

INDIA: Integrated Coastal Zone Management Project (Cr.47650-IN)

Aide Memoire

Ninth Implementation Support Mission: May 2 – June 10, 2016

PDO: To assist the Government of India in building national capacity for implementation of comprehensive coastal management approach in the country, and piloting the integrated coastal zone management approach in states of Gujarat, Orissa and West Bengal			
Project Data			
<i>Board Approval</i>	:	June 15,2010	
<i>Effective Date</i>	:	September 22, 2010	
<i>MTR Date</i>	:	June 30, 2013	
<i>Original Closing Date</i>	:	December 31, 2015	<i>Extended Date</i> : December 29, 2017
<i>Original Credit Amount</i>	:	XDR 146.9 mil (US\$ 221.96 mil.)	<i>Restructured</i> : XDR 146.90 mil. (US\$ 201.25 mil.)
<i>Amount Disbursed</i>	:	XDR 65.5 mil US\$ 92.12 mil	
<i>Disbursement Percentage</i>	:	49%	
<i>Amount Committed</i>	:		

A. Introduction

1. A World Bank Implementation Support Mission¹ (ISM) visited the Integrated Coastal Zone Management Project from May2-31, 2016. The objective of the mission was 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; and (b) recommend specific actions to improve implementation performance.

2. The mission had discussions and review meetings with the National Project Director and Staff of the National Project Management Unit (NPMU), the Society of Integrated Coastal Management (SICOM), as well as with officials and researchers at the National Center for Sustainable Coastal Management (NCSCM). 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). Field visits and stakeholder consultations were further carried on for selected sub-projects executed by PEAs in each of the three states. The World Bank team would like to express its appreciation for the hospitality and cooperation extended by the Directors and staff of the NPMU and the three SPMUs, as well as all other officials met during this ninth ICZMP mission.

3. Outlined below are the mission's findings, recommendations, and agreed actions, which have been discussed with the Director of the NPMU, as well as the Directors of the three participating state SPMUs and with other key implementing and executing agencies. These were also presented by the mission at national, and state level wrap up meetings respectively with the National Project Director & Joint Secretary, Ministry of Environment, Forests and Climate Change, Government of India (MoEFCC) on May 23, 2016; Principal Secretary (Forests and Environment), Government of Gujarat on May 5, 2016; Principal Secretary (Forests and Environment), Government of Odisha on May 19, 2016; and Principal Secretary (Forest and Environment), Government of West Bengal on May 20,

¹The mission was jointly led by Mr. A. Sita Ramakrishna (Task Team Leader and Senior Environment Specialist), and Mr. Milen Vollen (Operations Officer); and the mission members included Mr. Parthapriya Ghosh (Senior Social Development Specialist), Mr. S. Krishnamurthy (Senior Financial Management Specialist), Mr. A. K. Kalesh Kumar (Senior Procurement Specialist), Mr. Pawan G. Patil (Senior Economist), Mr. Om Prakash (Procurement Consultant), Mr. Vinod Gautam (Consultant, Environmental specialist), Ms. Moushumi Chatterjee (Consultant), and Ms. Latha Sridhar (Program Assistant).

2016. The mission debriefing was held with Director (MI), DEA on May 31, 2016. Based on the wrap up discussions, the mission was extended till June 10, 2016 for progress-related discussions with the NPMU and collection of critical information related to progress and financial management.

B. Key Findings, Recommendations, and Agreed Actions

4. **Overall project implementation:** The project continues to present a mixed overall progress. Whereas implementation of individual components and activities have picked up significantly, the impasse over allocation of adequate annual budget coupled with the delayed release of project funds from the MOEFCC to the respective PMUs continue to threaten the project’s positive outcome.

5. As forecasted, the successful project restructuring and extension have triggered a wave of activity—and more implementation success stories—at the state level in particular. Drawing on strong state government commitments, both Gujarat and Odisha are continuing to make a steady progress with ICZM planning and implementation activities. Similarly, West Bengal has succeeded within a short time to considerably improve project performance. However, this progress remains fragile due to (a) *continued slippages in many contract commitments due to lack of sufficient budgetary allocations through SICOM for the past two financial years;* (b) *HR operational and coordination capacity shortages due to persisting difficulties filling vacant staff positions at SICOM and at SPMUs, such as the West Bengal;* and (c) *related weak collaboration at the project-wide level and across the three State components, in particular.*

6. Importantly, the stepped-up project implementation efforts are already rapidly generating new invoices, projected to add another *Rs. 198.14 Crores by the end of Q2, FY 16-17, to the long-outstanding Rs. 63.2 Crores in lapsed payments under multiple SPMU contracts.* This comes in addition to the Rs. 51.11 Crores extended as bridge financing by the respective state governments over and above their 10% project co-financing commitments (see Table 1). In such environment and unless the project’s long-standing budgetary hold-up is resolved as a matter of urgent priority, it is also beginning to generate real reputational risk for government and non-government partners alike. In Odisha alone, letters of intent to pursue collection through legal action were formally submitted by three contractors. *The mission expressed its concern that for the past two years this issue has not been resolved and if adequate budget is not provided this year, then the completion of the activities within the extended closing time also seems unlikely.*

PMU	States’ support* to offset NPMU deficit	Additional outstanding bills as of April 30, 2016	FY 16-17 (central share)				Total to be released by MoEFCC FY 16-17
			Q1	Q2	Q3	Q4	
SICOM		4.22	7.218	9.747	13.068	10.953	45.206
Gujarat	9.34	14.65	8.343	10.215	11.565	11.07	65.183
Odisha	14.03	24.34	43.263	20.268	25.308	17.451	144.66
West Bengal	27.74	1.02	32.643	31.968	33.867	27.792	155.03
NCSCM		18.97	10.179	24.3	9.639	4.554	67.642
Total (Rs Crores)	51.11	63.2	101.646	96.498	93.447	71.82	477.721

Notes: (*) “public loan” provided over and above the respective State’s 10% share of associated expenditures, after interest earned is also counted towards the NPMU deficit.

7. In this context, the need for a resolute action to immediately address the long-standing project’s *budgeting bottleneck has emerged as the single most critical issue which now holds hostage the entire project implementation success.* Other bottlenecks to achieving the PDO that require further concerted attention are:

- establishing and supporting the efficient functioning of the key ICZM institutions envisioned under the project at both national and state levels;

²² Based on latest SICOM statements and SPMUs expenditure projections

- satisfactory resolution of post-project sustainability issues facing various pilot investment projects; and
- significant scaling up of outreach and communication efforts to sensitize the respective PEAs about their role in supporting a program to sustainably manage India's coasts.

8. **Progress towards key project objectives:** Overall project implementation performance has improved considerably since the completion of the project restructuring in December 2015. Work is currently ongoing with reasonable efforts to catch up the two year cumulative delay, and notable developments towards achieving the ICZM objectives. These in particular include:

9. *Institutional Structure at National and State Level Supportive of ICZM* has been established. These include National and State Level Coastal Zone Management Authorities (NCZMA, and SCZMAs). These institutions are functional, but would need further strengthening of the institutional framework and technical capacity. National Centre for Sustainable Coastal Management (NCSCM) established under the project is responsible for strengthening the technical capacity of NCZMAs and SCZMAs.

10. *Knowledge and Planning Base for ICZM:* The project has supported preparation of draft guidelines for ICZM Plan preparation and is under consideration by MoEFCC for finalization. The ICZM Planning for Gujarat and Odisha are ongoing and will be started shortly for West Bengal. Further, NCSCM is functioning as an autonomous center supporting research and knowledge management for sustainable coastal management. NCSCM has set up seven Divisions of Excellence to carry out frontline research and establish knowledge and planning base including setting up databases for coastal, marine biodiversity network, National GHG emission database for coastal ecosystems, baseline for coastal sediment cell delineation as benchmark with coastal maps, and futuristic research on marine and coastal areas.

11. *Implementation of Demonstrable ICZM Pilot Activities:* The implementation of ICZM pilot activities is ongoing with encouraging results. These include: (a) Coastal Conservation and Protection pilots relating to: mangrove plantation, infrastructure and research facilities for coastal wildlife protection, multipurpose cyclone shelters, technology demonstration for protection from coastal erosion, and demonstration of coral transplantation & regeneration, etc.; (b) Pollution Abatement pilots relating to: Sewerage with treatment plants for about 1 million population, household electricity in one island to minimize air emissions; etc.; and (c) Coastal Livelihoods by establishing about 1800 SHGs/CBOs with improved income levels and facilitating long terms sustenance by integrating them in to regular government programs. However, the progress of pilot activities is affected badly due to prolonged delays in releasing project funds.

12. *National and State level technical capacity for ICZM planning* with supporting technical staffing: (a) The project at national level has set up NCSCM with 'Centre of Technical Excellence' mandate. NCSCM has entered in to partnership with 14 national level agencies with ongoing research activities, and is currently exploring opportunities to partner with international agencies; (b) Society for Integrated Coastal Zone Management (SICOM) is also established for overall project management, oversight, and broad technical guidance on ICZMP for the participating states. SICOM has also initiated replication efforts for carrying out ICZM planning for 6 other coastal states and 3 union territories. However, SICOM is yet to be formally confirmed as a technical secretariat for NCZMA/MoEFCC. Also, SICOM's staffing and institutional capacity is inadequate and yet to be addressed; (c) Coastal and marine pollution monitoring capability of Gujarat and Odisha State Pollution Control Boards including scientific equipment have been enhanced considerably; (d) Scientific capacity of Chilika Development Authority, Odisha; and Gujarat Ecological Education & Research Foundation for coastal and marine ecological monitoring and conservation have been significantly enhanced; and (e) Odisha state SPMU has been converted to a technical secretariat for SCZMA. This action is yet to happen in Gujarat and West Bengal. The current challenge is in streamlining the institutions developed and building on the initial success to propagate the ICZM approaches. Also, technical staffing at SICOM, and SPMUs still remain an unattended issue.

13. In terms of physical progress, the aerial photography of about 78,000 sq. km. and hazard line mapping is completed for West Coast. Only about 6% of the east coast hazard line mapping has been covered and reassigning the contract to the performing contractors in the west coast is completed. This activity is expected to pick up pace.

14. Overall, the foregoing reflects that that the project PDO is achievable and the overall implementation progress stands as moderately satisfactory at this stage. In terms of operational aspects, however, staffing and the HR policies continue to be temporary in nature with short term extensions. This approach could affect long term research agenda. Similar situation prevails at SICOM where almost all the positions have not been filled over the past one 18 months. *The mission noted that the SICOM's role as the agency within the MoEFCC to guide the integrated coastal zone management agenda during and beyond the project is crucial and therefore would require urgency in addressing the identified issues related to its capacity and permanence to deliver on this mandate.*

15. **Updated Performance Ratings, May 2016:** *Recognizing the project activity uptake at State level, in particular, is making the Project's PDO increasingly achievable, the overall Project Implementation rating has been increased to "Moderately Satisfactory." However, the project's Financial Management continues to remain "Moderately Unsatisfactory," reflecting the critical threat to the project's implementation posed by the continuing budget impasse.* (Table 2 below).

