

February 5, 2015

Mr. Ashok Lavasa
Secretary
Ministry of Environment, Forests and Climate Change
4th Floor, Prithvi Wing
Indira Paryavaran Bhawan
Aliganj, Jor Bagh Road
New Delhi 110003

Dear Mr. Lavasa:

***Integrated Coastal Zone Management Project
Implementation Support Review Mission: September 15 – October 22, 2014***

I would like to thank you and the officials from the Ministry of Environment, Forests & Climate Change (MoEFCC), Society for Integrated Coastal Management (SICOM), and the officials of the State Governments of Gujarat, Odisha and West Bengal for the cooperation extended to the World Bank team during its recent review of the implementation of the Integrated Coastal Zone Management Project. The attached Aide Memoire details the main findings of the mission as well as the key next steps, which aim to further improve the quality and pace of project implementation.

Our team found that the overall progress towards achieving the Project Development Objectives (PDOs) presents a mixed picture. At the national level there have been some notable developments on the institutional front, in particular the establishment of NCSCM; and both Gujarat and Odisha are making progress towards setting up the core institutions for guiding ICZM planning and implementation. However, institutional capacity at SICOM remains weak, and there has been little progress in building it up as a technical arm of the Ministry for guiding the ICZM agenda for the country. Given protracted implementation delays in West Bengal, achievement of the coastal zone management objectives of the program seem unlikely at present and for this reason, has been rated “Unsatisfactory” for the state component. In addition, in this state, efforts to build institutional capacity, particularly in the Department of Environment and Forests and the Institute of Environmental Studies and Watershed Management, have not received the necessary attention.

Based on the assessment of implementation progress (detailed in the Aide Memoire) the overall implementation progress rating of the project is “Moderately Unsatisfactory” as well as for the National Component. The Implementation Progress Rating for the West Bengal Components is “Unsatisfactory”.

Looking ahead, the focus of the project should be on the institutional aspects of the project, and on completing the demarcation of the hazard line and preparing the ICZM plans in the three participating states. This would ensure a good base from which to expand the program to the other coastal states of India.

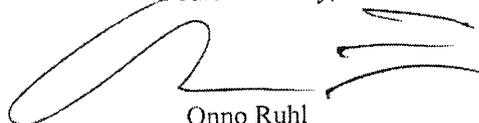
The Aide Memoire highlights key areas which need attention with regard to each of the four project components. I would like to highlight the following issues and agreements reached for your attention and follow-up in order to help bring this project back to a satisfactory status:

- SICOM to review its present technical capacity with respect to project communications, analytical skills, M&E, current staff and their skills and performance, and overall project management/ supervision by mid-February 2015.
- Ensure completion of key actions by West Bengal by mid-February, 2015 as follows: (a) SPMU to review its technical staffing to ensure sufficient capacity to provide technical oversight of the ICZM Plan consultants. In addition, an action plan is overdue for building the technical capacity of both the Department of Environment and Forests, and the IESWM; (b) Signing of MoU between SPMU and WBSRLM, signing of contract with the NGOs, and speeding up implementation under livelihood activities in Sagar Block; and (c) effective contract supervision and management of the components in Digha for storm water drainage and for the implementation of the sewerage and sewerage treatment plant.
- Ensure additional budget allocation of Rs.193 crores to SICOM.

We agree with the Ministry's proposal to extend the project closing date to December 2017 (conveyed to the Bank vide DEA's letter of October 22, 2014). We are processing the necessary documentation, including revision of the results framework and the use of the estimated USD 20 million in savings, and will endeavor to complete this process by March 15, 2015, in consultation with project authorities at the Ministry and with DEA. Please do not hesitate to contact Mr. A Sita Ramakrishna (aramakrishna@worldbank.org), Task Team Leader, if you wish to discuss any of these issues in more detail.

With regards,

Yours sincerely,



Onno Ruhl
Country Director, India

Attachment: Aide Memoire

cc: Mr. Subhash Chandra Garg, Executive Director, World Bank
Mr. L.K. Atheeq, Senior Advisor to Executive Director, World Bank
Mr. D J Pandian, Chief Secretary, Government of Gujarat, Gandhinagar
Mr. Gokul Chandra Pati, Chief Secretary, Government of Odisha, Bhubaneswar
Mr. Sanjay Mitra, Chief Secretary, Government of West Bengal, Kolkata

Mr. Shashi Shekhar, Special Secretary, Ministry of Environment, Forests and Climate Change;
and National Project Director, SICOM, New Delhi
Mr. P. K. Taneja, Additional Chief Secretary, Forests and Environment Department,
Government of Gujarat, Gandhinagar
Mr. Raj Kumar Sharma, Commissioner and Secretary, Environment and Forest Department,
Government of Odisha, Bhubaneswar
Mr. Chandan Sinha, Principal Secretary, Environment Department, Government of West
Bengal, Kolkata
Mr. Brijesh Pandey, Deputy Secretary, Department of Economic Affairs, Ministry of Finance
Mr. Bharat Pathak, State Project Director & Member Secretary Gujarat Ecology
Commission, Government of Gujarat, Gandhinagar
Dr. Ajit Pattnaik, State Project Director, Environment and Forest Department, Government of
Odisha, Bhubaneswar
Dr. Subrat Mukherjee, State Project Director, Environment Department, Government of West
Bengal, Kolkata

INDIA
Integrated Coastal Zone Management Project
Implementation Support and Review Mission: September 15 – October 22, 2014

Aide Memoire

A. Introduction

1. A World Bank Implementation Support and Review Mission visited the Integrated Coastal Zone Management Project from September 15 to October 22, 2014. The mission was led by Mr. Rahul Raturi (Bank consultant), who was tasked to undertake an independent assessment of project implementation. Working together with the task team¹, the mission was expected to: (a) review the implementation progress of key activities that are central to the achievement of the PDO, and identify the key implementation challenges faced by the project; (b) recommend specific actions that need to be taken to improve implementation performance; and (c) discuss the next steps including project restructuring as may be necessary to significantly improve and accelerate implementation performance.

2. The mission had discussions with the National Project Director and Staff of SICOM (the National Project Management Unit, NPMU), as well as with senior officials from the National Center for Sustainable Coastal Management (NCSCM) and the Survey of India (SOI) in Delhi. Visits were made to the three pilot states of West Bengal, Odisha and Gujarat, where discussions were held with the State Project Directors and staff of the respective State Project Management Units (SPMU), as well as staff of all Pilot Investment Executing Agencies (PEAs), and field visits were made to selected subprojects being executed by PEAs in each of the states. The mission would like to take this opportunity to thank the Directors and staff of the NPMU and the three SPMUs, as well as all the others, for the courtesies extended to the mission and for facilitating the work of the mission.

3. Set out below are the main findings and conclusions of the mission, and its key recommendations, which have been discussed with both the Director of the NPMU, as well as the Directors of the three participating state SPMUs and other key implementing agencies. These were also presented by the mission at wrap up meetings with the Secretary, Ministry of Environment and Forests, Government of India (MoEF) on October 16, 2014; and with the Principal Secretary (Forests and Environment), Government of Odisha on September 26, 2014; Secretary (Forests and Environment), Government of Gujarat on October 9, 2014; and the Principal Secretary (Forests and Environment), Government of West Bengal on October 10, 2014 (by teleconference). The mission debriefing was held with DEA on October 22, 2014.

B. Key Project Data

Project Performance Ratings

4. As summarized in the table below, overall implementation performance presents a mixed picture. Presently, the ratings are based on the assumption that the project will close as presently

¹ The World Bank team consisted of Messrs. Rahul Raturi (Bank Consultant, and Mission Leader), A. S. Ramakrishna (Senior Environmental Specialist and Task Team Leader), Parthpriya Ghosh (Senior Social Development Specialist), Thomas Kwasi Siaw (Procurement Specialist), S. Krishnamurthy (Senior Financial Management Specialist), Mr. Vinod Kumar Gautam (Consultant), and Ms. Genevieve Maria Dutta (Program Assistant).

scheduled, on December 31, 2015. The project was designed as a pilot, essentially to set up the core institutional structure and establish and build capacity for guiding the implementation of a program for comprehensive coastal management at the national level and in three pilot coastal states – realization of this objective clearly is still work in progress. There have been some notable developments achieved under the project, but the progress is not uniform across the different parts of the project.

5. The key message emerging from this independent assessment of project implementation performance is that concerted attention will be necessary during the remainder of the project period on: realizing the core institutional development objectives of the project (the establishment and efficient functioning of the key project related institutions, which can ensure the sustainability of the program following the closure of the project); in ensuring that the various pilot investment projects, where either implementation progress has been weak or there are issues concerning post-project sustainability of the investments, are all completed in a satisfactory manner; and, in sensitizing the respective PEAs about their role in supporting a program for sustainably managing the coasts of India.

Project Data						
Board Approval	June 15, 2010					
Effective Date	September 22, 2010					
Original Closing Date	December 31, 2015					
MTR Date	June 30, 2013					
Original Credit Amount	US\$ 221.96 million					
Amount Disbursed	US\$ 49.10 million (+2.8 million)					
Component Level Ratings - Now					Overall Summary	
	<i>National</i>	<i>Gujarat</i>	<i>Odisha</i>	<i>W.Bengal</i>	Last²	Now
Achievement of PDO	<i>MS³</i>	<i>S</i>	<i>S</i>	<i>U</i>	MS	MS
Implementation Progress	<i>MU</i>	<i>S</i>	<i>S</i>	<i>U</i>	MS	MU
Financial Management	<i>MS</i>	<i>MS</i>	<i>MS</i>	<i>MS</i>	MS	MS
Procurement	<i>MS</i>	<i>S</i>	<i>S</i>	<i>MS</i>	S	MS
Project Management	<i>MU</i>	<i>S</i>	<i>S</i>	<i>U</i>	MS	MU
Monitoring and Evaluation	<i>MU</i>	<i>MS</i>	<i>MS</i>	<i>MU</i>	MS	MU

6. **Project Closing Date:** The National Project Management Unit (NPMU) has informed the mission that a request has been forwarded to the Department of Economic Affairs, to seek World Bank concurrence to an extension of the present closing date⁴. The mission was also informed of an anomaly which exists with regard to the project’s present closing date, whereby, on account of a Cabinet Committee order at the time of project initiation, the Government has March 31, 2015 as the project’s closing date, as opposed to December 31, 2015 as per the Development Credit Agreement. The revision of the project closing date will require an endorsement from the Cabinet Committee of Economic Affairs. Given the limited time available now before the closing date as per Government records, the NPMU has been reluctant to endorse new commitments, since the time the revisions to project costs

² “Last” Refers to the Aide Memoire of the last mission held during January – February, 2014

³ In NCSCM, the project has helped set up an important institution. However, if issues related to SICOM (discussed later in this aide memoire) are not addressed expeditiously, the likelihood of the National Component contributing to the realization of the PDO would be much lower, and be rated as MU, bringing down the rating for the overall project also to MU.

⁴ Since the end of the mission, a request has been received by the Bank to extend the project closing date by two years to December 31, 2017.

were submitted to the EFC. This has slowed down further the implementation progress of the project over the past few months, as there is a reticence to enter into new contracts (given the March 31, 2015 closing date as per the Government system).

