two indicators to reflect accurately the specific intervention undertaken. These are now separated as “drainage structures replaced” and “drainage structures repaired” as two new indicators.
		Drainage Structures replaced (Number) <i>[new]</i>	88	This is a new indicator. As per initial project design, indicator was “drainage structures replaced/upgraded” this is being separated into two indicators to reflect accurately the specific intervention undertaken. The two indicators are now separated as “drainage structures replaced” and “drainage structures repaired”.
		Drainage Structures Repaired (Number) <i>[new]</i>	8	This is a new indicator. As per initial project design, indicator was “drainage structures replaced/upgraded” this is being separated into two indicators to reflect accurately the specific intervention undertaken. The two indicators are now separated as “drainage structures replaced” and “drainage structures repaired”.
Flushing inlets upgraded (Number)	244	This indicator has been marked for deletion	To be deleted	This indicator is proposed to be deleted. As per initial project design, indicator was “flushing inlets upgraded” this is being separated into two indicators to reflect accurately the specific intervention undertaken. These are now separated as “flushing inlets replaced” and “flushing inlets repaired” as two new indicators.
		Flushing Inlets replaced (Number) <i>[new]</i>	80	This is a new indicator. As per initial project design, indicator was “flushing inlets upgraded” this is being separated into two indicators to reflect accurately the specific intervention undertaken. The two indicators are now separated as “flushing inlets replaced” and “flushing inlets repaired”.



Intermediate Indicators				
Original Indicator	Original End Target	Revised Indicator	Revised End Target	Rationale
		Flushing inlets Repaired (Number) <i>[new]</i>	44	This is a new indicator. As per initial project design, indicator was “flushing inlets upgraded” this is being separated into two indicators to reflect accurately the specific intervention undertaken. The two indicators are now separated as “flushing inlets replaced” and “flushing inlets repaired”.
Length of Drainage Channels upgraded (km)	794	[no change]	305	End target revised from 794 km to 305 km proportionally to the revised scope and actual requirements.
		Length of River Bank Protection (km) <i>[new]</i>	9.37	Proposed new indicator "River Bank Protection Works" was part of the original project scope, but not reflected in the original results framework.
		Length of Slope Protection (km) <i>[new]</i>	28.00	Proposed new indicator "Slope Protection Works" was part of the original project scope, but not reflected in the original results framework.
Area Afforested (ha)	300	[no change]	600	End target proposed to be revised from 300 (ha) to 600 (ha) due to actual requirements and revised targets to be achieved
Water Management Organization (WMO) (Number)	4	Water Management Association (WMA) (Number)	10	Description of indicator revised from “Water Management Organization (WMO)” to “Water Management Association (WMA)”. End target revised from 4 to 10. As per institutional requirement, each polder now has one WMA, there are 10 polders, accordingly, end target revised to 10. As per the initial project design, this was to be piloted only in a few polders, later formation of WMA required for all polders.
Improved coastal monitoring (Studies)	2	[no change]	1.Modelling of the long-term physical processes and other relevant phenomena	End target proposed to be revised reflecting the scope of works of the analytics (long-term monitoring, research and analysis of the coastal zone).





Intermediate Indicators				
Original Indicator	Original End Target	Revised Indicator	Revised End Target	Rationale
			(subsidence, climate change, river morphology etc.) (scale: macro, meso and micro)  2.An investment plan describing a phased polder improvement roadmap for Bangladesh Coast	
BWDB day of training provided (Number)	160	BWDB Person Days of training provided (Number)	1200	Description of the indicator is proposed to be revised from “BWDB days of training provided” to “BWDB Person Days of training provided”. The end target is proposed to be revised from 160 to 1200 reflecting the actual quantity of the training.
Grievance Redress Committee (GRC) (Number)	17	[no change]	36	End target revised from 17 to 36 reflecting the number of GRCs formed and functional. Originally, this was to be one GRC in each polder and in total 17. As per the institutional requirement, there are 36 GRCs formed and functional in 10 Polders.
		Detailed design of future 7 Polders (including EIA, RAP/LAP) <i>[new]</i>	7	The Project’s scope would be reduced from 17 to 10 polders due to the financing constraints. The remaining 7 polders would be moved to a potential second phase of the Project together with additional polders under design, the source of financing of the second phase is not yet determined. However, the detailed design of these 7 polders is ready as well as EIA, RAP/LAP are at final stage of preparation. This is part of the project scope, but was not reflected in the original results framework.



10. A closing date extension of 18 months from the current closing date of December 31, 2020 to June 30, 2022 is proposed to be able to complete all project activities. The first 4 polders are expected to be completed by the current closing date. The remaining 6 polders and the long-term monitoring, research and analysis of the coastal zone will be completed by the extended closing date.