Table 2: Component Level Ratings									Overall	
	National		Gujarat		Odisha		West Bengal		Last ³	Now
	Last	Now	Last	Now	Last	Now	Last	Now		
Achievement of PDO	MS	MS ⁴	S	S	S	S	U	MS	MS	MS
Implementation Progress	MU	MS	S	S	S	S	MS	MS	MU	MS
Financial Management	MU	MU	MS	MS	MS	MS	MS	MS	MU	MU
Procurement	MS	MS	S	S	S	S	MS	MS	MS	MS
Project Management	MU	MU	S	S	S	S	MS	MS	MU	MS
Monitoring and Evaluation	MU	MU	MS	MS	MS	MS	MS	MS	MU	MU

16. Table 3 below summarizes original and revised project costs by component, as well as the actual expenditures to date. The values presented also includes overall price as per the revised cost estimates, and physical contingencies in the range of 7% of the total cost.

Table 3: Component Wise IDA Credit Funds @ 77.7% Financing of the Cost (in million XDR)						
	NPMU	Gujarat	Odisha	West Bengal	PPF	Total
Original Cost	44.140	38.125	25.355	38.550	0.730	146.9
Revised Cost	49.403	35.556	30.597	30.614	0.730	146.9
Expenditure to date	16.496	21.086	16.396	9.569	.654	64.20
Expenditure as % of Revised Cost	34%	59%	46%	31%		44%

17. **NPMU Financial Management:** FM ISR rating: The overall accounting systems in SICOM, Gujarat, West Bengal, and Orissa are working satisfactorily. The project has been submitting reports on a timely basis. From fiduciary and compliance point of view the project has been consistently performing well for the past few years.

18. *The biggest issue which is being faced by the project is the non-availability of funds from MOEF/SICOM.* The pending bills as on date is Rs.63.2 crores (\$10 million). There has been cash flow issues in the project and delay in payments to contractors due to reduced budgetary provision by the central government as well as timely release of allocated budget. This issue has been ongoing for

³ "Last" Refers to the Aide Memoire of the last mission held during August 31 – November 9, 2015

⁴ 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.

the last two years and without proper budgetary provision by MOEF and timely release of funds, the project works are getting impacted. SICOM and PEAs are managing the meager resources available to the best of their ability. The states have provided their budget in full and in fact have provided more amounts as loans. The following table outlines the budget request and amount provided by the GoI over the years (figures as on June 1, 2016):

Year	Budget requirement	Budget allocated/Fund received from GOI	Expenditures
2010-11	183.87	149.40	19.32
2011-12	104.60	104.60	50.90
2012-13	125.00	125.00	122.76
2013-14	421.67	86.68	186.54
2014-15	551.00	160.80	220.33
2015-16	559.65	116.00	122.97
2016-17	475.56	223.98	-

The overall sources and uses for the project are exhibited in the table given below as on March 31, 2016 (Rs. In crores):

S.NO	SOURCES	NPMU	GUJARAT	ORISSA	WEST BENGAL	TOTAL
1	Received from GOI	626.48	-	-	-	626.48
2	Received from SICOM	-436.98	204.73	146.98	85.27	0
3	Received from state Govt	-	34.52	33.49	39.35	107.36
4	Interest and others	2.37	6.46	12.54	10.84	32.21
	Total	191.87	245.71	193.01	135.46	766.05
	USES					
5	Expenditure FY 2010-11	3.55	10.72	2.07	2.98	19.32
6	Expenditure FY 2011-12	8.94	23.65	11.86	6.45	50.9
7	Expenditure FY 2012-13	38.47	33.38	30.95	19.96	122.76
8	Expenditure FY 2013-14	41.78	57.08	62.27	25.41	186.54
9	Expenditure FY 2014-15	52.52	84.43	52.89	30.48	220.32
10	Expenditure FY 2015-16	41.1	38.04	32.57	30.82	142.53
	Cumulative Expenditure	186.36	247.3	192.61	116.1	742.37
10	Balance in Bank account NPMU/SPMU	0.74	4.11	0.69	11.94	17.48
12	Balance in Bank account PEA's	5.58	0.63	2.82	4.13	13.16
13	Other advances	-0.81	-6.33	-3.11	3.29	-6.96
	Total	191.87	245.71	193.01	135.46	766.05

19. In 2016 Rs.223 crores has been approved against a request of Rs.471 crores. As on closing of the Bank mission during June 10, 2016, no releases has been made this year which is affected the payment schedule in the states. Lack of adequate financial resources for a prolonged period of more than 6 months has severely affected the project implementation progress. However, since the completion of the mission, INR 150 crore funds have been released during last week of June, 2016. Considering that these funds would be exhausted by the end of July, *it was agreed that SICOM will follow up with SPMUs to ascertain the cash position and maintain the required liquidity and ensure:*

(a) early release of allocated balance budget of INR 73 crore which will be just sufficient to meet estimated expenditure till September, 2016; and (b) follow up on provision of additional budget as part of the revised budget allocations before end of the year.

20. Based on the lack of consistent budget provision and prolonged delays in release of allocated budget from MOEFCC the FM rating is maintained as *Moderately Unsatisfactory (MU)*.

21. Safeguards

- *Social*: The mission was informed that progress of Digha storm water works in West Bengal is slow due to encroachment. Mission informed DSDS to apply Resettlement Policy Framework. So far encroachers (primarily vendors) voluntarily move away during the construction and come back once the construction in that particular stretch is completed. DSDA will carry out SIA along the alignment and appropriate resettlement instrument will be prepared and shared with the Bank. One of the multipurpose cyclone shelters (MPCS) in Gosaba block of Sagar Island in West Bengal could not be constructed as community refused to participate. SPMU along with Department of Disaster Management has re-engaged with the community to mobilize them for construction of MPCS. No other social safeguard issues were reported during this mission.
- *Environment*: 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. However, the mission noted that the construction site safety, worker occupation health and safety are by and large neglected. In this regard mission has *observed lapses in construction activities in Odisha's built heritage sites of the Bateswar Temple in Kantiagarh and Bhabakundaleswar Temple in Manikpatna, as well as in Sagar Island in West Bengal (Dala Arcade, Eco-camp, etc.), and construction of Multi-purpose cyclone shelters (MPCS), all of which are located in the premises of existing schools and need to be fully cordoned off.* The mission also observed that the construction stage environmental management measures can be considerably improved in all the construction sites including for MPCS in West Bengal, STP at Jamnagar, and Geo-tubes work at Pentha. *These issues were discussed in detail and it was agreed that all the SPMUs will take necessary urgent priority action, to ensure that construction sites are well enclosed and access is limited (Odisha and West Bengal), design safety is addressed as needed (Gujarat, Odisha, West Bengal), as well as to ensure that contractors, workers, and state supervising agencies alike follow construction safety protocols (Odisha and West Bengal. The Bank team will further follow up on these actions prior to the next ISM to ascertain if the project's safeguards rating needs to be revised.*

22. **Management of Social Issues and Impacts:** Although implementation of EPAs have progressed well since the last mission in September 2015, several of them are yet to be completed. Completion of EPAs is critical as they are directly or indirectly linked to livelihood of the community. In order to make activities undertaken under both EPAs and livelihood generation sustainable, both Gujarat and Odisha has taken the approach of convergence with various government departments. West Bengal has taken a big stride in livelihood component, where all 9 gram panchayats under Sagar block has been covered. West Bengal State Rural Livelihood Mission (WBSRLM) has formed over 2000 SHGs covering over 25500 households. Substantial effort has been made to build capacity of SHGs and CBOs in all the three states including exposure visits. The project has so far benefited nearly 13 million persons of which direct beneficiaries comprise nearly 13%.. Among the total beneficiaries, 48% are women. SPMUs in all the three pilot states need to focus on (i) completion of EPAs; (ii) management plans for sustenance of SHGs and community assets created under the project; (iii) withdrawal strategy for SHGs; and (iv) impact assessment of livelihood initiatives and EPAs.

23. **Additional Specific Operational Issues:** Staffing and the HR policies continue to be temporary in nature with short term extensions at the NCSCM and across all the other PMUs. This

approach could affect both longer term project sustainability, including its research agenda. At SICOM a number of positions are similarly not yet filled. Overall, there continue to be unaddressed issues related SICOM's set-up and permanence within the MoEFCC structure, which in turn affect its capacity to play its envisaged role envisaged as the agency within the MoEFCC to help guide the ICZM agenda beyond the project; this needs urgent attention.

24. At the state level the Gujarat and West Bengal SPMUs are still not converted into permanent institutions which would serve as the technical secretariat for the respective State Coastal Zone Management Authorities. Progress on institutional development continues to be particularly needed in West Bengal, where the SPMU remains understaffed and more attention is required during the extended period of the project to ensure that institutional capacity is created to anchor and carry forward the ICZM agenda post-project completion.

25. The preparation of the ICZM Plans is slowly progressing, with Gujarat and Odisha nearing inception completion phase and West Bengal still in the process of procuring. Lack of adequate stakeholder ICZMP engagement preparation at the individual consultancies' level and missing coordination and shared learning across the three state pilots remain major challenges. In the course of this ISM, the WB team supported the SPMUs and their ICZMP consultant teams to strengthen the respective ICZMP stakeholder engagement methodologies in both Gujarat and Odisha. The mission team recommended engaging a technical supervisory and coordinating expert consultant to (1) provide advisory support to the three SPMU's in their work on and supervision of their respective ICZM planning work; and (2) provide dedicated support to ensure communication, coordination, and cross-learning across the three ICZMP planning processes.

26. ESA mapping for the entire coastline has been completed, but the Hazard line delineation is completed for West Coast only. In case of East coast, the non-performing contractor has been terminated and replaced with two contractors who have successfully completed work in West Coast. While ESA maps and hazard line are available for west coast, SICOM is not yet ready to work out the strategy to share this information with the SPMUs for completion of ICZM Plans. Also, SICOM has no clear action plans with timelines for establishing the data centers to share the information in a structured manner. Unless this activity is addressed with priority, the proposed pilot ICZM Plans may not be completed in time.

27. The implementation of individual pilot investment activities in all three states has picked up and, with exception of three still not awarded major contracts, is now likely to be successfully delivered by the new project date if MoEFCC addresses the existing budget bottleneck and can handle timely and adequate budget releases for the duration of the project. In this context, the points highlighted by the previous World Bank ISM with regard to the program in West Bengal are being addressed, and to a lesser extent, in the National Component; in comparison, implementation progress in Gujarat and Odisha continues to be better.