C. Overall Implementation Progress towards Achievement of Project Development Objectives

7. As set out in the PAD, the *Project Development Objectives are to assist GOI in (i) building national capacity for implementation of comprehensive coastal management approach in the country, and (ii) piloting the integrated coastal management approach in the states of Gujarat, Odisha and West Bengal.*

8. The project represented the first substantive initiative in India for setting up a system for coastal zone management. Accordingly, the key project outcome indicators for assessing project performance are focused on success in setting up a national and state based institutional structure for guiding and coordinating implementation of ICZM approaches. Key institutions to be set up under the project included: National Coastal Zone Management Board, National Coastal Zone Management Authority (NCZMA), National Center for Sustainable Coastal Management (NCSCM), and State Coastal Zone Management Authorities (SCZMAs). Two other areas on which project performance was to be assessed were: firstly, knowledge development, and secondly, the preparation of ICZM Plans in the three pilot states, together with related ICZM pilot investment activities.

9. Based on the above indicators for assessing performance, as already noted above, overall project implementation performance so far presents a mixed picture. At the national level, there have been some notable developments on the institutional front, in particular the establishment of the NCSCM, where the research work is gathering momentum and the institution is functioning effectively. The aerial photography of 75,000 square km was completed, which is critical for the management of coastal areas, is largest ever in Bank projects. For the first time Indian mean sea level (MSL) has been established, by transferring levels from Karachi to Mumbai; and thereafter connecting all ports in the country to the levels of Mumbai by 16,000 km of leveling. At the national level, the Society for Integrated Coastal Management (SICOM) was established, and is responsible for overall coordination of coastal zone program in the country. However, ***there are issues related to its capacity and its permanence, to play the role envisaged as the agency within the MoEF which would help guide the coastal zone management agenda beyond the project; this needs urgent attention.***

10. At the state level, State Project Management Units (SPMUs) have been established in each of the three pilot states. However, other than in Odisha (where the SPMU is now a Society), these have not yet been converted into permanent institutions which would serve as the technical secretariat for the respective State Coastal Zone Management Authorities. Progress on ***institutional development has been particularly weak in West Bengal, where much more attention is needed during the remainder of the project*** to ensure that institutional capacity is created to underpin and carry forward the integrated coastal zone management (ICZM) agenda following the completion of the project.

11. Progress on initiating the preparation of the ICZM Plans has also been slow, and overall, the activity is delayed. Importantly, consultants are now in place in Gujarat, and they have initiated this critical piece of work (the consultant's inception report was recently submitted), while the selection process for consultants for Odisha is at an advanced stage; in the case of West Bengal, the process for selecting consultants has not yet begun.

12. Both the slow pace of institutional development, and more importantly the delayed implementation of the ICZM Planning activity in the states have resulted in a situation where the various pilot investment activities have not really come together on a common platform in support of an integrated coastal zone management program. Consequently, the various pilot investments being supported under the project in each of the states, while independently relevant in most cases, have not really been directly supportive of the coastal zone management agenda. In Gujarat the SPMU appears to have been a little more successful in bringing greater realization of the broader coastal zone management agenda across the various PEAs, and importantly also, in integrating an environment IEC component into the implementation of the livelihood and related activities being implemented directly with the coastal communities. **Overall, state level institutional development and engagement, and the preparation of the ICZM Plans are at the core of the project, and both need very close attention for the remainder of the project to ensure that these are completed in a manner which would provide a credible basis for expanding the program to the other coastal states.**

13. In terms of pace of implementation, the project is behind schedule. The issues are more serious with regard to the program in West Bengal, and to a lesser extent, with the National Component; in comparison, implementation progress in Gujarat and Odisha is better. Despite a very complex procurement plan, spread across a huge number of small, medium and large contracts, the actual progress in procurement has been reasonably satisfactory – though performance varies across the participating states. As can be seen from the table below, 77% in terms of numbers and 68% in terms of value of total contracts across the project have been awarded, with both Gujarat and Odisha having completed around 85% (in terms of number of contracts) of their planned procurement. The issue which needs close attention relates to the pace of contract completion, with the larger contracts taking much longer than anticipated for completion. As can be seen in the table below (which uses the approved procurement plan as the base, against which performance is measured), while 44 percent of total number of contracts has been completed, these represent only 14 percent of total contracted value. This has resulted in the slow rate of disbursements experienced by the project.

Status of procurement progress

	Procurement Plan 3/ - No. of Contracts	Procurement Plan ⁵ - Value of Contracts (INR Cr.)	Actual Awarded - No. of Contracts	Actual Awarded - Value of Contracts (INR Cr.)	Contracts Completed – Number	Contracts Completed – Value (INR Cr.)
National Component	139	280.2	89 (64%)	174.1 (62%)	54 (39%)	55.8 (20%)
Gujarat	155	228.0	132 (85%)	253.2 (110%)	97 (63%)	51.3 (23%)
Odisha	267	245.4	208 (78%)	217.3 (89%)	103 (39%)	52.1 (21%)
West Bengal	125	299.1	63 (50%)	155.7 (52%)	24 (19%)	2.5 (1%)
Total	686	1052.6	492 (72%)	800.3 (76%)	278 (41%)	161.7 (15%)

14. An area of concern is West Bengal, where for some reason procurement activities have slowed down significantly during the past two years, in FY13-14 (when only contracts worth INR 33 crore were finalized) and FY14-15 (where no procurement is reported so far during this year). In comparison, contracts worth nearly INR 129 and INR 11 crore in Gujarat, and worth around INR 124 crore and INR 78 crore in Odisha, were finalized for the two years respectively.

⁵ As per the approved Procurement Plan, against which the performance is measured

15. **Revision of Project Costs:** The NPMU (in consultation with the SPMUs) has processed a revision of project costs in rupee terms, caused due to local inflation since appraisal, and some changes to the scope of some components. This has led to a significant increase in rupee costs, but has left the dollar costs pretty much unchanged. The table below summarizes original and revised project costs by component, and the actual expenditures to date. Based on the revision, total project costs in rupee terms are now INR 1580 cr, as compared to the original estimate of Rs 1156 cr; in dollar terms, the costs are largely unchanged, and additional IDA Credit funds would not be required to meet the anticipated increased rupee expenditures.

	NPMU	Gujarat	Odisha	West Bengal	Total
Original Project Cost	355.41	298.34	201.62	300.26	1155.63
Revised Project Cost	522.42	387.17	334.86	335.62	1580.07 ⁶
Expenditure to Date	105.75	153.84	131.91	75.58	467.08
Exp. As % of Original Cost	29.8%	51.6%	65.3%	25.2%	40.4%

The mission was informed that the revision in project costs has been approved by the Expenditure and Finance Committee (EFC), and will be put up to the Cabinet Committee on Economic Affairs (CCEA).

D. Progress of Implementation, by Component

Component One: National ICZM Capacity Building

16. The thrust of this component was on five key areas: mapping and demarcation of the hazard line of the mainland coast of India; similar demarcation of 15 different types of ecologically sensitive areas (ESAs); setting up of the NCSCM; capacity building of the Ministry of Environment and Forests (MoEF); and support for National Project Management Unit (NPMU), including implementation of communication plans, M&E and third party audits, and special evaluation studies (with the additional objective of transforming it into the coastal management division of MoEF).

17. **Demarcation of Hazard Line:** As noted earlier, there have been some good initial achievements on completing the aerial photography for mapping the mainland coast of India; however, ***progress of the key activity of hazard line mapping has been significantly delayed***. Partly this was caused by the delayed aerial photography, but now the issue concerns primarily the contractor for the east coast, who has been unable to mobilize local level surveyors for on the ground activities for completing the mapping of the east coast. Hazard line mapping for the west coast is expected to be completed by December 2015. It is now ***necessary for the Survey of India to resolve the issue with the contractor responsible for the hazard mapping of the east coast***. Subject to the resolution of sub-contractor arrangements by Survey of India, it is estimated that this would be completed for the east coast by December 2017. This delay in the hazard line mapping will have implications for the work on preparing the ICZM Plans for the pilot areas particularly in Odisha and West Bengal.

18. **Mapping of 15 Ecologically Sensitive Areas:** The focus of the project so far has been on two sites – *Dandi* in Gujarat and *Vedaranyam* in Tamilnadu, where the attention has been on piloting community based models for coastal areas resource management, which can later be replicated in selected ICZM areas. An issue which has not yet been resolved concerns the manner in which benefits are to be shared within the participating communities. ***Addressing this issue early is clearly important, as it has an important bearing on the incentive framework, and the continued willingness of***

⁶ Includes INR50 crore for the preparation of a Phase II Project

communities to stay engaged on the project. NCSCM is presently undertaking the necessary work for identifying and delineating the other ESAs.

19. **National Center for Sustainable Coastal Management:** The establishment of the NCSCM, which has already been engaged on some important research activities (including the mapping of sediment cells and sub-cells, and completing a national shoreline assessment), is clearly an important contribution of the project. ***There is however need to focus on consolidating the developments which have been facilitated under the project, and put NCSCM on a sustainable footing. Key areas on which attention is necessary soon include:*** processing of the necessary approvals/authorizations to make NCSCM a permanent autonomous body of the GOI (this will apparently require proposals being submitted to the Expenditure Finance Committee, and the Department of Personnel and Training); staffing needs to be strengthened, with only around half the budgeted staff (of 80) presently in position; strengthening of relations with the 14 consortium partners, where presently only four MOUs have been committed – in addition to approving the six proposals ready for award, additional new proposals should be sought out, and a system of close collaboration and quality review of work should be put in place; and expeditiously completing the procurement process for the remaining works (estimated to cost around INR 16.4 crore) and goods/equipment (estimated to cost around INR 7 crore).

20. **Capacity Building of MoEF and overall Project Management:** Progress by SICOM in defining a capacity building program for the MoEF and its implementation has been less than satisfactory. Similarly, as also noted in the last aide memoire, project management has been less than adequate, both in terms of facilitating and guiding more rapid implementation, and importantly also, in building up of SICOM as a technical arm of the Ministry for guiding the coastal zone management agenda for the country. To some extent, some of the problems presently coming across are possibly the result of a lack of continuity in the leadership of SICOM, with many changes having been made to the Director position over the years. The fact that SICOM has been unable to really generate any substantive analytical work (which could inform discussion on issues of concern for sustainable coastal zone management) or an implementable and meaningful communication strategy reflects a weakness in its institutional capacity. Staff capacity at SICOM clearly needs upgrading, with a view to making it a credible technical institution for supporting ICZM planning at the national level. Very importantly, also, there has been very slow progress in the recruitment of consultants who would be responsible for undertaking overall project monitoring and evaluation. This activity is significantly delayed – and unsatisfactory completion of this activity will inevitably impair the ability of the project to generate the necessary information to guide the design of any follow up operation. ***Given the importance being placed on building a national ICZM capacity, these weaknesses in SICOM need to be addressed expeditiously.***

21. ***The key areas which need attention with regard to the national component include the following:***

- It is important that the Survey of India works with the concerned contractors in resolving the issue related to the demarcation of the Hazard Line on the east coast.
- The Government needs to initiate actions needed for making the NCSCM a permanent autonomous body. On its part, NCSCM will need to take steps for strengthening staffing.
- With planning for a follow up phase of the program likely to commence in the coming year, both a credible communications strategy and strong analytical skills will be important in SICOM. SICOM needs to review its present technical capacity with respect to project communications, analytical skills, M&E, and overall project management/supervision; in addition, it needs to outline a broader capacity building program for MoEF, for discussion with the Bank by December 31, 2014.