**Note to Task Teams:** The following sections are system generated and can only be edited online in the Portal.

**I. SUMMARY OF CHANGES**

	Changed	Not Changed
Results Framework	✓	
Loan Closing Date(s)	✓	
Disbursement Estimates	✓	
Implementation Schedule	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Components and Cost		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓



Social Analysis		✓
Environmental Analysis		✓

**IV. DETAILED CHANGE(S)**

**LOAN CLOSING DATE(S)**

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-52800	Effective	31-Dec-2020		30-Jun-2022	30-Oct-2022
TF-14713	Effective	31-Dec-2020		30-Jun-2022	30-Oct-2022

**DISBURSEMENT ESTIMATES**

Change in Disbursement Estimates

Yes

Year	Current	Proposed
2013	0.00	0.00
2014	5,000,000.00	4,600,000.00
2015	5,000,000.00	0.00
2016	10,000,000.00	12,900,000.00
2017	45,000,000.00	21,000,000.00
2018	75,000,000.00	44,700,000.00
2019	75,000,000.00	80,000,000.00
2020	75,000,000.00	75,000,000.00
2021	85,000,000.00	65,000,000.00
2022	0.00	71,800,000.00



Results framework

COUNTRY: Bangladesh

Coastal Embankment Improvement Project - Phase I (CEIP-I)

Project Development Objectives(s)

The project development objectives are to (a) increase the area protected in selected polders from tidal flooding and frequent storm surges, which are expected to worsen due to climate change; (b) improve agricultural production by reducing saline water intrusion in selected polders; and (c) improve the Government of Bangladesh's capacity to respond promptly and effectively to an eligible crisis or emergency.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline	End Target
<b>To increase the area protected in selected polders from tidal flooding and frequent storm surges</b>			
Gross area protected (Hectare(Ha))		0.00	66,012.00
<i>Action: This indicator has been Revised</i>		<i>Rationale: End target revised from 100,800 ha to 66,012 ha proportionately to the revised scope.</i>	
Direct project beneficiaries from increased resilience to climate change (Number)		0.00	724,202.00
<i>Action: This indicator has been Revised</i>		<i>Rationale: End target revised from 760,000 to 724,202 proportionately to the revised scope as well as considering 2019 population data based on 2011 Bangladesh Bureau of Statistics census w/4% annual rate.</i>	
Female beneficiaries (Percentage)		0.00	50.00
<b>To improve agricultural production by reducing saline water intrusion in selected polders</b>			
Increase cropping intensity (Percentage)		140.00	180.00
<i>Action: This indicator has been Revised</i>		<i>Rationale:</i>	



Indicator Name	DLI	Baseline	End Target
<i>Only end date revised as per restructuring to June 30, 2022.</i>			
<b>To improve the Government of Bangladesh's capacity to respond to an emergency</b>			
Contingent Emergency Appropriation (Text)		NA	Triggered if requested
<i>Action: This indicator has been Revised</i>	<i>Rationale: Only end date revised as per restructuring to June 30, 2022.</i>		

**Intermediate Results Indicators by Components**

Indicator Name	DLI	Baseline	End Target
<b>Rehabilitation and Improvement of Polders</b>			
Length of upgraded embankment (Kilometers)		0.00	408.00
<i>Action: This indicator has been Revised</i>	<i>Rationale: End target revised from 623 km to 408 km proportionally to the revised scope.</i>		
Regulators upgraded (Number)		0.00	134.00
<i>Action: This indicator has been Marked for Deletion</i>	<i>Rationale: Duplication: This is already reflected as "drainage structures and flushing inlets replaced" in the results framework.</i>		
Drainage structures replaced or upgraded (Number)		0.00	129.00
<i>Action: This indicator has been Marked for Deletion</i>	<i>Rationale:</i>		



Indicator Name	DLI	Baseline	End Target
		<i>This indicator is proposed to be deleted. As per initial project design, indicator was “drainage structures replaced/upgraded” this is being separated into two indicators to reflect accurately the specific intervention undertaken. These are now separated as “drainage structures replaced” and “drainage structures repaired” as two new indicators.</i>	
Drainage Structures replaced (Number)		0.00	88.00
<i>Action: This indicator is New</i>		<i>Rationale: This is a new indicator. As per initial project design, indicator was “drainage structures replaced/upgraded” this is being separated into two indicators to reflect accurately the specific intervention undertaken. The two indicators are now separated as “drainage structures replaced” and “drainage structures repaired”.</i>	
Drainage Structures Repaired (Number)		0.00	8.00
<i>Action: This indicator is New</i>		<i>Rationale: This is a new indicator. As per initial project design, indicator was “drainage structures replaced/upgraded” this is being separated into two indicators to reflect accurately the specific intervention undertaken. The two indicators are now separated as “drainage structures replaced” and “drainage structures repaired”.</i>	
Flushing inlets upgraded (Number)		0.00	244.00
<i>Action: This indicator has been Marked for Deletion</i>		<i>Rationale: This indicator is proposed to be deleted. As per initial project design, indicator was “flushing inlets upgraded” this is being separated into two indicators to reflect accurately the specific intervention undertaken. These are now separated as “flushing inlets replaced” and “flushing inlets repaired” as two new indicators.</i>	
Flushing Inlets replaced (Number)		0.00	80.00
<i>Action: This indicator is New</i>		<i>Rationale:</i>	