28. However, in addition to the construction safety lapses outlined in the Safeguards' section above, the *need for the Project Executing Agencies' (PEA) close management of their design and supervision consultants* has emerged as another project-wide issue that requires the NPMU's attention and urgent actions from all three SPMUs. Thus, the mission noted lack of close oversight of design and supervision consultants by respective PEAs in Odisha (Built heritage conservation works) and West Bengal (Digha Beachfront Development). The latter, in particular, is resulting in significant delays and work schedule deviations, and has generated safety concerns. In each case, the mission discussed and agreed on detailed mitigation measures with the respective SPMUs.

29. ***National ICZM Capacity Building Component*** : The thrust of this component continues to focus 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, Forests and Climate Change (MoEFCC); 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 MoEFCC).

30. *The key areas which need immediate attention include the following:*

National Government actions:

- The Government needs to initiate actions needed for making the NCSCM a permanent autonomous body with relevant human resource planning and ensure the High Powered Research Committee functions are restored to ensure meaningful research.

SICOM actions:

- SICOM, on priority, needs to ensure delivery of its functions mainly - aggregator of project implementation experiences through effective communications strategy; technical arm of MoEF with strong analytical skills; overall project management, supervision, and effective M&E mechanism; and National level Capacity Building for ICZM. SICOM also needs to build its staff strength for effective delivery of these functions.
- SICOM also needs to expedite, establish the mechanism, and enable data sharing with State SPMUs on Hazard line data, and ESA mapping. This action is on critical path as the pilot ICZMP completion depends on this data. SICOM to further follow up on completion of Hazard line mapping for east coast, especially for Odisha and West Bengal Coast.
- The Monitoring and Evaluation is significantly delayed (more than 30 months) 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

SPMUs actions:

- Gujarat: During last mission completed in November, 2015, Gujarat SPMU has reported its GCs decision to drop Marine Research, Conservation and Information Centre (MRCI) and to carry out additional activities in lieu of this. However, SPMU indicated to continue with proposed MRCI activity. Given the short time duration available before closing of the project, necessary action need to be taken up by SPMU on priority to take forward this activity.
- Odisha: SPMU needs to expedite procurement processing of proposed Integrated Solid Waste Management at Paradip on priority in light of short duration of 18 months before project closure.
- West Bengal: SPMU needs to speed up: (i) procurement of consultants for ICZM Planning and initiating the planning process; and (ii) preparing an implementable capacity building plan with timelines for IESWM, and also follow up preparation and implementation of credible communication strategy which is overdue.

31. **Project-level Procurement:** Mission reviewed procurement activities of the Project with NPMU and the State SPMUs. Important points emerging from the review are as under.

- Procurement Plan was revised in Nov/Dec 2015 following Government's sanction of the revised costs. However, no significant progress appears to have been made since then in awarding the new packages included in the approved Procurement Plan as also other packages that were pending at the time of such revision.
- Procurement of remaining packages to be procured needs to be closely monitored so as to complete the ordering latest by Sep 30, 2016.
- Number of such remaining packages is: NPMU = 47, SPMU Gujarat = 35, SPMU Odisha = 24 and SPMU West Bengal = 25.

- NPMU and SPMUs were advised to expedite ordering of various high value packages mentioned below.
 - NPMU - (i) Procurement of Servers for Data Collection – cost Rs 14 crores, (ii) Construction of pillars and fixing of markers on the final hazard line – cost Rs 16.80 crores and (iii) Consultancies for preparation of DPRs for 10 States for the next Project – cost Rs 20 crores;
 - SPMU Gujarat - Construction of Marine Oceanarium for which Rs 55 crores have been allocated;
 - SPMU Odisha - Solid Waste Management at Paradeep – cost Rs 37 crores;
 - SPMU West Bengal - (i) Phase II Rehabilitation of Hawkers and landscaping - cost Rs 22.8 crores and (ii) Consultancy for ICZM Plan - cost Rs 10 crores.
- Review of awarded contracts showed that a large number of contracts are still to be completed. NPMU and SPMUs were advised to draw up an Action Plan to ensure their completion as far as possible during 2016.

Detailed position of procurement activities of the NPMU and the SPMUs are given in respective Annexes.

C. Key Implementation Issues and Agreed Actions.

32. The summary actions agreed with the NPMU and SPMUs are presented in the matrix below:

	Main Issues	Next Steps / Actions Agreed	Responsibility	Due Date
Overall Project	Budget: INR 223 Cr. allocated against the INR 471 Cr. for April 2016 to March 2017. No resources available for implementation over 6 months (till end of June, 2016). Overdrawn state contributions from Odisha and Gujarat. Since the end of mission, INR 150 Crore released. Total budget will be sufficient for implementation up to Oct-Nov, 16.	SICOM to follow up for at least INR 150 crores additional budget before end of November, 2016 to ensure continuity of progress and the contractual obligations are met in time.	MoEFCC and SICOM	Nov., 2016
		SICOM will continue to raise monthly IUFRRs and will ensure that monthly monitoring is done in line with the committed disbursements under different project components.	SICOM and All SPMUs	Monthly
	Inadequate construction safety and occupational health and safety measures and insufficient attention to implementation of EMP measures	i) Construction safety and appropriate occupational safety measures for the workers need to be established; and (ii) SPMU to ensure PEA's close management of their design and supervision; and (iii) EMP implementation	All SPMUs and SICOM to ensure overall supervision	Regular
Component 1: National Component	Hazard line Mapping: West coast mapping has been completed. But SICOM is yet to make arrangements to share data with Gujarat SPMU for ICZM Plan. East coast mapping has been reassigned to two contractors by terminating non-performing contractor – outputs delayed. ESA Mapping completed but outputs not shared with SPMUs	SICOM to coordinate and establish protocols and share the hazard line data with Gujarat SPMU for ICZM Planning on priority	SICOM and SOI	No later than mid-Aug, 2016
		Hazard line mapping for Odisha coast and West Bengal Coast need to be expedited as this information is of significance for ICZM Planning.	SICOM & SOI	Sep.16 for Odisha & Oct. 16 for West Bengal
		ESA Maps and the related data to be made available to 3 SPMUs to facilitate ICZM Plng.	SICOM & NCSCM	No later than mid-Aug, 2016

	Main Issues	Next Steps / Actions Agreed	Responsibility	Due Date
	<p>Progress of major knowledge and capacity-building activities: Research proposals for national partner institutions of NCSCM are continued to be delayed (only 3 proposals are followed up). National capacity building plan is not yet in place and has not been finalized and approved yet – This continues to be delayed since 2014.</p>	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) MoEFCC capacity building plans; (iii) Action plan for streamlining research proposals and work program of partnering agencies.	SICOM Jointly with NCSCM	Over Due. SICOM to provide necessary action plan by July, 2016
		SICOM jointly with NCSCM & SoI to conduct a stakeholder round-table to share project outcomes till date on ICZMP	NCSCM	Mid-Aug., 2016
	<p>Insufficient staff capacity at SICOM - Communication, Monitoring and Evaluation, technical skills/capabilities for driving the ICZM processes are non-existent at NPMU level (Adhoc arrangement to draw experts from SPMUs/NCSCM is also not working). Also, the HR systems are not in place. This aspect has been neglected and could affect preparatory efforts for Phase-II of ICZM Project</p>	<p>SICOM to expedite staff recruitment with well-defined 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.</p> <p>The efforts should also include establishing fully functional HR systems including establishing performance appraisal processes.</p>	SICOM jointly with MoEFCC	Overdue. (to be taken up with priority before mid-Aug, 2016)
	<p>Monitoring Systems are not in place: Deployment of web-based real-time monitoring is delayed by more than 2 years</p> <p>Evaluation: Procurement of independent evaluation team is delayed by more than 18 months.</p>	<p>All PEAs and SPMUs to be deployed with the web-based monitoring system which was agreed during February, 2014.</p> <p>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</p>	SICOM & MoEFCC	Significantly Overdue – SICOM to provide updated schedule immediately
Component 2: Gujarat State Component	Jamnagar STP is due for commissioning shortly. However, JMC yet to complete more than 50% service connections. Delays would cause STP operational issues as minimum committed inflow is 50 mild. Under DBOT	Jamnagar Municipality to take priority action and mobilize necessary resources to facilitate early improvement of service connections. JMC also to prepare an action plan with projected targets	JMC in consultation with SPMU	Action Plan Immediately . 100% connections by Sept. 2016
	ICZM Planning is significantly delayed due to inadequate deployment by the consultants and also due to insufficient coordination from SPMU	Delivery of draft ICZM Plan through SPMU and Consultant to work on building consensus for optimum results on outputs and Consultant to ensure full deployment of technical team and consistent coordination with	SPMU	Set. 15, 2016
	Action on MRCI is delayed. Somnath/Shivarajpur identified as new alternative sites. Pre-feasibility study requires to be initiated towards assessment for investment. Exceptionally tight time frame for completion of construction of MRCI before project end date	SPMU to take decision on practical timeframe for completion. As the activity is not likely to be completed within project timeline, alternate finance sourcing requires to be considered beyond project date. Final plan to be shared by July, 2016	SPMU in consultation with NPMU	No later than mid-Aug, 2016

	Main Issues	Next Steps / Actions Agreed	Responsibility	Due Date
	SPMU reported completion of about 16,500 Ha. of Mangrove Plantations . Geotagging of the sites and monitoring and verification of survival and current status is not done - delayed	Geotagging of mangrove plantation, and independent monitoring and evaluation of plantation to completed – SPMU and/or SICOM to take action – Independent evaluation to start by end of July, 2016	SPMU in consultation with NPMU	Overdue. To be initiated no later than No later than mid-Aug, 2016
Component 3: Odisha State Component	ISWM Management for Paradeep Town: The proposed landfill site of 50 Acres is secured. The procurement processing for the DBOT is pending	This activity is on critical path and SPMU to follow up and facilitate early processing of procurement. Else, this activity would slip and may not be amenable for completion during the extended project period	SPMU in consultation with Urban Dept.	Initiate bidding by Aug. 2016
	Livelihoods: Forward linkages for sustaining the livelihood activities supported through SHGs; M&E to be done with exit strategy; and priority for convergence with state Govt. programs	SPMU to continue jointly work with the SHGs for preparing and implementing an effective and professional marketing assistance for the livelihood activities; and exist strategy to be prepared with appropriate action plan. Also, 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 (and PEAs)	Ove Due (to be completed before Sep, 2016)
Component 4: West Bengal State Component	Slow Progress/Expenditure; and need for efficient contract management	SPMU jointly with the PEAs to ensure: (i) basic minimum supervision (especially for construction works at Sagar Island, Digha, and MPCS); (ii) update implementation action plans for all the delayed contracts; (iii) monitor and ensure planned procurement process is followed . Projection monitoring, supervision and compliance to be improved – Action plan is due	SPMU and all PEAs	No later than mid-Aug, 2016
	Significant Delays in ICZM Planning Process	i) SPMU to expedite procurement process for hiring ICZMP consultants; (ii) SPMU to follow up with SICOM for ESA map and Hazard line to facilitate the planning process; and (iii). Initiate consolidation of experiences from pilot implementation is an immediate pending activity.	SPMU & PEAs	Procurement process completed No later than mid-Aug, 2016
	Digha Sewerage & STP: DSDA is yet to revolve community access related issue at STP site. Also, DSDA resolution for household connectivity is pending	i) All works linked to operationalization of STP to be expedited and completed by July 2016, including securing Consent to Operate from WBPCB; and ii) Household connections to be expedited by DSDA to facilitate commissioning of sewerage and STP – Action plan to be provided by July, 2016.	DSDA in consultation with SPMU	No later than mid-Aug, 2016