- The Monitoring and Evaluation is significantly delayed (more than a year) and urgent attention is needed on initiating this activity – SICOM needs to expedite the process of consultant selection for this activity. Importantly, this activity needs to undertake in close coordination with the respective SPMUs.
- With the project entering its closing years, it is important that SICOM adopt an intensive supervision strategy, and prepare a structured program of visits to both support and review project activities in the different parts of the country.

Component 2: Piloting ICZM Approaches in Gujarat

22. The components for each of the 3 pilot states had three main thrusts: the preparation of an ICZM Plan; ICZM Capacity building at the state level, which included provision for pilot investments targeted at institutions and activities which would play a role in the conservation and protection of coastal resources; and project management. As noted earlier, the overall progress in implementation of the program in Gujarat has generally been satisfactory. Against original project cost of INR298.34 crore (revised costs are estimated at INR382.17 cr), expenditures so far have totaled INR 153.84 cr, or nearly 52 percent of the original total costs. With regard to procurement, the most current program includes an estimated 146 contracts, for a total cost of INR305.9 crores. As of the end of August 2014, 132 contracts (or 85 percent of the total) had been awarded, worth INR253.2 crore, representing 83 percent of the plan. Procurement on 22 contracts has still to be completed (bidding is in process for 8 of these, with estimated costs of INR 27.6 cr), with an estimated value of INR 89.4 cr. Consequently, in terms of value, a relatively small amount remains for which procurement actions still need to be initiated. Overall, it is estimated that virtually all of the proposed program for Gujarat will be completed by the present closing date of December 31, 2015.

23. **ICZM Plan for the Gujarat Coast:** The consultant team which will work closely with the SPMU in formulating the ICZM Plan for Gujarat has been mobilized; it recently submitted its inception report, which foresees completion of this activity by December 31, 2015.

24. **Capacity Building:** Progress on capacity building has been satisfactory. The SPMU is located within the Gujarat Ecology Commission, and has most of the key technical specialties represented on its staff. The unit is also directly engaged in the implementation of part of the livelihood component in coastal communities, which is resulting in closer engagement with field level implementation of the program. ***It is now timely for the government to consider designating the SPMU as the technical secretariat of the GCZMA.***

25. **Pilot Investments:** Overall, implementation of the pilot investments is progressing well. The positive features of the program which has been implemented so far include: effective implementation of the social aspects of the project, including the use of PRAs for community mobilizing and for identifying entry point activities for funding under the project, and the capacity building initiatives for CBOs and EDCs, as well as skill enhancing training imparted to beneficiaries for improving livelihood; incorporation of IEC activities to promote understanding of coastal environmental issues among the communities; a very successful program of mangrove plantation; and a general thrust towards promoting convergence and a shared understanding around the ICZM agenda among the various implementation agencies, as well as by seeking convergence with other departmental programs. Implementation of the Jamnagar Sewerage Project, which represents the largest investment being supported, and which was initially delayed, is now progressing well, and should be completed before the present closing date.

Key areas where attention is needed, as the program moves towards completion, includes the following:

- A lot of good work has been done with the communities – it is important that the project prepare documents through which it can share more widely the experiences, and also document the success stories.
- With the community and livelihood activities coming towards completion, it is now necessary for the project to focus on preparing a withdrawal strategy, which should include a detailed action plan for implementation. This should be prepared and shared with the Bank by December 31, 2014.
- Project supported investments are enabling the participating agencies such as the Gujarat Pollution Control Board to collect a lot of data. It is important that these data are vetted, and where appropriate necessary analysis is done, and the information is put out in the public domain.
- The mission has noted that BISAG potential is not being utilized, and has made various recommendations on how its services can be better utilized – such as detailed GIS based sewerage information with technical details for JMC, systematic spatial information on mangrove plantation, etc. This should be followed up on by the SPMU.

Component 3: Piloting ICZM Approaches in Odisha

26. Overall implementation performance in Odisha with the three main thrusts of the component, on preparation of an ICZM Plan, capacity building and project management, has been generally satisfactory. As noted below, there are a few areas where immediate attention will be needed from the SPMU to ensure that by closing all activities are completed satisfactorily, and sustainability is assured. Against original project cost of INR201.6 crore (revised costs are estimated at INR334.86 cr), expenditures so far have totaled INR 131.92 cr, or around 65 percent of the original total costs. With regard to procurement, the most current program includes an estimated 245 contracts, for a total cost of INR297.0 crores. As of the end of August 2014, 208 contracts (or 85 percent of the total) had been awarded, worth INR217.3 crore, representing 73 percent of the plan. 103 contracts have been completed (42 percent of the total), representing INR 52.1 cr in value, or 18 percent of the total. Procurement on 37 contracts has still to be completed with an estimated value of INR 79.9 cr (bidding is in process for 20 of these, with estimated costs of INR 66.6 cr). With the exception of the solid waste management project for Paradeep Town (for which rebidding has to be done), and the preparation of the ICZM Plan (for which consultant selection is ongoing), most of the other activities in Odisha should be completed by December 31, 2015.

27. **ICZM Plan for Odisha Coast:** As reported by the SPMU, primary data is being generated, and a Steering Committee under the chairmanship of the state Chief Secretary has been constituted, for the preparation of the ICZM Plan. Among others, the SPMU has completed a Regional Coastal Process Study, the results from which will feed into the Shoreline Management Plan. This work will be helpful for the preparation of the ICZM Plan. However consultant mobilization is considerably behind schedule. Presently, expressions of interest have been received from 23 consulting groups, and the evaluation of the proposals is ongoing. ***It is clearly important that this process is completed soon, and the consultant team mobilized for the preparation of the Plan.***

28. **Capacity Building:** The SPMU has been created as an SPV for smooth implementation of the ICZM Project in Odisha. The SPMU has been set up as an ICZM Society, under the administrative control

of the Forest & Environment Department. The institutional structure overseeing the activities of the SPMU includes: the steering committee of the Society Chaired by Chief Secretary, Odisha; and the Governing body chaired by the Principal Secretary, Odisha. SPMU has an independent office which is well equipped to execute the Project with a full time Project Director and two Additional Project Directors. The SPMU has been well supported under the project by the Wetland Research and Training Center, where a strong research infrastructure base has been established which meets global standards, for guiding a program on ICZM and project implementation. At the state level, the Odisha Coastal Zone Management Authority (OCZMA) has been established as a statutory body, and the SPMU has been designated as its secretariat and its technical arm, as the Integrated Coastal Zone Management Society. The Coastal Regulation Zone Notification Secretariat office has also been set up within the SPMU. Also, an important feature of the SPMU in Odisha has been continuity in its leadership, which has allowed for greater predictability and continuity in guidance for the project as a whole.

29. **Pilot Investments:** Overall, physical implementation of the pilot investments has been progressing well, and implementation progress has presently been rated as Satisfactory. However, as noted below, there are important follow up activities which are necessary to ensure that the program does generate the expected benefits in a sustainable manner, and implementation progress does not suffer. The positive features of the program include: strong stakeholder engagement in the implementation of the various components, where the thrust has been on taking a multi sectoral approach to implementation; good community engagement in support of the livelihood component being implemented through the Fisheries Department; support for biodiversity conservation, and strengthening of wetland research and training, by the setting up of a world class laboratory and research facility; and the near completion of 14 multipurpose cyclone shelters, with strong community engagement (some of these already proved to be helpful during Phailin cyclone, and probably also the most recent Hudhud).

30. **Key areas where attention is needed, as the program moves towards completion, includes the following:**

- A major eco-tourism complex has nearly been completed at Barkul, with a view to providing a source of income for the community. Attention is now urgently needed on developing a management plan for the big facility which has been created, since clearly the community will not have the capacity to undertake the task on its own – given the types of investments (including food court, information center, pedal boats, speed boats, jet skis, etc.) which have been made, the site will clearly need professional management. The consultant team which has been tasked to prepare a plan does not appear to be properly staffed with the necessary expertise and experience, and should be required to strengthen the team. Given that the facility is nearly ready, the plan should be prepared no later than by December 31, 2014.
- Significant investments are being made in nearly 100 solar dryers (77 have been installed and 34 are presently operational), each with a capacity to produce 100 kg of dried fish per day, which will significantly increase quantities of higher quality dry fish coming to the market from the participating SHGs. It is essential that well qualified professional assistance is sought in preparing marketing assistance plan, to be done by November 30, 2014.
- A number of SHGs are being supported through a range of livelihood activities with a view to reducing the pressure on marine fisheries (such as dairy, poultry, cold chain activities, ancillary businesses such as tailoring, net making, grocery, stationary shops, etc., fish drying). It would be important to have a well structured M&E activity which can track performance of the SHGs and participating families, and highlight impacts by way of outcomes, as well as draw lessons on sustainability, and help prepare a plan for weaning the groups off project support.

- Project supported initiatives for conserving cultural heritage need further work aimed at ensuring both greater engagement of communities from beneficiary villages (for both maintaining and managing the sites), but also micro plans aimed at ensuring that the sites do attract the visitors who will underpin efforts towards the mobilization of funds for sustaining these sites.
- The land identified for solid waste management in Paradeep reportedly still has ownership problem. Though the court has given direction to hand over the land to project, Paradeep Port Trust has apparently objected to it. Screening carried out by the project shows no squatting or encroachment on the identified land. The issue, if any, needs to be quickly resolved.

Component 4: Piloting ICZM Approaches in West Bengal

31. As in the case of the other participating states, the component had three main thrusts: the ICZM Plan for West Bengal; ICZM Capacity Building at the state level, which included provision for pilot investments targeted at conservation and protection of coastal resources, environment and pollution management, and livelihood security for coastal communities; and Project Management. As noted earlier, overall progress in implementation of this component has been significantly delayed and continues to be very slow. Against original project costs of INR300.3 crore (revised costs are estimated at INR335.6 cr), expenditures up to the end of August totaled INR75.6 crore, or 25 percent of the original costs. As per the most current procurement plan, the program for West Bengal includes an estimated 125 contract packages, for a total cost of INR 300.4 cr. As of mid-August 2014, 63 contracts had been awarded (i.e. 65 percent of the plan) worth INR 155.7 cr, i.e. nearly 52 percent of the plan. However, work on only 24 contracts (i.e. 24 percent of the plan) has been completed, for an estimated cost of INR 2.5 cr, which is 1 percent of the planned value of total procurement. There are 36 contracts still to be awarded, for an estimated value of INR 163.5 cr (representing 54 percent of the planned procurement). As is evident from the implementation progress so far, the West Bengal part of the program has really not been implemented in a manner which would ensure the integrity of the coastal zone management objectives of the program, focusing more on individual activities of the PEAs instead (with little progress so far on ICZM Planning and building coastal zone management capacity of institutions). There clearly is a lot of work which remains to be done in West Bengal, if the state is to realize the expectations under the project within a reasonable time frame. Based on the current rate of progress, it is likely that many of the project's activities will require time beyond the present closing date of the project to ensure their successful completion with sustainability plans in place.