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Indicator Name	DLI	Baseline	End Target
		<i>This is a new indicator. As per initial project design, indicator was "flushing inlets upgraded" this is being separated into two indicators to reflect accurately the specific intervention undertaken. The two indicators are now separated as "flushing inlets replaced" and "flushing inlets repaired".</i>	
Flushing inlets Repaired (Number)		0.00	44.00
<i>Action: This indicator is New</i>		<i>Rationale: This is a new indicator. As per initial project design, indicator was "flushing inlets upgraded" this is being separated into two indicators to reflect accurately the specific intervention undertaken. The two indicators are now separated as "flushing inlets replaced" and "flushing inlets repaired".</i>	
Length of Drainage Channels upgraded (Kilometers)		0.00	305.00
<i>Action: This indicator has been Revised</i>		<i>Rationale: End target revised from 794 km to 305 km proportionally to the revised scope and actual requirements.</i>	
Length of River Bank Protection Works (Kilometers)		0.00	9.37
<i>Action: This indicator is New</i>		<i>Rationale: Proposed new indicator "Length of River Bank Protection Works" was part of the original project scope, but not reflected in the original results framework.</i>	
Length of Slope Protection (Kilometers)		0.00	28.00
<i>Action: This indicator is New</i>		<i>Rationale: Proposed new indicator "Slope Protection Works" was part of the original project scope, but not reflected in the original results framework.</i>	
<b>Implementation of Social and Environmental Management Frameworks and Plans</b>			



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Indicator Name	DLI	Baseline	End Target
Area Afforested (Hectare(Ha))		0.00	600.00
<b>Action: This indicator has been Revised</b>		<b>Rationale:</b> <i>End target proposed to be revised from 300 (ha) to 600 (ha) due to actual requirements and revised targets to be achieved.</i>	
Water Management Association (WMA) (Number)		0.00	10.00
<b>Action: This indicator has been Revised</b>		<b>Rationale:</b> <i>Description of indicator revised from "Water Management Organization (WMO)" to "Water Management Association (WMA). End target revised from 4 to 10. As per institutional requirement, each polder now has one WMA, there are 10 polders, accordingly, end target revised to 10. As per the initial project design, this was to be piloted only in a few Polders, later formation of WMA required for all Polders.</i>	
<b>Construction Supervision, Project Monitoring and Evaluation, and Coastal Zone Monitoring</b>			
Improved coastal monitoring (Text)		Limited data	1.Modelling of the long-term physical processes and other relevant phenomena (subsidence, climate change, river morphology etc.) (scale: macro, meso and micro). 2.An investment plan describing a phased polder improvement roadmap for Bangladesh Coast.
<b>Action: This indicator has been Revised</b>		<b>Rationale:</b> <i>End target proposed to be revised reflecting the scope of works of the analytics (long-term monitoring, research and analysis of the coastal zone).</i>	
<b>Project Management, Technical Assistance, Training and Strategic Studies</b>			
BWDB Person Days of training provided (Number)		0.00	1,200.00
<b>Action: This indicator has been Revised</b>		<b>Rationale:</b>	





Indicator Name	DLI	Baseline	End Target
		<i>Description of the indicator is proposed to be revised from “BWDB days of training provided” to “BWDB Person Days of training provided”. The end target is proposed to be revised from 160 to 1200 reflecting the actual quantity of the training.</i>	
Client days of training provided - Female (number) (Number)	0.00		60.00
<i>Action: This indicator has been Marked for Deletion</i>			
Grievance Redress Committee (GRC) (Number)	0.00		36.00
<i>Action: This indicator has been Revised</i>		<i>Rationale: End target revised from 17 to 36 reflecting the number of GRCs formed and functional. Originally, this was to be one GRC in each Polder and in total 17. As per the institutional requirement, there are 36 GRCs formed and functional in 10 Polders.</i>	
Detailed design of future 7 Polders (including EIA, RAP/LAP) (Number)	0.00		7.00
<i>Action: This indicator is New</i>		<i>Rationale: The Project’s scope would be reduced from 17 to 10 polders due to the financing constraints. The remaining 7 polders, would be moved to a potential second phase of the Project together with additional polders under design, the source of financing of the second phase is not yet determined. However, the detailed design of these 7 polders is ready as well as EIA, RAP/LAP are at final stage of preparation. This is part of the project scope, but was not reflected in the original results framework.</i>	



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