Main Issues	Next Steps / Actions Agreed	Responsibility	Due Date
Eco-tourism and Env. Sanitation at Sagar Island: Construction activities in progress. Serious construction issues noted with alarming variation in earth works at all sites – Lapses in SIDCL technical reviews of designs and BoQs. There is risk of non-completion of works by Dec 2017	(i) SPMU jointly with SIDCL to take action for independent technical assessment of the designs and BoQ by end of July 2016; (ii) SPMU to take a view on releasing of funds for ongoing work with a mechanism of SIDCL certifying all variations; (iii) SPMU to take a view on future inputs of design and supervision consultants – Immediately; and (iii) action plan for capacity building of community for operation and maintenance of facilities – by end of July 2016	SPMU jointly with SIDCL	End July, 2016

D. List of Annexes

Annex 1. List of participants

Annex 2: Gujarat

Annex 3: Odisha

Annex 4: West Bengal

Annex 5: National Component

List of participants

Gujarat (May 2-5, 2016)

NCSCM (May 6, 2016)

Odisha (May 16-19, 2016)

1. Mr. SC Mahapatra, Principal Secretary, Forest and Environment Department, Government of Odisha
2. Dr. A.K. Pattnaik, Project Director, SPMU
3. Mr. A.C. Dinakar, Special Project Director, SPMU
4. Mr. B.K Samal, Additional Project Director (F&A), SPMU
5. Dr. A.K. Sahu, Ecologist, SPMU
6. Mr. Parameswar Swain, Administrative Officer, SPMU
7. Dr. Suchitra Pradhan, Programme Manager, SPMU
8. Mr. Subrat Ku. Pati, Accounts Officer, SPMU
9. Dr. N.C. Biswal, Fishery Specialist, SPMU
10. Dr. P.K. Panigrahy, Oceanographer, SPMU
11. Mr. Sandeep Kumar Padhiary, Procurement Officer, SPMU
12. Mr. Alok Pattanayak, Rural Dev. Expert, SPMU
13. Ms. Manaswini Mishra, Documentation Officer, SPMU
14. Mr. Binayak Padhy, MIS Expert, SPMU
15. Mr. Biswajit Sahoo, Communication Officer, SPMU
16. Mr. K.S Panda, Consultant, Accounts, SPMU
17. Mr.S.S Dhal, System Manager, SPMU
18. Mr. Kedar Kumar Swain, Nodal Officer, Wildlife
19. Mr. R. K Mohanta, Project Co-ordinator, Wildlife
20. Mr. D. Narayan, Accountant, Wildlife
21. Mr. Prabhu Prasad Choudhury, Nodal Officer, MSME
22. Mr. Khetra Mohan Behera, Junior C.S, MSME
23. Mr. Sanjay Kumar Behera, Accountant, MSME
24. Mr. Anupam Behera, Nodal Officer, OSPCB
25. Dr. Sarada Prasad Pati, Senior Scientist, OSPCB
26. Ms. Sasmita Lenka, OFS, Nodal Officer, CDA
27. Dr. Gurdeep Rastogi, Scientist, CDA
28. Mr. Pratap Rout, Nodal Officer, Fishery Dept.
29. Mr. Satyajit Paikray, Fishery Extension Officer, NO, Fishery, ICZMP Cell, Cuttack
30. Dr. Kamal Lochan Mishra, OAS, Nodal Officer, OSDMA
31. Mr. K.C Bisoi, Shelter Co-ordinator, OSDMA
32. Ms. Sanghamitra Satapathy, Deputy Director, Culture
33. Mr. Ashwini Satapathy, Curator, State Museum
34. Mr. Gandharba Mallick, Asst. Engineer, ICZMP Culture
35. Ms. Suchismita Mohanty, Accountant, Culture
36. Mr. Akshaya Behuria, Consultant, Culture
37. Mr. Satyajit Chakrabarty, Nodal Officer, OTDC
38. Mr. Ranjan Kumar Das, Asst. Engineer , OTDC
39. Mr. Aditya Mohanty, Junior Engineer, OTDC
40. Mr. Jugal Kishore Tripathy, Nodal Officer, Water Resources Dept.
41. Mr. Anjan Kumar Behera, Junior Engineer, Water Resources Dept.

42. Mr. Umesh Chandra Swain, Asst. Engineer, Water Resources Dept.
43. Mr. Jyotirmayee Sahu, Representative Ms. Garaware
44. Mr. Sohaib, Field Engineer, IIT Chennai
45. Mr. Dillip Kumar Mohanty, Nodal Officer, Paradeep Municipality
46. Mr. Nihar Ranjan Samal, Accountant, Paradeep Municipality
47. Ms. Anuja Shukla, IPE-Global
48. Mr. Bineet Trivedi, IPE-Global

West Bengal (May 19-21, 2016)

1. Mr. Chandan Sinha, Principal Secretary, Dept. of Environment
2. Mr. S. Suresh Kumar, Principal Secretary, Dept. of Disaster Management
3. Ms. Choten D Lama, State Mission Director and Chief Executive Officer, West Bengal State Rural Livelihood Mission (Anandadhara)
4. Ms. Barnali Biswas, Project Director, SPMU
5. Mr. Niraj Singhal, Chief Conservator Of Forest, Western Circle, Forest Directorate
6. Mr. P.K. Mondal, WBCS (Exe), Joint Secretary, Dept. of Disaster Management
7. Mr. Rajendra Jakher, Additional Project Director, SPMU
8. Mr. Sujan Dutta, WBCS (Exe), Executive Officer, DSDA
9. Mr. Anil Guriya, Block Disaster Management Officer, Sagar Block Development Office
10. Mr. Richard Mistry, Block Disaster Management Officer, Namkhana Block Development Office
11. Ms. Sheetal Chandra Maity, Block Disaster Management Officer, Basanti Block Development Office
12. Dr. Anil Mahapatra, Officer-In-Charge, Marine Aquarium & Regional Centre, ZSI, Digha
13. Mr. Shyamal Chakraborty, WBFS, Divisional Forest Officer, Purba Medinipur Forest Division
14. Mr. Shibubhushan Das, Superintendent Engineer, PHED
15. Mr. Satyajit Pan, Executive Engineer, PHED
16. Mr. Alak Haldar, CAO & Ex Officio Chief Administrative Officer ICZMP, IESWM
17. Mr. Tapan Saha, Senior Scientist, IESWM
18. Prof. Maitree Bhattacharya, Nodal Officer Of ICZMP & Associate Professor, Dept. of Biochemistry, Calcutta University
19. Mr. Tarun Kr. Debnath, Sr. Consultant, WBSRLM
20. Mr. Diptiman Pathak, Disaster Management Officer, Dept. of Disaster Management
21. Mr. Anirban Chatterjee, Disaster Management Officer, Dept. of Disaster Management
22. Mr. Bichitra Kumar Datta, Chief Engineer, SDB & Executive Director (Technical), SIDCL
23. Mr. Rakesh Ranjan, Project Engineer-II, SIDCL
24. Mr. Bhaskar Ganguly, Sub Divisional Officer, Sunderban Development Board
25. Mr. Sutanu Ghosh, Managing Director, Consultant Ghosh Bose & Associates (attached to SIDCL)
26. Ms. Paromita Chakraborty, Architect, Consultant Ghosh Bose & Associates (attached to SIDCL)
27. Mr. Rajib Roy Choudhury, Site Engineer, Consultant Ghosh Bose & Associates (attached to SIDCL)
28. Mr. Suprovat Das, Site Engineer, Consultant Ghosh Bose & Associates (attached to SIDCL)
29. Mr. Palash Das, Jr. Engineer, SPMU (posted at SIDCL)
30. Mr. N.K. Basu, Partner, Contractor -N.K. Basu & Company attached to SIDCL
31. Mr. Raunak Dutta, Manager, Contractor Viraj Project (I) Pvt. Ltd – attached to SIDCL
32. Mr. Miraj Hossain, Executive Engineer, West Bengal State Rural Development Agency, Supervision Consultant attached to Dept. of Disaster Management, Govt. of West Bengal
33. Mr. Manidip Sen, Assistant Engineer, West Bengal State Rural Development Agency, Supervision Consultant attached to Dept. of Disaster Management
34. Mr. Indrajit Karmakar, Assistant Engineer, West Bengal State Rural Development Agency, Supervision Consultant attached to Dept. of Disaster Management
35. Mr. Santanu Chatterjee, Assistant Engineer, West Bengal State Rural Development Agency, Supervision Consultant attached to Dept. of Disaster Management