32. **ICZM Plan for the West Bengal Coast:** The process for selecting the consultants who are expected to lead this work has not yet been initiated in West Bengal As had been noted in the last mission, very little progress has been made since the mid term review with respect to the preparation of the ICZM Plan. ***It is imperative that the SPMU move expeditiously on the various actions which will be necessary for undertaking this activity; as noted in the last aide memoire, a detailed schedule for preparing the plan needs to be finalized and shared with the NPMU and the World Bank.*** Without the delivery of this sub component, a critical part of the project will be left incomplete – and it will be difficult to expect that the state will satisfactorily realize the project development objectives at the state level.

- In addition to moving on initiating this activity, the SPMU needs to review its technical staffing to make sure that there is sufficient capacity to provide technical oversight of the ICZM Plan consultants.

33. **Capacity Building:** As originally intended, the project was aimed at building the capacity of the Institute of Environmental Studies and Watershed Management (within the Department of Environment and Forests), where the SPMU is presently housed and which was expected to support the ICZM Planning process, with a view to transforming the institute as the technical arm to the State's Coastal Zone Management Authority. In addition, it was expected that the project would contribute towards strengthening the Environment Department and building the research capacity in Calcutta University. In actual fact, the project so far has really only focused on Calcutta University, with very little having been done in a substantive sense for the other two intended target institutions. ***This issue has been raised by earlier missions: as requested by the last mission, the SPMU needs to prepare and share with SICOM and the World Bank a detailed capacity building plan, indicating how the SPMU/State will achieve the project objectives of improvement of knowledge and capacity of the state for the integrated management of the coastal marine areas.***

34. The lack of progress of both of the above sub components (the ICZM Plan preparation and Capacity Building) suggests that presently the state may not be prepared to substantively engage on the Coastal Zone Management agenda. In the absence of progress on both of these key activities, moving ahead with the pilot investment activities will not be contributing towards realizing any of the key development objectives of the project. ***In the event that the above two critical activities are not initiated very soon (before December 31, 2014), it might make sense for the SPMU to focus on the efficient completion of the many ongoing contracts (as will be seen from the discussion below, many issues need resolution with the pilot investments), and not contract for any additional activities in this first phase project, till such time that a decision reached on the question of an extension to the project's present closing date.***

35. **Pilot Investments:** There are a series of 10 pilot investments planned under this sub component for West Bengal. So far the project has been successful is largely completing two of these activities: the upgrading of the laboratory and research facilities at Calcutta University will make an important contribution to technical knowledge creation in the state; and the substantive completion of the component for distributing grid electricity to residents of Sagar Island is a positive development. ***However, most of other proposed investments are facing problems as summarized below, and will need close attention to ensure successful completion.***

- ***Livelihood Development in Sagar Block:*** Implementation progress so far has been very slow; total funds released till end August were estimated at INR 1.9 crore. Of the planned 207 village/community based entry point activities (mostly local infrastructure), 84 have been started (of which 2 1Km roads, 15 tube wells and 7 pond re-excavations have been completed); and of 292 income generating activities planned, 8 have apparently been started (6 fishery related and 2 Betel leaf cultivation) so far. It has been agreed that responsibility for undertaking these activities will be handed over to the West Bengal Rural Livelihood Mission (WBRLM) program under implementation (Anant Dhara). In the mission's view, it would be meaningful to effect this transfer of responsibility if it is done expeditiously (otherwise, the activity would not serve the purpose intended). ***Accordingly, it is desirable that the following activities are completed soon: (i) finalize an appropriate MOU between the SPMU and the WB SLRM by October 31, 2014. (ii) Complete signing of contract with the NGOs by October 31, 2014; and (iii) Undertake the baseline survey, which has not yet been done, for which a questionnaire was discussed between the mission and the project agencies in Kolkata.***
- ***Works under the Digha Shankarpur Development Authority (DSDA):*** Progress in completing the storm water drainage at Digha has been very slow; the issue was highlighted by the last mission too.

It is important that the SPMU strengthen its contract supervision and oversight activities immediately, with a view to ensuring that works get completed quickly.

- The work on beach front development and the relocation of vendors in Digha is presently ongoing, but progress has been slow, and there are some issues on the quality of the completed works, which were highlighted by the mission. In addition, the number of hawkers is now apparently higher than originally envisaged. Overall, however, good facilities are being developed for the hawkers and vendors, and it is important that ***efforts are made now, including bringing in appropriately qualified and experienced consultants (or NGOs), to have a management plan in place, outlining among others the respective responsibilities for maintaining and operating the facilities between DSDA and the hawker associations. This would need to be developed in consultation with the intended beneficiaries.***
- ***Digha Sewerage:*** The pace of implementation of the sewerage and sewerage treatment plant at Digha continues to be slow. As noted by the mission, overall contract supervision and management has been weak; some important issues such as road side encroachments by hotels and vendors, as well as facilitating of road crossings, community access at STP site need quick resolution. In addition, PHED is yet to file the application for the Consent to Establish the STP with the West Bengal Pollution Control Board, which would lead to regulatory risk. ***The SPMU will need to be more proactive in supervising the pace of works, and in facilitating the resolution of issues which may be holding up work. In addition, the PHED department shall prepare an actionable plan to complete the works.***
- ***Eco Tourism Development of Sagar Island:*** The consultants have submitted their report, which include proposals for elaborate infrastructure for supporting tourism to the island; costs are inevitably projected to be much higher. The report has not really made an assessment of the likely growth of tourism to the island, beyond the 5 day Ganga Saagar Mela, and what levels of investments are desirable. Investments in support of improved sanitation and waste management are clearly desirable; for the others (such as the Interpretation Center, Dala Arcade, Mandir), it would be desirable to review the proposals more closely, to ensure that the facilities which are created will be used sufficiently (beyond the 5 day mela), and more importantly, will be managed and maintained.
- ***Multipurpose Cyclone Shelters:*** The Government has emphasized to the mission the importance of proceeding with the construction of cyclone shelters, given the disaster prone environment prevailing in the coastal areas. SPMU also confirmed that GoWB will finance the cost over and above INR 64 cr. up to 92 cr. Screening reports have been submitted for all cyclone shelters; the mission visited five sites. The land parcels identified are owned by government and majority of them belongs to government primary school. Most of these sites are being cultivated by school which gives some revenue to the school. All schools have given no objection certificate and an affidavit that they are willing to give up the parcels identified for shelters. ***The mission has agreed that the SPMU can initiate the procurement process for the shelters, with the understanding that: (i) Environment and Social Screening documentation in support of the shelters will be provided in complete form, including maps, prior to holding the pre-bid meetings; and (ii) in the event that the shelters are not completed prior to the project closing date, the financial obligation would be borne by the state government (as the IDA Credit would not be available to fund any costs for works done after the closing date)***⁷.

⁷ Procurement processing and subsequent implementation will need to be done in an efficient manner, if indeed the works are to be completed within two years. Experience in Odisha showed that it took the state around 3 years to complete the 14 shelters built there under the project.

Procurement

36. The mission reviewed the procurement plan, the overall progress of work, the current staffing position, records keeping, procurement post-reviews and outstanding issues and the recommended actions for the next six months. Overall, the quality of procurement functions and systems has been fairly satisfactory, and staffing is adequate. Out of the total of 686 activities valued at INR 105,264.92 Lakhs in the approved procurement plan (dated May 2013), a total of 278 valued at INR16,175.18 Lakhs have been completed, 207 worth INR74,902.34 have been awarded, and 166 estimated at INR58,565.29 are yet to be awarded or advertised. The project has submitted a revised procurement plan for approval by CCEA, which is still pending. Once it is approved and finalized, the NPMU and SPMUs should publish the revised Procurement Plans in their respective websites replacing their older version, and the Bank will also simultaneously publish it on its website. Set out below are the areas on which actions are needed in the coming six months.

- Pending the approval of the revised procurement plan, the project was advised to implement the project as per the existing plan to minimize further slippages. The mission further advised the project to implement post-review contracts in line with the Bank's Guidelines and to minimize the request for Bank's No Objections for post-review activities.
- In the revision of procurement plans in future, the project was advised to include the submission of bidding and proposal documents together with the corresponding No Objection Dates. The attention of the project was also drawn to the fact that domestic preference is applicable to only ICB contracts and this error should be corrected in the procurement plan.
- For all completed projects, details of contractors and consultants, together with final payments must be provided in the procurement plan.
- The project was requested to make available all post review contracts completed between July 1, 2013 and June 30, 2014. M/S GPCL will initiate and complete post review of an appropriate sample before the end of December 2014.

Financial Management

37. The overall accounting systems in SICOM, Gujarat, West Bengal and Orissa are working well. The project has submitting reports on a timely basis. Orissa and Gujarat, have transferred the entire state share to the SPMU. In the case of Orissa, the state has transferred more than the required amount while Gujarat has transferred 95% of the state share to the SPMU. West Bengal is lagging behind in transferring the state share to the SPMU leading to partial compliance to the budget legal covenant⁸. All other financial covenants have been met by the project. There has been fund flow issue and delay in payments to contractors during this year due to vote on account, and reduced budgetary provision at the national level which has been addressed now. The mission advised SICOM to follow up on provision of the revised budget and also follow up with SPMU to ascertain the cash position and maintain the required liquidity so as to meet the expenses and payments. Apart from the above issues, the CCEA approval for the revised project cost is yet to be obtained which is delaying the procurement and carrying out activities in the field. The NPMU needs to take action on realigning the activities, carrying out the committed activities and carry out reallocation of funds between categories as required. Based on the above facts and review the FM rating is retained as **Moderately Satisfactory (MS)**. While the detailed FM assessment is presented under Annex 1, Key areas where actions are needed are set out below:

⁸ The covenant requires budgetary allocation of 10% as well as transfer of such amounts to SPMU.