36. Mr. Abhijit Dutta, Sub-Assistant Engineer, West Bengal State Rural Development Agency, Supervision Consultant attached to Dept. of Disaster Management
37. Mr. Avijit Sardar, Sub-Assistant Engineer, West Bengal State Rural Development Agency, Supervision Consultant attached to Dept. of Disaster Management
38. Mr. Sisir Baidya, Sub-Assistant Engineer, West Bengal State Rural Development Agency, Supervision Consultant attached to Dept. of Disaster Management
39. Mr. Bidyut Mondal, Sub-Assistant Engineer, West Bengal State Rural Development Agency, Supervision Consultant attached to Dept. of Disaster Management
40. Mr. Malay Mondal, Sub-Assistant Engineer, West Bengal State Rural Development Agency, Supervision Consultant attached to Dept. of Disaster Management
41. Mr. Koushik Basu, Sub-Assistant Engineer, West Bengal State Rural Development Agency, Supervision Consultant attached to Dept. of Disaster Management
42. Mr. Sourav Sengupta, Sub-Assistant Engineer, West Bengal State Rural Development Agency, Supervision Consultant attached to Dept. of Disaster Management
43. Mr. Tareen K. Das, Ex Director, Consultant I-Win Advisory Services Ltd. attached to DSDA
44. Mr. Debashis Sen Gupta, Deputy General Manager, Consultant I-Win Advisory Services Ltd. attached to DSDA
45. Ms. Rakhi Bose, Dy. General Manager, Contractor Mackintosh Burn Ltd- attached to Dept. of Disaster Management
46. Mr. Partha Sarathi Ghosh, Dy. Project Manager, Contractor Mackintosh Burn Ltd- attached to Dept. of Disaster Management
47. Mr. Uttam Kumar Banerjee, Dy. Project Manager, Contractor Mackintosh Burn Ltd- attached to Dept. of Disaster Management
48. Mr. Sanjib Paul, Assistant Engineer, Contractor Mackintosh Burn Ltd- attached to Dept. of Disaster Management
49. Mr. Kaushik Dutta, Assistant Engineer, Contractor Mackintosh Burn Ltd- attached to Dept. of Disaster Management
50. Mr. Avijit Karmakar, Junior Engineer, Contractor Mackintosh Burn Ltd- attached to Dept. of Disaster Management
51. Dr. Piyush Basak, Research Scholar, Dept. of Biochemistry, Calcutta University
52. Mr. Anish Bhattacharya, Research Scholar, Dept. of Biochemistry, Calcutta University
53. Mr. Soham Sengupta, Research Scholar, Dept. of Biochemistry, Calcutta University
54. Mr. Sanjay Dutta, Project Assistant (Accounts), SPMU (posted at Dept. Of Biochemistry, Calcutta University)
55. Mr. Pranab Banerjee, Finance Officer, SPMU
56. Mr. Chayan Sur, Documentation Officer, SPMU
57. Dr. Sunirmal Kar, Rural Development Specialist, SPMU (posted at WBSRLM)
58. Dr J. Selvin Pitchaikani, Oceanographer, SPMU
59. Ms. Suangana Basu, Communication Officer, SPMU
60. Mr. Chandan Dutta, Project Advisor (Livelihood), SPMU
61. Mr. Ranjan Kumar Das, PMFC, SPMU
62. Mr. Debashis Nayak, PMFC, SPMU
63. Mr. Priti Ranjan Dash, PMFC, SPMU
64. Mr. Abadhuta Behara, PMFC, SPMU
65. Mr. Raja Das, Senior Account Assistant, SPMU
66. Mr. Anupam Sen, Project Assistant (Accounts), SPMU (posted at SIDCL)
67. Mr. Pintu Mandal, Project Assistant (Accounts), SPMU (posted at PHED)
68. Mr. Tarunkanti Mukhapadhaya, Project Assistant (Accounts), SPMU (posted at Forest Directorate)
69. Mr. Joy Das, Project Assistant (Accounts), SPMU (posted at WBSRLM)
70. Mr. Avijit Barik, Project Assistant (Accounts), SPMU (posted at ZSI & DSDA)
71. Mr. Amitava Swarnakar, Project Assistant (Accounts), SPMU
72. Mr. Goutam Maity, Project Assistant (Accounts), SPMU
73. Mr. Debojyoti Podder, Project Assistant (Accounts), SPMU (posted at DoDM)
74. Mr. Sujoy Kr. Mallick, Programme Assistant (Admin), SPMU
75. Mr. Srimanta Mondal, Programme Assistant (Admin), SPMU

Piloting ICZM Approaches in Gujarat

Implementation Progress

1. **The overall progress** in implementation of the program in Gujarat has generally been satisfactory. SPMU and its PEAs have awarded 126 contracts out of the planned 161 packages for implementing the project. The balance 35 packages valuing Rs. 83 crores are yet to be awarded. Of these, Marine Research, Conservation and Information Centre (MRCI) is one of the major contract with project contribution of Rs. 55 crores. This contract is on critical path and would not be completed if relevant action is not taken expeditiously. The notable achievements of Gujarat component include: (i) Substantial completion of Jamnagar sewerage network including STP on DBOT structure; (ii) remarkable scale of mangrove plantation covering 16,500 Ha. as reported by SPMU; (iii) successful coral transplantation and advancement towards establishment of protocols for transplantation; (iv) capacity building for GPCB and GEER Foundation for marine pollution monitoring; and (v) establishment SHGs and facilitation of coastal livelihoods in about 169 villages. However, preparation of ICZM Plan is critically delayed.

2. The following provides the summary of key actions, which need to be addressed on priority:

Sl.No.	Activity/Progress/Status	Key Actions to be addressed on Priority
1.	Preparation of ICZM Plan is significantly delayed. The key issues being: (i) critical gap in understanding and coordination between client and consultant; (ii) deficiency in consultant delivery towards adequate technical deployment on field, comprehensive data analysis, preparation of stakeholder matrix and identification of specific issues; and (iii) All nodal officers from Line departments yet to be nominated	(i) SPMU and Consultant to work on building consensus for optimum results on outputs; (ii) Consultant to ensure full deployment of technical team and consistent coordination with SPMU by July 2016; (iii) Stakeholder matrix and framework of identified issues to be revised and prioritized by the Consultant for submission by 15th July 2016; (iv) Consultant to submit Coastal Profile by 15 th July 2016; (v) complete all consultations by 30th July 2016; (vi) submit Draft ICZM Plan by 14th August 2016 and Final Draft ICZM Plan to State Government by 15 th September, 2016
2.	Capacity Building – GPCB & GEER Foundation: All four GPCB laboratories – Gandhinagar, Rajkot, Jamnagar and Bhuj – fully operationalized. Business Plan for Gandhinagar laboratory under preparation. Civil works for 5 field stations of GEER and instrumentation completed. Lack of effective coordination between GEER and GPCB to corroborate results is an issue. Also, enormous data sets collected are yet to be put to better management of Gulf of Kuchh.	GPCB and GEER on priority to undertake, integrated analysis of Gulf of Kachchh and Gulf of Khambhat (with its own funds) GEER also to coordinate with ZSI to share data on coral transplantation and to facilitate development of synergies SPMU to facilitate overall coordination and ensure that action oriented and/or means to propagate corrective/protective measures for improving state of environment of Gulf of Kuchh SPMU to prepare an action plan jointly with GEER and GPCB by end of July, 2016
3.	Capacity Building – BISAG: Decision Support System of Coastal area under trial. Updatons in progress for comprehensive mapping of mangrove plantation and Jamnagar Sewage system.	SPMU, BISAG & PEAs to identify data gaps for integration by 15 th July 2016; ii) SPMU to dedicate a staff for coordination and handling of the database. BISAG to support handholding and capacity building of SPMU GIS cell; iii) GIS mapping to be done for Socio-Economic component of the project by 30 th July 2016
4.	MRCI: Somnath/Shivarajpur	SPMU to take decision on practical timeframe for

	identified as new alternative sites. Pre-feasibility study requires to be initiated towards assessment for investment. Exceptionally tight time frame for completion before project end date	completion. As the activity is not likely to be completed within project timeline, alternate finance sourcing requires to be considered beyond project date. Final plan to be shared by July, 2016
5.	SPMU reported completion of about 16,500 Ha. of Mangrove Plantations . Bid document is under preparation for Marine Interpretation Centre - CRZ approval awaited..	Geotagging of mangrove plantation, and independent monitoring and evaluation of plantation is not completed – SPMU or SICOM to take action – Action Overdue for 24 months . CRZ approval need to be followed up on priority and also SPMU need to take an informed decision if the interpretation center can be completed within project period – Action to be taken before July, 2016.
6.	JMC Environmental Sanitation STP : 98% physical works completed. Civil works for all 8 chambers completed. Vermi plant under progress. <u>Pumping stations</u> : completed. <u>Sewerage network and sewage collecting system</u> : 10% work in Raising Main River Front line works remaining. Inaccessible narrow streets in old city to be covered through open sewer collection system by JMC	(i) Construction safety and appropriate occupational safety measures for the workers need to established at STP site; (ii) while sewer network is completed, household connections are yet to be established (only 25-30% of the population is connected). Given this scenario, the minimum waste water of 50 mld. cannot be provided to the STP operator by the time the plant is commissioned – JMC to provide an action plan before July 15, 2016 and shall provide monitoring reports regularly
7.	Coastal Livelihoods : <u>CBOs/SHGs/EDCs</u> : 104 CBOs and 53 EDCs formed and Registered; 476 SHGs formed. Total 353 trainings, 8 exposure visits, 165 workshops benefitting 26883 people. <u>Entry-point activities</u> : 148 (of 179) completed, 3 on-going, 19 awarded and 9. Success story of 14 villages to be shared in 157 villages. <u>Convergence and linkages</u> : Linkage with GLPC strengthened to support SHGs through Mission Mangalam. MoU signed with GSBTM for seaweed cultivation in January 2016.	(i) Proposal for extension of Field staff to be shared with SICOM for approval before July 15, 2016; (ii) Documentation of socio-economic activities to be shared with all participating villages by August 2016; (iii) Proposal for providing seed money for livelihood activities to be shared by June 2016; (iv) NPMU to take immediate action to ensure engagement of Consultant for Impact Evaluation by July 2016 (v) SPMU to prepare an action plan reflecting details of existing, proposed, and planned convergence activities – By July, 2016
8.	Overall – for all the ongoing activities	(i) Construction safety and appropriate occupational safety measures for the workers need to established; and (ii) SPMU to ensure PEA’s close management of their design and supervision consultants to minimize delays and deviations .

Management of Social Issues and Impacts

3. *Community mobilization*: As per project strategy Community Based Organizations (CBOs) and Eco-Development Committees (EDCs) were formed in 160 villages for cohesive implementation of project activities as well as to have an integrated coastal zone management. CBOs are formed in 104 villages of Morbi and Kachchh districts, whereas 56 EDCs are established in Dwarika and Jamnagar districts. CBOs and EDCs is one of the important components of socio-economic

intervention of ICZMP. It is an autonomous body formed in each village comprising of 11 members with 50% of female members. The CBOs and EDCs are registered under the Public Trust Act - 1950 and Society Registration Act-1960 with the Charity Commissioner.