- There has been fund flow issue experienced during this year due to the vote on account, resulting in a reduced budgetary provision. The allocation for the project for the current year has been INR 160.80 crore, all of which has now been transferred to the project. This will clearly be insufficient for the project. SICOM has submitted a request for an additional INR 193 crore; this needs to be followed up.
- NCSCM has recruited manager finance, but they need to fill the post of head of finance at the earliest. SICOM and SPMU's should provide refresher training to PEA's.
- The project cost is undergoing a revision and it is expected to be finalized after CCEA approval. The mission requested the project to also work out the reallocation as required between NPMU and SPMUs. The project is required to work out the total amount of committed contracts, total amount of contracts in pipeline, total amount paid till date and the balance to be paid out of the project funds. This should be submitted to the Bank before **October 31, 2014**.
- Gujarat the internal auditor contract is yet to be renewed. The mission requested the contract to be extended at the earliest and carry out the audit at the earliest. As discussed in the last mission, internal audit compliance needs to be strengthened. Each SPMU should have record of issues identified and the actions taken to address these issues. The mission requested the NPMU to design a format to capture both qualitative and quantitative issues and monitor them on a regular basis. This action is overdue and needs to be completed by **October 31, 2014**.
- The NPMU needs to start the process of hiring an external auditor for the current FY and this process needs to be concluded before January 2015.
- The mission suggested visit of SPMU's accounting team to SICOM and other SPMU's for cross learning as well as training and vice-versa. The mission also suggested the SICOM to conduct workshops for SPMUs as well as PEA's on a continuous basis to support cross learning in the accounting and finance area of the project.
- In case of West Bengal SPMU, in cases of salaries to certain staff, amount is recovered due to certain audit issues which has been remitted to the IESWM. However the project is claiming the entire salary from the Bank. The mission advised the project that since this is a disputed case, the project should claim only the net amount paid from the project. If the amount has to be recovered, it has to be done outside the project accounts and IESWM can ask the concerned persons to provide cheque payments in favour of IESWM. The mission advised the SPMU to reverse the excess claims in the next IUFR

Management of Environmental and Social Issues and Impacts

Environment

38. Implementation plans for all activities include environment management measures; and monitoring measures to ensure that the issues avoided during design do not recur. By and large, all the project activities are observed to be following the agreed environmental management measures. The key issues noted by the mission include: (a) lack of consent for establishing the ongoing construction of STP at Digha; (b) inadequate implementation of construction stage environmental management measures under West Bengal Component; and (c) poor quality of environmental screening reports for the proposed cyclone shelters under West Bengal Component. However, since the close of the mission West Bengal has reported addressal of these issues. Mission noted that the construction related environmental management issues observed during the last mission visits to Gujarat have been remedied adequately. Before award of works contracts, regulatory clearances such as the CRZ clearances where relevant are being ensured.

Social

39. While the detailed description of social issues and impacts and specific agreed actions are presented under Annex 2, the summary of key observations of the mission include the following:

40. The **Gujarat** SPMU has made notable progress addressing social aspects including livelihood pilot investments. The key agreed actions include: (a) SPMU to expedite the implementation of EPAs. All EPAs should be completed by December 2014; (b) Replication of village PRAs with the community and document success stories; and (c) Project to prepare withdrawal strategy and share with the Bank by December 31, 2014.

41. In **Odisha**, the land identified for solid waste management in Paradeep still has issues relating to implementation of court order where Paradeep Port Trust has objected to it. The pilot investments on livelihood aspects are being implemented satisfactorily. The key agreed actions with the SPMU include: (a) Micro plans for involvement of community members in eco and pro poor tourism to be completed by December 31, 2014; and (b) Marketing assistance and plan for fisheries SHG by November 30, 2014

42. The key action agreed with **West Bengal** include: (a) Complete signing MOU with WBRLM for livelihood component by October 31, 2014; (b) Complete signing of contract with NGOs for livelihood component by October 31, 2014; (b) Expedite construction of vendor kiosks in Digha and arrive at a mutually agreed mechanism for distribution of kiosks to vendors with hawker's association by December 31, 2014; and (c) Repair properties damaged due to laying of sewer lines by December 31, 2014.

Agreed Actions

43. Following is a list of major time bound actions required from the national and the state project management units (or the MoEF and the State Governments, as applicable) to be undertaken and completed to streamline the project implementation.

	Main Issues	Next Steps / Actions Agreed	Responsibility	Due Date
Overall Project	Slow Disbursement: Current disbursement remains lower than originally anticipated (US\$61.5 m compared to US\$150 m anticipated at approval of the project). Lack of sufficient budget availability, and pending procurement of some of the major contracts for prolonged duration has also affected the disbursements	Budget: (i) INR 160 crore provided during FY14-15 would be exhausted by December, 2014; (ii) Ensure additional INR 190 crore to make payment against the contract commitments upto June, 2015.	MoEF and SICOM	Jan 30, 2015
		SICOM will continue to raise monthly IUFs and will ensure that monthly monitoring is done in line with the committed disbursements under different project components.	SICOM and All SPMUs	Regularly

	Main Issues	Next Steps / Actions Agreed	Responsibility	Due Date
	Increased Project Cost: MoEF and NPMU to secure approval of the Cabinet Committee on Economic Affairs (pending action).	SICOM to provide detailed cost break up of revised cost estimates under different components (as per EFC approval) to World Bank. Based on the EFC approval, SICOM will follow up CCEA's approval at the earliest.	MoEF and SICOM	Overdue
	Extension of Closing Date by the Bank: Since the end of the independent assessment mission, a request has been received by the Bank from Department of Economic Affairs to extend the project closing date by two years to December 31, 2017	The Bank agreed in principle for extension and further actions needed include: (a) revising the Result Framework in line with the proposed changes; and (b) for utilizing the additional saving identified under the project (over and above the revised project cost of INR 1580 Crores approved by EFC)	SICOM jointly with SPMUs to prepare evidence based Action Plan & Preparation of revised results and savings utilization plan	Jan 30, 2015 Jan 30, 2015
	Revision of Procurement Plan. Owing to the uncertainty of the cost ceiling for the project, the revised Procurement Plan prepared in November 2013 remains unapproved by the GC of SICOM. Currently May 2013 procurement plan is being followed	Till CCEA approval is achieved, SICOM will ensure that, other than for exceptions already listed, no award should be made for all items listed in the approved Procurement Plan (dated May 2013) after December 31, 2014.	SICOM	Dec 31, 2014
		Based on revised cost and other provisions approved by EFC during August 2014, SICOM will prepare a draft revised procurement plan for Bank Review <i>Detailed Action Plan for implementing the project with timelines.</i>	SICOM, SPMUs	January 30, 2015
Component 1: National Component	Delays – Hazardline Mapping: Significant delays in implementation of photogrammetry contracts – Resulting in delays in demarcation of hazard line and dependent activity of ICZM planning.	SICOM jointly with Survey of India shall provide a clear evidenced based Action Plan including monitoring plan with firm commitment on delivery of products by photogrammetry contracts: (i) completion of the current pilot work (was due by March 2014), (ii) for the identified areas of ICZM planning, the composite hazard line (was due by June 2014), and (iii) the entire mapping of composite hazard line (due by 2015 as per original schedule)..	Survey of India and SICOM	Feb 16, 2015

	Main Issues	Next Steps / Actions Agreed	Responsibility	Due Date
	Progress of major knowledge and capacity-building activities: Research proposals for national partner institutions of NCSCM are inordinately delayed. Revised national capacity building plan is not finalized and approved yet	SICOM jointly with NCSCM to: (i) ensure that the revised national capacity building plan is approved and implementation of the same starts (was due by April 30, 2014); (ii) MoEF capacity building plans; (iii) Action plan for streamlining research proposals and work program of partnering agencies.	SICOM Jointly with NCSCM	Feb 16, 2015
	Insufficient staff capacity at SICOM - Communication, Monitoring and Evaluation, technical capabilities for driving the ICZM processes are dysfunctional at NPMU level. Also, the HR systems are not in place.	The NPMU jointly with MoEF shall thoroughly review the current staff roles, responsibilities, performances and set the specific mandates on technical, operational/coordination, M&E, Social and Economic analysis of project benefits, procurement, and communication aspects with clear agendas for different cells. As an immediate action towards this, existing staff skills and performances to be assessed and relevant actions to be taken to establish fully functional cells within SICOM. The efforts should also include establishing fully functional HR systems including establishing performance appraisal processes.	SICOM jointly with MoEF	January 30, 2015
	Monitoring Systems are not in place: Deployment of web-based real-time monitoring is delayed by more than 18 months. Evaluation: Procurement of independent evaluation team is delayed by more than one year	All PEAs and SPMUs to be deployed with the web-based monitoring system which was agreed during February, 2014. Procurement of Evaluation team to be expedited involving all the SPMUs and also prepare an action plan to carry independent evaluation of different components of the project	SICOM	Overdue – SICOM to Commit dates
Component 2: Gujarat State	Contract management needs to be strengthened to effectively coordinate the sewerage and STP contracts	Follow up the pending sewerage contracts on regular basis to minimize further delays such that sewerage network is in place prior to completion of STP works. SPMU to share updated implementation action plan	SPMU and JMC	Jan 30, 2015

	Main Issues	Next Steps / Actions Agreed	Responsibility	Due Date
	Ineffective/underutilization of BISAG capacities under the project	Jointly with BISAG, SPMU to prepare detailed products and action plan to be delivered under the project – the products already agreed during mission include – GIS based sewerage network information, spatial information on mangrove plantation, etc.	SPMU	Jan 30, 2015
	Withdrawal strategy on livelihood related activities	Prepare documents to disseminate the objectives and results achieved in the form of case studies for wide dissemination. Parallely, prepare a withdrawal strategy including an action plan for implementation	SPMU	Feb 16, 2015
	Lack of Adequate Analysis and utilization of monitoring data generated by GPCB under the project	GPCB has established online air quality monitoring and collecting a lot of data. GPCB shall effectively process this data (including vetting) with appropriate analysis and possible actions for dissemination and remedial actions as may be necessary	GPCB jointly with GEC	Jan 30, 2015
Component 3: Odisha State Component	Operation and Maintenance of eco-tourism facilities established under the project	Developing a management plan for all the tourism facilities established or to be established under the project. The plans will necessarily include O&M and training. Immediate attention is needed for Barkul complex which is expected to complete and commission soon	SPMU	Jan 30, 2015
	Forward linkages for sustaining the livelihood activities supported through SHGs	SPMU to jointly work with the SHGs for preparing and implementing an effective and professional marketing assistance for the livelihood activities. Immediate attention is required for marketing strategy of dry fish activity where, significant amount is spent on establishing solar dryers involving 34 SHGs.	SPMU (and PEAs)	December 1, 2014 for dry fish activity. Jan 30, 2015 for overall Mkt. Strg.
	Monitoring and Evaluation of livelihood activities which covers range of activities	Prepare a well-structured M&E system to track performance of the SHGs and participating families, and highlight impacts by way of outcomes, as well as draw lessons on sustainability, and help prepare a plan for weaning the groups off project support	SPMU	Feb 16, 2015
Component 4: M&C	Slow Expenditure; completing procurement; and efficient contract management: A major concern is the relative lack of completion of procurement. It	SPMU jointly with the PEAs to ensure: (i) basic minimum supervision; (ii) prepare implementation action plans for all the delayed contracts; (iii) monitor and ensure planned procurement process is followed	SPMU and all PEAs	Feb 16, 2015

Main Issues	Next Steps / Actions Agreed	Responsibility	Due Date
<p>will be a challenge to complete the scheduled procurement by December 2014.</p> <p>Limited or no efforts by SPMU and PEAs towards supervision/Contract management - to be strengthened in light of delay in the contracts for sewerage, drainage and electricity distribution. Also, regulatory non-compliance is noted as Digha STP works are undertaken without Consent to Establish from West Bengal Pollution Control Board</p>	<p>No contract will be advertised with respect to the physical works (such as buildings in the coast) until the required CRZ clearance is available.</p>	<p>SPMU</p>	<p>Regular</p>
	<p>Prepare monthly expenditure projections and submit to SICOM; and ensure performance on expenditure as per the projections.</p>	<p>SPMU</p>	<p>Regular</p>
	<p>Consent to Establish for Digha STP to be reported to Bank. Also, the current dispute of access to community by the side of STP site to be resolved.</p>	<p>SPMU, PHED, and DSDA</p>	<p>Jan 30, 2015</p>
	<p>Progress of storm water drainage construction is very slow. The contract management aspects to be improved considerably. Also, revised action plan to be prepared and shared with the Bank and SICOM</p>	<p>SPMU, DSDA</p>	<p>Jan 30, 2015</p>
	<p>Discussion with all PEAs (through series of round tables) to improve contract management (especially the large works contracts – sewerage at <i>Digha</i>, drainage at <i>Digha</i>, electrification at <i>Sagar Island</i>, and <i>mela complex which is going to be started</i>), and preparing a Detailed Action Plan to avoid time and cost overrun.</p>	<p>SPMU (and PEAs)</p>	<p>Jan 30, 2015</p>
<p>Knowledge and capacity Building Activities. There has not been any progress for about a year on these. These are critical for achieving objectives of the Project.</p>	<p>No progress for the past 2 years. SPMU will need to prepare and share with SICOM and World Bank alternative plans (as it is clear that the activities and plans originally proposed by the State are not of interest to the State/SPMU). The plans should indicate how SPMU/State will achieve the project objectives of improvement of knowledge and improved capacity of the State for integrated management of the coastal and marine areas.</p>	<p>SPMU</p>	<p>Jan 30, 2015 (Overdue since June 2014)</p>
<p>Inadequate coordination and Insufficient staff capacity at SPMU – Different technical functions, staff roles and responsibilities and weakly mapped with limited or no coordination efforts</p>	<p>MoEFCC jointly with West Bengal State Environment Department shall carry out detailed review of SPMU to establish staffing and staff functions, define technical competencies, and overall SPMU co-ordination and project management, HR systems, etc. on priority basis</p>	<p>West Bengal Environment Dept. and MoEFCC</p>	<p>Jan 30, 2015</p>

	Main Issues	Next Steps / Actions Agreed	Responsibility	Due Date
	Livelihood Development in Sagar Block – slow progress with limited results	Transfer of committed activities under SPMU roles to WBSRLM: (i) finalize an appropriate MOU between the SPMU and the WBSRLM (ii) Complete signing of contract with the NGOs; (iii) Undertake the baseline survey, which has not yet been done, for which a questionnaire was discussed between the mission and the project agencies at Kolkata; and (iv) overall implementation schedule with well-defined timelines.	SPMU jointly with WBSRLM	Jan 30, 2015
	Management of beach front development activities	Involve appropriately qualified and experienced consultants (or NGOs), to have a management plan in place, outlining among others the respective responsibilities for maintaining and operating the facilities between DSDA and the Hawker associations. This would need to be developed in consultation with the intended beneficiaries.	SPMU with DSDA	Jan 30, 2015

Annex – 1: Financial Management

The overall accounting systems in SICOM, Gujarat, West Bengal and Orissa are working well. The project has submitting reports on a timely basis. Orissa and Gujarat, have transferred the entire state share to the SPMU. In the case of Orissa, the state has transferred more than the required amount while Gujarat has transferred 95% of the state share to the SPMU. West Bengal is lagging behind in transferring the state share to the SPMU leading to partial compliance to the budget legal covenant⁹. All other financial covenants have been met by the project. There has been fund flow issue and delay in payments to contractors during this year due to vote on account, and reduced budgetary provision at the national level which has been addressed now. The mission advised SICOM to follow up on provision of the revised budget and also follow up with SPMU to ascertain the cash position and maintain the required liquidity so as to meet the expenses and payments. Apart from the above issues, the CCEA approval for the revised project cost is yet to be obtained which is delaying the procurement and carrying out activities in the field. The NPMU needs to take action on realigning the activities, carrying out the committed activities and carry out reallocation of funds between categories as required. Based on the above facts and review the FM rating is retained as **Moderately Satisfactory (MS)**. The agreed actions for the project are summarized in the FM annex.

The following are the summary of FM discussions across SICOM and the SPMU's.

Budget:

SICOM: The GOI provided a budget allocation of Rs.160.80 Crores for FY 14-15, out of which Rs.160.80 Crores has been transferred. There has been fund flow issue during this year due to vote on account, and reduced budgetary provision. Funds to SPMU's needs to be transferred based on usage and annual work plan. Rs. 120 crores was released by the GOI recently to SICOM which has been further transferred to SPMUs. SICOM has sent additional proposal of Rs.193 crores for the revised budget. The cumulative expenditure incurred in the national component up to 31st August 2014 is 71.1 crores. The mission advised SICOM to follow up on the revised budget and also follow with SPMU to ascertain the cash position and maintain the cash balance in states as required.

Gujarat: Gujarat has provided Rs.28.41 crore (95% of the original state share) already and balance would be provided as per requirement. For the FY 2014-15, the state has provided a budget allocation of Rs.3 crores and has released Rs. 0.72 crores till date. The cumulative project expenditure as on 31st August 2014 is Rs.153.84 crores.

Orissa: The State has provided Rs.28.19 crore (134% of the original state share) against the original state share of Rs.21 crores till date. For the FY 2014-15, the state has provided a budget allocation of Rs.12.5 crores and has released Rs. 2.13 crores till date. If the revised cost of the overall state is approved at Rs. 329 crores then the state share to be released would be Rs.32.9 crores. The cumulative project expenditure as on 31st August 2014 is Rs.131.91 crores.

West Bengal: The state has provided Rs.13.24 crores from the start of the project till date. In 2013-14, no releases has been made by the state and for 2014-15 Rs. 8 crores is allocated in the budget but no releases has been made till date. The total cumulative expenditure as on 31st August 2014 is Rs. 75.58 crores. There is a serious issue of fund flow in the state as money from both SICOM and State has not

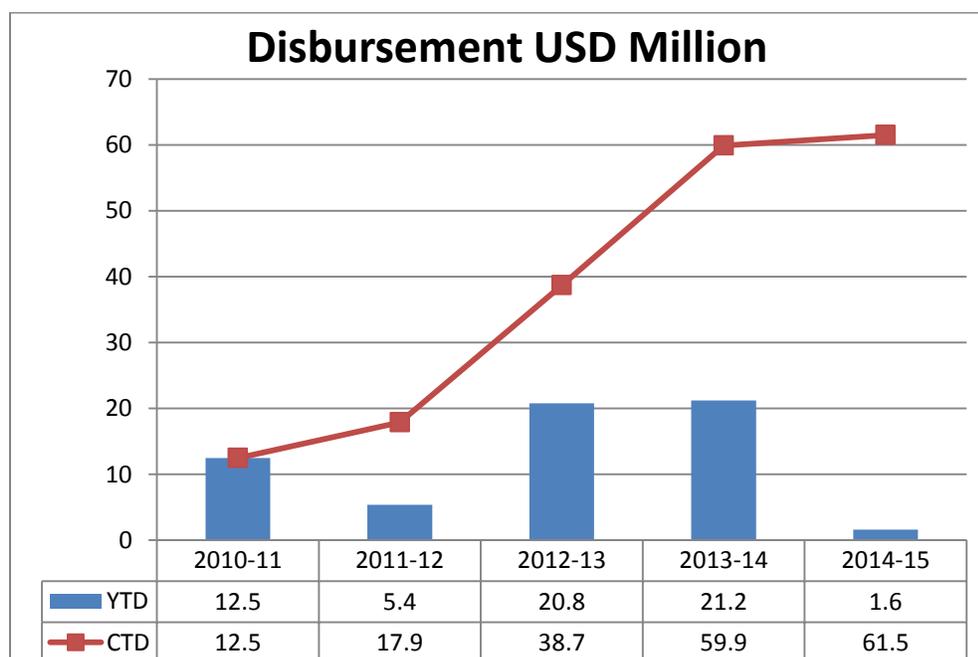
⁹ The covenant requires budgetary allocation of 10% as well as transfer of such amounts to SPMU.

been released this year. The SPMU has outstanding bills for Rs. 5 crores till August 2014, which needs to be paid immediately. The state needs to provide its share as per the legal covenant.

Disbursements: The disbursement as per the system is XDR 32 million including DA and XDR 2 million is in the pipeline. The overall disbursement percentage is 23% (including DA). Disbursements are on the slower side as compared to the projections.

(in XDR Million)

Component	Allocated XDR Million	Disbursed XDR Million	Balance XDR Million	Disbursement percentage	Balance in INR crores (Bank Share)	Expenditure required in INR crores
A (National)	44.14	9.15	34.99	21%	314.91	405.29
B (Gujarat)	38.13	12.58	25.55	33%	229.91	295.89
C (Orissa)	25.36	10.09	15.27	40%	137.39	176.81
D (West Bengal)	38.55	5.34	33.21	14%	298.89	384.67
PPF advance	0.73	0.65	0.08	89%		
Sub-total (without DA)	146.90	37.81	109.09	26%	981.09	1262.66
DA		1.99	-1.99			
<i>Total</i>	<i>146.90</i>	<i>39.80</i>	<i>107.10</i>	<i>27%</i>	<i>981.09</i>	<i>1262.66</i>



The overall sources and uses for the project are exhibited in the table given below as on August 2014:

(Rs. In crores)

S.NO	SOURCES	NPMU	GUJARAT	ORISSA	WEST BENGAL	TOTAL
1	Received from GOI	412.34	-	-	-	412.34
2	Received from SICOM	(295.18)	138.93	103.98	52.27	-
3	Received from state Govt	-	28.41	28.19	13.24	69.84
4	Interest and others	1.73	4.53	11.29	9.40	26.95
	Total	118.89	171.87	143.46	74.91	509.13
	USES					
5	Expenditure FY 2010-11	2.51	11.76	2.07	2.98	19.32
6	Expenditure FY 2011-12	8.42	24.17	11.86	6.45	50.90
7	Expenditure FY 2012-13	37.93	33.93	30.95	19.96	122.77
8	Expenditure FY 2013-14	41.36	57.51	62.27	25.41	186.55
9	Expenditure FY 2014-15 (upto August 2014)	12.74	29.26	24.76	13.78	80.54
	Cumulative Expenditure	102.96	156.63	131.91	68.58	460.08
10	Balance in Bank account NPMU/SPMU	4.43	1.14	1.76	1.88	9.21
12	Balance in Bank account PEA's	12.86	15.64	8.52	2.21	39.23
13	Other advances	(1.36)	(1.54)	1.27	2.24	0.61
	Total	118.89	171.87	143.46	74.91	509.13

Accounting system:

- a) SICOM: SICOM has installed and operationalized TALLY accounting system. The financial reports are being generated based on TALLY records. SOI, MSSRF, and NCSCM have also implemented TALLY accounting system. The project accounts have been updated till 31st August 2014. SICOM should conduct finance and procurement workshop for all PEA's.