Livelihood promotion opportunities:

4. *Entry Point Activities:* As trust building exercise, project has so far taken up 179 entry point activities across 157 villages which are directly or indirectly linked to the livelihood of the community. Out of total 179 EPAs, 148 have been completed and 3 are ongoing. The remaining 28 are yet to be initiated, some pending technical sanction. 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 bund structures; fodder and fuel wood development & shelterbelt; construction of cyclone cum multipurpose building; solar power at community level under alternative energy resources development and access roads. The detail of works undertaken as EPA is provided below:

Table 1: Types of EPAs and number of beneficiaries

Type of works undertaken	Number of Activities completed	Total number of Families Benefited
Activities supporting Animal husbandry (Animal Shed, Cattle trench, Milk Centre, sump/water facility for animal, etc.)	19	2642
Activities supporting agriculture (Pond Renovation/ Repairing /Ogun, Check dam, cause way)	49	10456
Activities promoting community health & hygiene and environment conservation (Drainage, STP, etc.)	19	3698
Cyclone Shelter cum multi-purpose hall	13	3957
Drinking Water related works (Pipeline/tank/well repairing)	25	6606
Other community infrastructure development (bathing ghat & Crematorium, RCC road)	15	4845
Fishing activity	4	2096
Alternative Energy conservation	5	1627
Total	149	35927

Source: SPMU Gujarat

5. The convergence and dovetailing of various state government and other livelihood related schemes helped in extending benefits to over 6700 families. The details are offered below:

Table 3: Details of benefits accrued to families due to convergence

Type of Benefit	Number of beneficiary families	Activities supported by various government and non-government schemes	Concerned Department
Livelihood support	1379	Agricultural kit, Cattle camp, Animal Vaccination, Dairy Unit, Direct Employment, Fishermen kit, Fisherman licence, Biometric card for fisherman, Bank loan, pond and Ogun work, Shram Yogi Yojna, Shram Jivi Yojna, water sump, widow pension, etc.	Agriculture Department, SARHAD dairy (Gujarat Milk Cooperative society) Fisheries Department Irrigation department and GLDC, Gujarat Labour and employment department GSWSSB

Community infrastructure	2285	Community lighting, RCC Road construction, and bathing ghat.	R&B department, Taluka Panchayat
Drinking water	1721	Community Bore well, Water pipeline, Water tank construction, and village level RO plant	WASMO and Gujarat Water works department
Education	169	Vidyadeep Yojna – bonds for the girls, Aanganwadi & primary education.	Primary Education department, ICDS department Education department
Environment	41	Tree guard for plantations; drainage facility in village	Social Forestry, Forest department
Health	1042	Vehicle and equipment for handicap persons, Ma Amrutam Yojna, toilets and health camps.	Rural Health Department. Social Justice and empowerment department, TSC Rural Development department Taluka Panchayat
Others	73	Housing; banking and sanitation facilities.	Sardar Avas Yojna, DRDA (Rural Development Department)

Source: SPMU Gujarat

6. *Capacity building initiatives:* Project has formed 476 SHGs. Nearly 1000 SHG members have been given several trainings and exposure visits for skill enhancement such as (i) skill development training on handicraft (*Machi Work* and Embroidery) for 45 SHGs members in 3 Villages; 392 community members from 115 villages trained on repair of solar equipment; orientation training for seaweeds cultivation to 80 SHG and CBO members; training on lobster fattening to 16 SHG members from 2 villages as alternative livelihood; skill development training for 100 fishermen from 5 villages; dairy management training for 139 community members from 7 villages; basic computer training for 130 community members under BADP from 6 villages; 65 SHG members across 3 villages trained on beauty parlor through DIC; 321 SHG members from 11 villages trained on handicraft under BADP program. Apart from these training that focused on livelihood, 479 individuals from 95 villages were given training on disaster management and 629 community members from 153 villages were trained on social audit. The exposure visits included the following:

- Exposure visit for 24 community members on alternative livelihood and initiatives of SHGs in Chennai
- Exposure visit for 16 Community members on alternative livelihood initiatives in Odisha
- Exposure cum training to 50 Self-Help Group members on SHG management
- Five exposure visits on livelihood options were organized within the state for 181 CBO members from 66 villages

7. Out of 476 SHGs formed, about 300 have some kind of savings which is being used as revolving fund among the members. The details are as under:

Table 2: Financial health of the SHGs.

Total Saving Amount (INR.)	No. of SHGs	Total Fund in INR	Total Members
No Saving	20	0	237
Less than 5000	87	190779	965
5001 to 10000	41	298073	410
10001 to 15000	47	607127	494
15001 to 20000	34	593004	375
20001 to 25000	27	612305	318
25001 to 30000	21	568885	233

30001 to 35000	13	429499	175
35001 to 40000	6	225494	76
40001 to 45000	8	347485	95
45001 to 50000	8	384516	98
More than 50000	5	669600	85
Total	317	4926767	3561

Source: SPMU Gujarat

8. 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 Aaganvadi at Bhaduvandh
- Irrigation Department for pond renovation and other schemes
- Fisheries Department for Licenses

Status of Prior Agreed Actions (September 2015):

Action	By when	Status
Complete all EPA Activities	March 2016	Not complied
Share copy of village PRAs with the community	Immediately.	Partially complied
Document Success Stories on livelihood activities	December 31, 2015	Under preparation
Project to prepare withdrawal strategy and share with the Bank	December 31, 015	Not complied
Conduct impact evaluation of EPAs and livelihood activities	April 30, 2016	Not complied

Agreed Actions: Social Issues

Action	By when	By whom
Complete all EPA Activities	December 2016	SPMU
Share copy of village PRAs with the community	Immediately.	SPMU
Document Success Stories on livelihood activities	July 31, 2015	SPMU
Project to prepare withdrawal strategy and share with the Bank	August 31, 015	SPMU
Conduct impact evaluation of EPAs and livelihood activities	August 31, 2016	SPMU

Financial Management

9. **Budget:** Gujarat has provided the entire state share while the cumulative project expenditure as of April 30, 2016 is Rs.247.3 crores and pending bills are in the range of Rs.14.65 crores.

10. **Accounting:** All entities have installed and operationalized TALLY accounting system and financial reports are being generated based on TALLY records. The project accounts are up to date. SPMU should conduct finance and procurement workshop for all PEA's.

11. **CBO advances:** The mission reiterated that CBO advances from the project, needs to be reviewed on a continuous basis and the mission requested SPMU to review each case individually and take steps to either recover or get the UC for the advance. 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.

12. **Bank Guarantees:** 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.

13. **Retention Money:** 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. 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.

14. **Cash flow management:** Cash management of each PEAs should be reviewed regularly in order to maintain minimum cash balance. Minimum Cash balance would be maintained keeping in mind the requirement of 3-4 months contingency expenses like salaries, rent and other necessary and committed expenses. PEAs should return the excess money lying with them to SPMU taking into consideration the 3-4 month requirement of fund. Retention money held at all PEAs level and SPMU to be utilized for meeting immediate cash flow requirements and this should be communicated to Nodal Officers by the SPMU. Monthly review meeting of finance accounts of all PEAs and SPMU should be carried out to review the cash position.

15. **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 for 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: Financial Management

Action to be taken	By Whom	By When
Accounts and finance workshop for PEA's and SPMU	SICOM and all SPMUs	Continuous to be conducted at least every six months
Cross learning event	SICOM and all SPMUs	January 2015
Monthly review of cash position	SICOM and all SPMUs	Every month
CBO advance review	All SPMUs	Every month

Procurement

16. SPMU and its PEAs have planned procurement of 161 packages for implementing the Project. Of these, 126 contracts have been awarded till March 31, 2016 and balance 35 packages valuing Rs 83 crores are yet to be awarded.

17. Pending 35 packages that are yet to be awarded include several high value packages - like construction of Marine Oceanarium for which Rs 55 crores have been allocated, construction of Sewer pipe line for extended area of JMC – cost Rs 7 crores, construction of building for Marine Interpretation Centre at Mandavi – cost 3 crores and construction of Nature Trail for Coral / Eco Tourism – cost Rs 1 crore.

18. Mission highlighted the need for SPMU taking urgent steps for timely procurement of Oceanarium, given the large amount allocated for this work.

19. In parallel, the NPMU has been requested to closely monitor procurement of all pending packages so as to ensure realization of full disbursement within the Project closing date and in the event of any issue of feasibility of any of these packages or any other factors likely to delay procurement, remedial steps should be taken on priority.

20. Of 126 contracts valuing Rs 264.5 crores awarded already by the SPMU and its PEAs, 96 contracts valuing Rs 83.7 crores stand completed as on March 31, 2016. Mission reviewed the 30 on-going contracts valued at Rs 181 crores. Most of these contracts are expected to be completed during the year 2016, and a few packages in 2016 well before the Project closing date (Dec 29, 2017).

21. Mission further advised SPMU to closely monitor completion of 30 on-going contracts and draw up a month wise Action Plan for targeting their completion by June 2017 and share it with the Bank.

Status of procurement by the SPMU and PEAs is summarized in the table below.

Category	Packages included in approved Proc Plan	Contracts awarded as on March 31, 2016		Contracts completed as on March 31, 2016		Packages yet to be awarded	
		Number	Value (Rs crores)	Number	Value (Rs crores)	Number	Value (Rs crores)
Goods	88	72	29.1	68	9.3	16	7.9
Works	49	36	212.3	15	69.5	13	69.7
Consultancy	24	18	23.1	13	4.9	6	5.5
Total	161	126	264.5	96	83.7	35	83.1

Piloting ICZM Approaches in Odisha

1. **Overall implementation performance** in Odisha has been satisfactory, considering the effort in steady continuation of activities and the approach adopted towards larger objectives of integration, despite the overall delays due to lack of adequate fund availability for the past 9 months. SPMU and its PEAs have awarded 223 contracts out of 247 packages for implementing the Project. Pending packages include high value packages of Solid Waste Management at Paradeep – cost Rs 37 crores, construction of Interpretation Centre & Museum at Koilipur – cost Rs 5 crores, Furnishing of Eco Tourism Complex and Museum at Koilipur – cost Rs 2.80 crores. These packages are on critical path and would not be completed if relevant action is not taken before September, 2016. The notable achievements include: (i) successful pilot implementation of coastal livelihood improvement activities through SHG model covering more than 600 SHGs; (ii) completion of capacity building for Odisha State Pollution Control Board, and Chilika Development Authority (CDA); (iii) conservation and restoration of coastal archaeological sites; (iv) nearing completion of coastal protection by demonstration of geo-tube technology; (v) 14 Multi-purpose cyclone shelters which are already put to use; (vi) infrastructure established for community led tourism; and (vii) infrastructure for coastal bio-diversity protection. Most importantly, SPMU has been designated as the Odisha Coastal Zone Management Authority's (OCZMA) secretariat and its technical arm, as the Integrated Coastal Zone Management Society. This has been one of the key achievements which is yet to be achieved by other SPMUs and SICOM.

2. The following provides the broad summary of overall actions, which need to be addressed on priority:

Sl.No.	Activity/Progress/Status	Key Actions to be addressed on Priority
1.	ICZM Planning for Paradip-Dhamra and Gopalpur – Chilika has been initiated. RCP study is completed which feeds in to ICZMP and SLMP	(i) The inception stage has to be completed with mapping of key stakeholders. The ICZMP process shall be completed before January, 2016; (ii) SPMU to follow up with SICOM for ESA map and Hazard line; and (iii). Consolidation of experiences from pilot implementation is an immediate pending activity – Action Over due
2.	Capacity Building of OPCB, and CDA: The capacity building activities are completed.	OPCB to establish protocols for Paradeep-Dhamra belt and prepare state of environment reports with analytical rigor and actionable measures to improve. CDA to prepare a catalogue of achievements and SPMU to coordinate with SICOM and NCSCM to establish knowledge products– On Regular Basis
3.	Coastal Livelihoods: about 640 SHGs have been established and livelihood models have been demonstrated	(i) Monitoring and evaluation of success is due; (ii) exit strategy by establishing long term sustenance is of priority – including convergence of state programs, linkages with banks for micro-credit/producer group credit to be established, etc.; (iii) marketing and market linkages is ongoing, but still an issue which need to be addressed (e.g. robust long term operational functioning of the SHGs, especially in dry fish and dairy production) – Action Overdue.
4.	Coastal Bio-Diversity Protection and Tourism by Wildlife Wing of Forest Dept: All the necessary infrastructure have been established which includes coastal patrolling	Sustainability of infrastructure is not yet established. Management and maintenance contracts (especially for the research hostel) is long pending. Similarly, management plans are yet to be prepared for the tourism fleet management is overdue.

	vessels and research hostel facility	
5.	Costal Erosion Protection – Pilot implementation of Geo-tubes is nearing completion.	Systematic physical monitoring to be established to ascertain coastal accretion including tidal monitoring which is currently absent – by end of July, 2016.
6.	ISWM Management for Paradip Town: The proposed landfill site of 50 Acres is secured. The revised bid document for DBOT is cleared by the World Bank	This activity is on critical path and SPMU to follow up and facilitate early processing of procurement. Else, this activity would slip and may not be amenable for completion during the extended project period – Bidding to be initiated before July 15, 2016
7.	Overall – for all the ongoing activities	(i) Construction safety and appropriate occupational safety measures for the workers need to established; and (ii) SPMU to ensure PEA’s close management of their design and supervision consultants to minimize delays and deviations.

Management of Social Issues and Impacts

3. *Fisheries and Animal Resources Development Department:* The livelihood component is implemented through F&ARD department and provides the best alternate livelihood support to 80 fishing villages through 600 SHG’s benefiting nearly 7500 families (over 41000 fisher folks). Out of total SHGs formed, 258 are all women SHGs and 342 are male SHGs. 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 SHGs for carrying out their adopted alternate livelihood activities. The alternative activities include integrated pisciculture for 211 SHGs, dairy for 74 & poultry for 93 SHGs, hygienic dry fish& value added product preparation for 117 SHGs, cold chain activities for 80 SHGs and ancillary business such as tailoring, net making, grocery, rice business, and stationery shop for 48 SHGs. Project provided training on technical skills and accounting to 543 SHG members, facilitated exposure visit of 234 individuals and training at national institutes for 333 SHG members. SPMU facilitated the branding, packaging and marketing of dry fish produced by the SHGs. SPMU helped in launching dry fish brand “SEAFEST” produced by SHGs during Adivasi Mela in January 2015. Forty women SHGs participated in the Mela to sell their produce. It was agreed during the mission that PEA will ensure that nutritional facts are added in the package of dry fish. Mission reiterated that PEA should come out with business plan for marketing of dry fish and also develop sustainability plan and withdrawal strategy for SHGs. Grading of SHGs is to be completed by SPMU so that SHGs can access bank linkages.

4. Mission was informed that out of 600 SHGs, 40 SHGs have stopped functioning. Of these 40 SHGs, 11 are in dairy, 14 in pisciculture; 2 in dry fish; 5 in poultry; 5 in cold chain marketing; 1 in whole sale marketing of groceries; 1 in net business; and 1 in rice marketing. The gender segregation shows that of these 40 failed SHGs, 27 are all male SHGs.

5. *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. Odisha State Tourism Development Corporation has undertaken activities under eco-tourism at six different locations namely Badkul (amusement park and water sports complex), Rambha, Banamalipurpatana, Gabakunda, Mirzapur and Gangadharpur. The management plan for all the six sites have been approved by the government. Formation of eco-development society (EDS) have been initiated in all the sites except Banamalipurpatna where EDS has been formed and assets handed over. Formation of EDSs in other sites is at an advanced stage. Stakeholders have been identified and several rounds of

consultations have been carried out. Community members have selected their representatives for executive committee and governing body. However, nomination of government representatives on these bodies is yet to happen. Once the EDSs are formed, OTDC will help build capacity of the community members in day to day management of assets and accounting.

6. At a high level meeting under the chairmanship of the Chief Secretary, Govt. of Odisha, it was decided that some services provided and infrastructure created at various sites under ICZM project are to be outsourced to a third party agency for better management and functioning of the assets/ equipment as communities are new to this activity to manage. OTDC will handhold the Community for effective management of infrastructures as some of them need specialised maintenance and management skills. Public convenience center (Toilet & Bath complex) at Barkul has been outsourced to Sulabh. Jet Ski (12 Nos) and Speed Boat (5 Nos) has been outsourced to M/s Classic Technologists & Trade Pvt. Ltd. Process for outsourcing of Food court, Handicraft Centre, Tourist Guide Centre and Amusement park at Barkul has been initiated. All the outsourcing agencies will give a fixed amount of annual royalty as agreed upon in the contract and the royalty amount will be deposited in EDS account for its use. It was agreed that the name of the members of the EDS is to be made public by putting on the information board at the site by the PEA.

7. OTDC has facilitated community training programmes on Eco-tourism, Waste management at Tourism/ Heritage sites, exposure visit on Eco-tourism. A training by Indian Institute of Hotel Management, Bhubaneswar was also organized on boat repair, hospitality, catering, guides training and gardening to the beneficiaries of Barkul under community based ecotourism.

8. *Coir making as alternate livelihood option for fisher folk* is another initiative undertaken under the project. MSME department has formed 40 SHGs covering 600 artisans and has initiated skill training activities for coir products. However, 4 out of 40 SHGs are now defunct. Training program though has been completed for all 40 SHGs in (i) group leaders training held at Madhusudan Institute of Cooperative Management; (ii) 4 day costing and accounting training to 80 artisans selected from all 40 SHGs; (iii) spinning and coir toys making; (iv) local exposure tour to Teisipur, Satasankha and Sakhigopal for 533 artisans; and (v) exposure trip to Kerala for 20 SHGs. Out of 40 SHGs, only 3 have been trained in coir toy production and rest were given training in spinning. Additional training provided to SHGs include (i) awareness program for all 40 SHGs; (ii) two day training on leadership to group leaders of all 40 SHGs; and (iii) 4 days training on Costing and Accounts to 80 artisans of 40 SHGs and 3 Cluster Managers in Madhusudan Institute of Coop. Management. PEA also arranged for various exposure visits that included (i) 9 days visit to Alleppey, Kerala for 13 artisans of 9 SHGs along with one Cluster Manager and one NGO; (ii) 10 days visit to Alleppey, Kerala for 22 artisans of 11 SHGs; and (iii) local exposure tour for one day to Teisipur, Satasankha and Sakhigopal for 533 artisans of 40 SHGs. Eleven proposals of SHGs have been sent to Director of Industries, Cuttack to provide additional equipment under Infrastructure Development Assistance of Coir Scheme, which is sanctioned and the funds is placed with General Manager, DIC Puri. Coir Board has been requested to impart standardization design development training to the SHGs developed under ICZMP on Coir. Six good performing SHGs have been financed by the local Gramya Bank.

9. Construction of Gola CFC has been completed but machineries are yet to be installed. Construction of CFC at Parbatipur is nearing completion and construction of CFC at Gangadharpur has just been initiated.

10. Mission was informed that PEA disbursed INR 12500 to each of the 38 SHGs to construct work shed damaged during PHAILIN. Project has so far released INR 10,000 (1st instalment) as revolving fund to 36 SHGs, and second instalment have been released to 19. SHGs. In convergence with Odisha Livelihood Mission, five Producer Groups have been formed for long term sustenance of the SHGs. In order to facilitate marketing of products, PEA has hired services of Odisha Co-operative Coir Corporation Limited as Business Development Service provider to SHGs. Project has provided one Mobile Sales Van (TATA 407) operated by the OCCC Ltd. for exclusive transportation of Coir

fibre to SHGs and to lift Coir product from groups. SHGs under ICZMP can make requisition of the Mobile Sales Van for their use as and when required. Vehicle will be used for transportation of Coir products to attend different exhibitions, melas and fairs jointly by SHGs in and around the state.

11. *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 which includes Bhabakundaleswar and Harachandi temple in Puri district; Jagannath temple in Kendrapada; Bateswar temple in Ganjam; Harhardev temple in Khurda; Ganjam fort and British Cemetery in Ganjam. Physical works in most of these assets are nearing completion. Department of Culture has formed Heritage Management Society (HMS) comprising of local community for day to day management and upkeep of the temples. By-laws for HMS and management plan to govern the management has also been drafted, but yet to be approved. Project is now in the process of registering these societies under Society Registration Act of 1860. No HMS has been formed for Ganjam Fort and British Cemetery. Department of Culture is also providing corpus fund of Rs. 200,000 once the societies are registered. The funds will be utilized for maintenance of the assets.

12. *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. Although 5 acres of land was approved by the district administration at Koilipur, only 2.47 acres of land has been made available to the PEA while taking possession. Hence the PEA is required to instruct the architect to plan accordingly to accommodate all designs within the available land. Department of Wildlife has to take necessary steps for the formation of EDCs / ETGs and also develop management plan for the eco-tourism complex at Koilipur. It was agreed that PEA will revise Hukitola Management plan by June, 2016 based on the comments of World Bank. PEA also has to submit management plan on boat operation and final plan of boat deployment including capacity building of boat men.

13. For *mangrove plantation*, department of forest and environment has formed 32 eco development committees (EDCs). The EDCs so far have completed plantation work in 30 hectares and maintenance work is in progress. NGOs have also been engaged to assist SHGs to carry out mangrove plantation through community (through SHGs /Village committees) in Puri & Kendrapara region. Over 100 hectares of land has been identified and plantation work has been completed in 47 hectares. 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. Capacity building of community members by the consultants is in progress.