- b) Gujarat: TALLY has been installed and operationalized in SPMU and all PEA's are up to date. After the last mission there has been improvement in the adjustment of CBO advance. However the mission reiterated that CBO advances from GEC, needs to be reviewed on a continuous basis and the mission requested GEC to review each case individually and take steps to either recover or get the UC for the advance. In the last mission it was suggested the SPMU to maintain separate ledger accounts for large contractual payments so that TALLY can provide party wise ledger accounts which is yet to be done. The TALLY chart of accounts needs to be corrected in Gujarat and the mission highlighted this issue to SPMU. The necessary corrections need to be completed by December 2014.
- c) Orissa and West Bengal: TALLY has been installed and operationalized in SPMU and all PEA's and it is up to date. In the last mission it was suggested the SPMU to maintain separate ledger accounts for large contractual payments so that TALLY can provide party wise ledger accounts which needs to be done by the SPMUs.
- d) The mission emphasized that Bank Guarantees (BG) for all contracts should be monitored and list of BGs should be maintained in the SPMU. The BGs must be valid and properly regulated. Also the project should on a regular basis follow up on the Mobilization Advance (MA) given and follow the activities and ensure that the advances are adjusted on a regular basis.
- e) Payment of retention money could become a potential issue during the closure of the project. The project needs to monitor this and can make payments for retention money against Bank guarantee to ensure that all retention money are accounted and paid during the project period.
- f) In case of Orissa and Gujarat, the payments are being claimed on gross basis, i.e. even the security payments and retention money is claimed from the Bank. The payments for these items would be paid after the DLP. The mission requested the SPMU to review these cases and ensure that payments to contractors are made against BG before project closure so that these amounts can be treated as eligible expenditure. In case of Orissa, the community advance which are either more than one lakh or which are outstanding for more than one year should be followed up and adjusted at the earliest.
- g) In case of West Bengal SPMU, in cases of salaries to certain staff, amount is recovered due to certain audit issues which has been remitted to the IESWM. However the project is claiming the entire salary from the Bank. The mission advised the project that since this is a disputed case, the project should claim only the net amount paid from the project. If the amount has to be recovered, it has to be done outside the project accounts and IESWM can ask the concerned persons to provide cheque payments in favour of IESWM. The mission advised the SPMU to reverse the excess claims in the next IUFR.

Staffing:

SICOM: Staffing at SICOM and SOI are as per agreed staffing pattern. NCSCM has recruited manager finance, but they need to fill the post of head of finance at the earliest. SICOM and SPMU's should provide refresher training to PEA's.

Gujarat and Orissa: Staffing at SPMU level is adequate and complete. The project has imparted training for PEA's and similar training should be delivered / conducted by the SPMU continuously.

West Bengal: Staffing at SPMU level is adequate and complete. All accounting staff positions have been updated. Training for PEA's should be delivered / conducted by the SPMU continuously. Mission observed that no training has been conducted during the year for accounts personnel.

The salaries of FM staff have not been revised for the last 2 years in NPMU and SPMUs especially West Bengal. The mission requested the projects to consider increasing the salaries based on the available IOC amounts taking into account the market conditions and inflation.

Project Cost:

The project cost is undergoing a revision and it is expected to be finalized after CCEA approval. The mission requested the project to also work out the reallocation as required between NPMU and SPMUs. The project is required to work out the total amount of committed contracts, total amount of contracts in pipeline, total amount paid till date and the balance to be paid out of the project funds. This should be submitted to the Bank before October 31, 2014.

Internal audit:

Gujarat the internal auditor contract is yet to be renewed. The mission requested the contract to be extended at the earliest and carry out the audit at the earliest. As discussed in the last mission, internal audit compliance needs to be strengthened. Each SPMU should have record of issues identified and the actions taken to address these issues. The mission requested the NPMU to design a format to capture both qualitative and quantitative issues and monitor them on a regular basis. This action is overdue and needs to be completed by 31st October 2014. In Orissa, West Bengal, and Gujarat the internal audits were discussed with PEAs and they have provided compliance. The audits have been completed till March 2014. The internal audit in future should cover the contract management issues in the PEAs.

External audit: The NPMU needs to start the process of hiring an external auditor for the current FY and this process needs to be concluded before January 2015.

PFMC: PFMC has been renewed at all locations. In Orissa, the PFMC contract is valid till March 2015 and the contract would be extended based on the project overall progress and extension. In West Bengal the PFMC contract is valid till June 2015 and the contract would be extended based on the project overall progress and extension.

Cross learning:

The mission suggested visit of SPMU’s accounting team to SICOM and other SPMU’s for cross learning as well as training and vice-versa. The mission also suggested the SICOM to conduct workshops for SPMUs as well as PEA’s on a continuous basis to support cross learning in the accounting and finance area of the project.

Agreed Actions

S.No.	Action to be taken	By Whom	By When
1.	Internal audit compliance	SICOM	March 2014
2.	Appointment of external auditor	SICOM	January 2015
3.	Commitment information for the project	SICOM	October 2014
4.	Accounts and finance workshop for PEA’s and SPMU	SICOM and all SPMU’s	Continuous to be conducted at least every six months
5.	Cross learning event	SICOM and all SPMU’s	January 2015
6.	Tally accounts to be modified	Gujarat	December 2014

Annex 2: Management of Social Issues and Impacts

Gujarat:

Community mobilization: Mission was pleased to note the progress made in implementation of social aspects under the project. For livelihood improvement pilot investments, community mobilization is completed in all 160 villages. PRA exercise for collection of baseline data has been completed for all 160 identified villages and PRA data has been uploaded on the GEC website. Community based organization have been formed in all 160 targeted villages. Project has facilitated formation of 476 SHGs. So far 77 entry point activities worth INR 484 lakhs have been completed. Various types of EPAs carried out so far includes rain water harvesting structures; ground water recharging structures; stall feeding and promotion activities; construction of salinity privation band structures; fodder and fuel wood development & shelterbelt; construction of cyclone cum multipurpose building; solar power at community level under Alternative Energy Resources and access roads. The project has so far benefited 805, 571 persons directly of which 403, 024 are women. The mangrove plantation alone has directly benefited over 223676 persons 27,00,000 persons indirectly. Approximately 50 percent of the both direct and indirect beneficiaries are women.

Livelihood promotion opportunities: Project has so far imparted skill enhancing training on handicraft (*Machi* work) to 45 women SHG members. Seaweed cultivation training has also been given to 35 women SHG members. Over 300 individuals have been provided training on maintenance of solar equipment and additionally 79 youths have been given advanced training on maintenance and repair of solar equipment. These youths are now earning INR 3000 per month. Project has identified 24 individuals from fishing community for training on lobster fattening. Detailed training will be provided by local NGO called UTTHAN in Bhavnagar. SPMU has identified 30 beneficiaries from 2 villages of Mandvi takuka. Post training, NGO will also connect them to market In order to promote dairy, project has linked milk producers with SARHAD dairy for marketing purpose. Other livelihood trainings include training on papad making to 20 women members and exposure cum training for 50 SHG members. To build capacity of SHGs, SPMU has signed memorandum of understanding with Gujarat Livelihood Promotion Company. It was agreed that project will document success story of livelihood promotion and prepare a withdrawal strategy. The draft withdrawal strategy will be shared with the Bank by end of November 2014.

In order to sustain the livelihood initiatives, project has adopted *approach of convergence* with various government departments and schemes. So far project has tied up with following departments and schemes:

- Education Department for School at Bhagodi, Mori and Maldo villages.
- Water supply Department for drinking water facility at Kaner and Godpar Village
- SARHAD dairy for Milk collection centre in 8 villages
- National Dairy Development Board for milk collection center at Ashiravandh and Kaiyari.
- PGVCL for electric facility at Mori, Tahera, Lakki, Khirasar, Gunau and Rodasar.
- District Industrial Centre for Livelihood at Sheh and Tahera
- ICDS schemes for Aganvadi at Bhaduvandh
- Irrigation Department for pond renovation and other schemes
- Fisheries Department for Licenses

Capacity building initiatives: Several capacity building initiatives have been taken by SPMU including orientation / exposure visits for CBOs and EDCs and skill enhancement and administrative training for SHGs. Recently project provided disaster risk management training to 35 individuals in two batches on TOT basis. GSDMA along with Disaster Management Institute provided the training covering the issues of cyclone and flood management. These individuals will receive further long term training at DMI, Anand. Detailed training will be provided by local NGO called UTTHAN in Bhavnagar. Additionally 682 CBO members from 155 villages have been given training on disaster risk management. UNNATI has also provided training on social audit to 608 social audit committee members. UNNATI will now provide training to all CBOs on accounting and book keeping. The training will be provided through SATCOM using BISAG studio. A total of 13 clusters will be covered. This will be followed by a follow up training in all 160 villages by social mobilizers of SPMU. Project has also provided training to 25 fishermen on border security.

Agreed Action:

- SPMU now needs to expedite the implementation of EPAs. All EPAs should be completed by December 2014.
- Copy of village PRAs with the community and document success stories.
- Project to prepare withdrawal strategy and share with the Bank by December 31, 014.

Odisha:

The livelihood component is implemented through Fisheries and Animal Resources Development Department (F&ARD) and provides the best alternate livelihood support to 80 fishing villages comprising 600 SHG's and above 9000 families in both the coastal stretches of 160 Km. Through this alternate livelihood program ICZMP promotes allied fishery activities and support the local fishing communities during ban on fishing and also Olive Ridley nesting period. The alternative livelihood options have been promoted with an objective to reduce pressure on marine fishery resources and provide alternate livelihood source for the fisher folks. Financial support has been given to all 600 SHG's for carrying out their adopted alternate livelihood activities. The alternative activities include integrated pisciculture for 211 SHGs, dairy for 63 & poultry for 88 SHGs, hygienic dry fish & value added product preparation for 115 SHGs, cold chain activities for 75 SHGs and ancillary business such as tailoring, net making, grocery , rice business, and stationery shop for 48 SHGs. SPMU organized exposure visits at state level for 175 SHGs and at national level for 294 SHGs to witness best practices in their chosen trades. Nearly 100 solar driers have been planned to be installed at Ganjam (82), Puri (08) and Balugaon (09) of which 77 have already been installed in Ganjam and 34 are operational. Project has roped in MART as a consultant for marketing linkages, packaging and branding of the products of the SHGs. Convergence with OMFED, Department of Fisheries, RWSS and Gopalpur Municipality on various aspects has been initiated.

Promotion of community based Eco-tourism as sustainable livelihood option for local communities: In order to facilitate community based eco-tourism, initiatives have been taken up to provide alternate livelihood option for the community in and around Chilika. All these activities are under progress. Under support to fisher Groups for small-scale community-based tourism activities, the Odisha State Tourism Development Corporation is preparing a capacity building plan for communities of Barkul village. However, the formation of CBOs for ecotourism activities around the Chilika and Tampara lakes has been considerably delayed and consequently the special training on ecotourism and hospitality management for the villagers of the Tampara Lake too has been delayed. Capacity building plan and

identification of activities in Barkul is under progress. PRA exercise leading to household survey and identification of trades for training has been completed in Pathara (Badakul) & Humara (Tampara) villages. However, further delay may lead to community unrest as several rounds of consultations have already been undertaken but things are yet to start on the ground.

Coir making as alternate livelihood option for fisher folk is another initiative undertaken under the project. MSME department had identified 40 SHGs covering 600 artisans and has initiated skill training activities for coir products. Training program has been completed for 37 SHG. As a part of capacity building, 4 days training on Costing and Accounts Training was provided to 80 artisans from all 40 SHGs and 3 Cluster Managers in Bhubaneswar. Exposure visit of 9 days to Alleppey, Kerala was conducted for 13 artisans of 9 selected SHGs along with one Cluster Manager and one NGO. However, local exposure tour for one day to Teisipur, Satasankha and Sakhigopal area has been conducted for all artisans of 40 SHGs. Two day training for group leaders of all the 40 artisans was also organized. The progress of development of coir village however is extremely slow though lot of effort has been made to enhance skill of crafts man and women and SHG members. Community in Gola village has donated 0.8 decimal of land for construction of Common Facility Centre (CFC) where the contract for construction has been awarded. Site for training and production centre (TPC) and coir craft tourist village has been finalized, but construction is yet to start.

MSME Department has identified around 2.7 acres of land at Chaudabatia near Sakhigopal for establishment of the Coir Training cum Production Centre (TPC). The TPC in making will have a visitor centre, research and development hub, raw material bank and the TPC will also facilitate packaging and marketing of finished good. The centre will rope in 15 artisans for imparting training to the local populace. Six month training will be conducted in batches on a long-term basis with 20 persons in each batch. Along with TPCs the department is also establishing three Common Facility Centres at Gola, Parbatipur and Gangadharapur in Krushnaprasad block. The centre will provide training on defibering, spinning and rope making, weaving of doormats, coir toys and coir craft items. The centers will also work as local husk collection centres and will also facilitate supply of raw materials and sale of coir products. Construction work of CFC at Gola is in progress. During the last Lord Jaggannath Car Festival, coir SHGs under ICZMP supplied around 12 quintals of coir yarns for the festival through OSCCC. The SHGs have also supplied coir mats worth Rs 40,000/- to OSCCC during the car festival. SHGs also participated in different exhibitions such as Palishree mela, IITF- New Delhi, Puri Beach Festival, Cuttack Baliyatra exhibition, Paradeep-2012 & 2013 and 1st MSME International Trade Fair-2013, Bhubaneswar, and Chilika Mahostava-2013. Mission was pleased to note that coir products by the SHGs were appreciated and there was demand for their products. Apart from selling their products in exhibitions, SHGs are also selling them locally.

Conservation of cultural heritage was undertaken under the project as it helps community not only to protect economically valuable physical assets, but also preserve its practices, history, and environment, and a sense of continuity and identity. Eight such culturally important heritage monuments have been selected for restoration under the project. Project provided training to 40 selected artisans on construction of traditional temples and all these 40 artisans trained have been absorbed by the department of culture on temporary basis and some of them are working on Bank assisted project. Department of Culture has conducted community consultations in each of the heritage sites that will be conserved and improved under the project and committees have been formed. The committees are collecting donation from shopkeepers for solid waste management. It was agreed that project will (i) put up information board having name of the committee members; and (ii) conduct monthly meeting with the committee. Though it was agreed during the last mission in February 2014, PEA is yet to develop micro plans to involve community for each of the identified beneficiary villages under these community

based heritage tourism initiatives. Project is in dialogue with the PEA for constitution of committee for management & maintenance of the restored structures& assets created. The bye laws of the management committee are being prepared by SPMU and PEA.

Conservation of Biodiversity & Livelihood security through Ecotourism: Department of Forest and Environment is promoting community based nature tourism as a source of alternative livelihood in order to reduce the pressure on forest and other natural resources. Though department has made substantial progress in civil works, preparation of micro plans to involve community of the identified beneficiary villages is substantially delayed. SPMU has hired a consulting firm that will prepare the management and business plans. The consulting firm is in the process of consulting community members and will submit the draft report by end November 2014.

For *mangrove plantation*, department of forest and environment has formed 32 eco development committees (EDCs). Out of 32, 11 EDCs have completed plantation work in 18 hectares out of the total of 30 hectares. NGOs have also been engaged to assist SHGs to carry out mangrove plantation through community (through SHGs /Village committees) in Berhampur & Kendrapara region. About 1000 hectares of land has been reported to be identified. A technical Consultant has been engaged to carry forward the plantation work through community participation by identifying the suitable land and specific species for plantation.

Paradeep Solid Waste Management: The land identified for solid waste management in Paradeep still has ownership problem. Though court has given direction to hand over the land to project, Paradeep Port Trust has objected to it. Screening carried out by the project shows no squatting or encroachment on the identified land. SPMU has also obtained the revenue records of the land.

Beneficiaries: Overall project has benefited 19, 78, 668 persons of which 384, 789 are direct beneficiaries. Activity wise break down shows fisheries component alone will benefit 136,078 persons of approximately half are women.

Convergence with other departments: Department of fisheries has tied up with (i) General Insurance Scheme and has enrolled all SHG members. It has also provided Matsya Credit Card to the fisher households; (ii) Department of horticulture for provision of sapling for plantation of fruit bearing vegetables, plants, etc, and training on Horticulture; (ii) department of urban development for construction of approach road and internal road to the activity site; (iv) department of energy for provision of electricity to the market complex at Gopalpur; (v) department of revenue for provision of land for establishment of business units; (vi) department of rural water and sanitation for provision of toilets. It has also entered into an agreement with GRAM VIKASH (NGO) for provision of water supply bore well and over-head tank to individual SHGs. United Artists Association is assisting the department for marketing of dry fish and value chain reinforcement.

Agreed Action:

- Micro plans for involvement of community members in eco and pro poor tourism to be completed by December 31, 2014.
- Marketing assistance and plan for fisheries SHG by November 30, 2014

West Bengal

Social Mobilization: Aiming towards the target of 15,000 BPL families directly benefited through livelihood improvement activities in Sagar Block (inclusive of Sagar Island and Ghoramara Island distributed in 9 Gram Panchayats), 990 CBOs have been established and 499 community contracts with approximately 485 CBOs have been signed. Some of these CBOs existed prior to the ICZM project. The 499 community contracts are inclusive of 207 contracts for entry point activities (EPA) and 292 contracts for income generation activities (IGA). The work on site is being facilitated through 6 NGOs. Project has conducted 148 PRAs covering 96 out of total 113 *sansads* across 9 gram panchayats.

Entry Point and Income Generation Activities: The EPA activities include a) construction of brick road (92 in number, total length of 45km), b) construction of tube wells (109 in number), c) construction of culverts (4 in number), d) pay and use toilet (1 in number) and e) pond re-excavations (7 in number). Even though 499 community contracts have been signed with 485 CBOs, the onsite work is progressing slowly with only 24 completed EPA activities and 15 other EPA towards completion and 8 IGA activities initiated on ground. Till now only about INR 1.33 crore out of total INR 27 crore has been disbursed for these activities. Of these EPAs completed include: 2 brick roads, 15 tube wells and 7 pond re-excavation works, while work is progressing fast for 6 other brick roads, 6 tube wells, 2 culverts and 1 pay and use toilet. Given the success of the initiated EPA and IGA activities, it was observed that these activities need to be scaled up and the work should speed up. The income generation activities being undertaken are inclusive of a) fishery related business (190 proposed), b) betel leaf cultivation (234 proposed), c) poultry (113 proposed), d) others (245 proposed). Implementation of IG activities are progressing in 6 fisheries related business and 2 betel leaf cultivation. It has been agreed that IGA and EPA activities will now be handed over to West Bengal Rural Livelihood Mission. SPMU has already prepared a draft memorandum of understanding to be signed with WBRLM. The NGO contracts have already expired and SPMU is in the process of drafting new contracts. It was agreed that for the ease of administration, NGO contracts will remain with SPMU though livelihood components will be implemented by WBRLM. The MOU with WBRLM and new NGO contracts will be signed by October 31, 2014.

On ground EPA activities are successful and community at large is participative. However at present the CBOs that have been given assistance towards EPA and IGA activities are the already established and strong CBOs, functioning since at least 6-7 years prior to the ICZM project. Therefore, capacity building and strengthening of newly established CBO/SHGs and other redundant/weak CBO/SHGs under this project is necessary. Hand holding and requisite training for accounting, record keeping etc. needs to be further strengthened in the established CBOs by the 6 NGOs.

As agreed, SPMU has provided detailed scheduled plan for various EPA and IGA highlighting the type of activity, date of signing of community contract, date of commencement of activity, projected date of completion, stages of work progress, disbursement, responsible NGO, village/gram panchayat and CBO details. The chart prepared will be utilized by SPMU for monitoring of EPA and IGA implementation along with WBRLM.

Distribution of grid electricity in Sagar Island: The distribution of electricity in Sagar Island which is nearing completion will benefit 34,036 households. So far 7079 connections have been energized of which 2502 are commercial and 36 are industrial connections.

Multipurpose Cyclone Shelters: Project has submitted the screening report of all cyclone shelters. The land parcels identified are owned by government and majority of them belongs to government primary school. Mission visited five such sites. Most of these sites are being cultivated by school which gives some revenue to the school. All schools have given no objection certificate and an affidavit that they

are willing to give up the parcels identified for MPCs. It was agreed that MPCs will be used by schools in order to have continuous maintenance of the asset created. At two locations, MPCs will come up on school playground and schools agreed to provide alternative playground. Land for alternative playgrounds has already been identified by the schools.

Digha Beach Front Development: The civil work for relocation of vendors is under progress but work progress is extremely slow. Out of 56 vendor kiosks planned in Saikat Abaas only 28 has been completed so far. Similarly work of constructing vendor kiosks in Kshanika Ghat has just commenced. A total of 219 vendors will be accommodated here in G+1 building. It is important to finish these activities at the earliest as post construction; DSDA will have to relocate vendors in consultation with Hawkers association.

Digha Waste Water sub project: Mission was informed that laying sewerage line is getting delayed due to road side encroachment by hotels and vendors. It was agreed that if any vendor is to be relocated due to project, the vendor will be assisted in line with agreed resettlement policy framework of the project. The mission was informed that walls damaged by the contractor while laying the sewerage will be repaired once sewer lines are laid. SPMU has issued warning letter to contractor that unless damaged property is repaired, the payment will not be released. Dispute regarding ownership of land between DSDA and Forest department at STP site that delayed the work for about six months, has been resolved and STP has been accommodated within the land available with DSDA. Land ownership issue for Sewage Lifting Station has also been sorted out.

Actions Agreed:

- Complete signing MOU with WBRLM for livelihood component by October 31, 2014
- Complete signing of contract with NGOs for livelihood component by October 31, 2014
- Expedite construction of vendor kiosks in Digha and arrive at a mutually agreed mechanism for distribution of kiosks to vendors with hawker's association by December 31, 2014.
- Repair properties damaged due to laying of sewer lines by December 31, 2014.