14. *Paradeep Solid Waste Management:* Paradeep Port Trust has given 50 acres of land for solid waste management project. PPT has given access to the land from the main road thus avoiding the route through habitation as was the case earlier. 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. Paradeep municipality is constructing boundary wall to secure the land. As per the approved site plan, 20 acres will be required for setting up SWM project and the balance area will be utilized for site development, plantation & future expansion of the plant. Paradeep Port Trust has already alienated 20 acres of land in favor of H & UD Department, Government of Odisha for SWM project. Transfer of rest of the land is yet to be initiated.

15. *Beneficiaries:* Overall project has directly benefited 50,100 persons in terms of livelihood of which 33795 are women beneficiaries. Activity wise break down shows fisheries component alone benefitted over 41000 persons of approximately 29,000 are women. Project has indirectly benefitted 538,599 persons of which 269, 299 are women.

16. *Convergence with other departments:* In order to provide exposure and marketing of produce, project has converged with various departments and organization that includes (i) provision of free

KISSAN Sanchar Ltd. Sim Card to over 2500 Self-Help Group members for receiving voice/text messages on latest development in Fishery technology; (ii) fisheries department has sanctioned an amount of Rs. 185 lakhs for construction of additional infrastructure at five solar drier clusters in Ganjam district covering 82 women Self-Help Groups; (iii) dovetailing several benefits under Fishery Welfare Schemes like Fisherman Group Accident Insurance Scheme, Janashree Bima Yojana, Saving-cum-Relief, motorisation of country craft, etc.for SHGs; (iv) four Pick-up vans and five Multi Utility Vehicles provided through assistance from *National Fishery Development Board (NFDB)* to 40 SHGs covering 600 women dry fish producers to procure raw material and sell their produce; (v) marketing tie-up with FISHFED and FISHCOFED for distribution of *Sea Feast* brand produced by 40 women SHGs in state as well as national market; (vi) MoU signed with Odisha Livelihood Mission under NRLM for Institution & Capacity Building, Producer Group formation and establishing Value Chain System; (vii) quality vegetable seeds and seedlings supplied to 211 pisciculture SHGs covering over 2500 households for embankment horticulture by department of horticulture; (viii) 28 dairy SHGs in Puri, 12 SHGs in Balugaon and 11 SHGs in Kendrapara are connected to the milk route of OMFED; (ix) Orissa Livestock Resources Development Society (OLRDS) is providing technical training and handholding of the poultry & dairy SHGs; provided for day to day care, vaccination etc.OLRDS provided operational manuals to each of the SHGs on husbandry method, disease management, vaccination & insemination etc.; and (x) National Bank for Agriculture & Rural Development (NABARD) has been approached for setting up dry fish clusters, Support under Financial Inclusion Fund (FIF), Support under Financial Inclusion Technology Fund (FITF) and Setting up of Marketing Outlets; (xi) members of SHGs in Puri, Ganajm and Kujanga have opened zero balance accounts under Pradhan Mantri Jan-Dhan Yojana (PMJDY) for financial independence; (xii) provision of toilet facility for the beneficiaries under Rural Water & Sanitation Scheme (RWSS); (xiii) Department of Energy (SOUTHCO- GANJAM) provided electricity to the solar dryer complex at Gopalpur; and (xiv) Department of Urban Development, provided approach road and internal roads at dry fish activity site in Gopalpur.

Status of Prior Agreed Actions (September 2015)

Action	By When	By Whom	Status
Marketing assistance and plan for fisheries SHG	November 30, 2014.	SPMU / Department of Fisheries	In progress. <i>Brand Sea Feast has been launched and convergence with several agencies to market the produce</i>
Micro plans for involvement of community members in eco and pro poor tourism to be completed	December 31, 2015	SPMU / Department of forest; wildlife; Culture and OTDC	Complied for OTDC component. Yet to be finalized for Department of Culture; and Department of Wildlife.
Construction of CFC and TPC to be completed	March 31, 2016	MSME	Partially complied. CFC at Gola completed.

Agreed Actions: Social Issues

Action	By When	By Whom
Accommodate all designs Koilipur eco-tourism complex within the available land and share the plan with Bank	June 30, 2016	Department of Wildlife
Formation of EDCs / ETGs and management plan for the eco-tourism complex at Koilipur and Hukitola and management plan for boat operation	August 31, 2016	Department of Wildlife
Grading of SHGs by SPMU; Business / Sustainability Plan for marketing of dry fish; and withdrawal strategy to be prepared and shared with the Bank	August 31, 2016	Department of Fisheries

The name of the members of the EDS is to be made public by putting on the information board at the site	Immediately	OTDC
Prepare capacity building plan for the persons managing the assets, boats etc. and implement	August 31, 2016	OTDC
Formation of EDS for Ganjam Fort and British Cemetery	August 31, 2016	Department of Culture
Finalize business model for all cultural sites	August 31, 2016	Department of Culture
The sustainability plan and the withdrawal strategy for the coir SHGs and management plan for CFCs to be prepared and shared with SPMU	July 31, 2016	MSME
Training on coir activity to coir artisans for value addition in coir products	July 31, 2016	MSME
Conduct impact evaluation of EPAs and livelihood activities	October 30, 2016	SPMU

Financial Management

17. **Budget:** The State has provided 99% of the state share i.e. Rs.33.17 crore out of state share of Rs.33.48 crores till date. The Government of Orissa has released their state share in advance to the project which has helped the SPMU to manage the cash flows. It has further extended Rs.26.41 crores to bridge the accumulated SICOM funding deficit. Despite these measures, the SPMU has been facing very severe cash flow problems with still-outstanding invoices of Rs.24.34 crores, of which Rs.9.26 crores pending for more than 5 months, and vendors formally notifying of impending legal actions to collect their payments. The cumulative project expenditure as on April 30, 2016 is Rs.194.88 crores.

18. **Accounting:** All entities have installed and operationalized TALLY accounting system and financial reports are being generated based on TALLY records. The project accounts are up to date. SPMU should conduct finance and procurement workshop for all PEA's.

19. **CBO advances:** The mission reiterated that CBO advances from the project, needs to be reviewed on a continuous basis and the mission requested SPMU to review each case individually and take steps to either recover or get the UC for the advance. 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.

20. **Bank Guarantees:** 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.

21. **Retention Money:** 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. 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.

22. **Cash flow management:** Cash management of each PEAs should be reviewed regularly in order to maintain minimum cash balance. Minimum Cash balance would be maintained keeping in mind the requirement of 3-4 months contingency expenses like salaries, rent and other necessary and committed expenses. PEAs should return the excess money lying with them to SPMU taking into consideration the 3-4 month requirement of fund. Retention money held at all PEAs level and SPMU

to be utilized for meeting immediate cash flow requirements and this should be communicated to Nodal Officers by the SPMU. Monthly review meeting of finance accounts of all PEAs and SPMU should be carried out to review the cash position.

23. **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: Financial Management

Action to be taken	By Whom	By When
Accounts and finance workshop for PEA's and SPMU	SICOM and all SPMU's	Continuous to be conducted at least every six months
Cross learning event	SICOM and all SPMU's	January 2015
Monthly review of cash position	SICOM and all SPMU's	Every month
CBO advance review	All SPMU's	Every month

Procurement

24. SPMU and its PEAs have planned procurement of 247 packages for implementing the Project. Of these, 223 contracts have been awarded already as on March 31, 2016 and balance 24 packages valuing Rs 62.3 crores are yet to be awarded.

25. Pending packages include high value packages of Solid Waste Management at Paradeep – cost Rs 37 crores, construction of Interpretation Centre & Museum at Koilipur – cost Rs 5 crores, Furnishing of Eco Tourism Complex and Museum at Koilipur – cost Rs 2.80 crores.

26. Mission advised SPMU to closely monitor procurement of all pending packages so as to ensure achieving full disbursement of all contracts within the Project closing date. In the event of any factors likely to delay procurement, remedial steps should be taken on priority.

27. Of 223 contracts valuing Rs 234.1 crores awarded already, 162 contracts valuing Rs 104.9 crores stand completed as on March 31, 2016. Mission reviewed the remaining 61 on-going contracts. Some of these contracts which need attention are as under:

- Consultancy contract for Shoreline Management and ICZM Plan preparation: Progress of this Consultancy should be monitored closely so as to ensure completion of the assignment by Feb 28, 2017 as projected by the SPMU.
- Procurement of 2 Speed Boat (ICB package no. 6) for Wildlife Department: These boats have been supplied and their final inspection should be arranged at the earliest possible. (SPMU was also advised to review the signed contract to ensure that the Warranty obligations of the first year are correctly reflected therein in line with the provisions of the bidding documents and details of AMC obligations to be carried out by the Supplier for each of the subsequent years, included in the scope of the contract, are properly spelt out.)
- Contract for geo-tube embankment: SPMU has approached Bank with its recommendations to revise the Price Adjustment provision sought by the contractor. This issue was discussed briefly. Mission advised SPMU that there was no justification to allow any further changes with respect to the contract amendment issued already on the basis of the Bank's mail of January 21, 2015; in other words, Price Adjustment should apply only for the work done after 23-06-2014 on the basis that the BOQ rates stipulated in the Contract will constitute the base rates linked to

Prices/Price Indices prevailing on the last date of the original 'Intended Completion Date', i.e. 23-06-2014.

- SPMU should resolve the issue arising out of stoppage of work by the Local Boat Association in respect of contract for Development of Ecotourism Complex at Barkul and Solar Plant & Illumination at Barkul.

28. Mission noted that most of the on-going contracts are expected to be completed during the year 2016, and some packages in 2017 well before the Project closing date (Dec 29, 2017). The SPMU is advised to closely monitor all on-going contracts and draw up a month wise Action Plan for targeting their completion by June 2017 and also share it with the Bank.

Status of procurement by the SPMU and PEAs is summarized in the Table below.

Category	Packages included in approved Proc Plan	Contracts awarded as on March 31, 2016		Contracts completed as on March 31, 2016		Packages yet to be awarded	
		Number	Value (Rs crores)	Number	Value (Rs crores)	Number	Value (Rs crores)
Goods	112	107	83.2	89	49.8	5	3.2
Works	94	79	107.1	51	34.5	15	58.2
Consultancy	41	37	43.8	22	20.6	4	0.9
Total	247	223	234.1	162	104.9	24	62.3

Piloting ICZM Approaches in West Bengal

1. **Overall Implementation Performance:** While the overall progress has consistently improved over the past one year, the West Bengal Component is yet to make up the delays. As of now 73 contracts have been awarded till end February 2016 and balance 25 packages valuing Rs 45.9 crores are yet to be awarded. SPMU has planned to award these packages well in time so as to ensure their completion latest by end Oct 2017. The notable achievements in implementation progress include: (i) very successful completion of distribution of grid electricity in Sagar Island by the State Electricity Distribution Company; (ii) Substantial completion of sewerage works including STP at Digha; and (iii) encouraging results under capacity building component of Biochemistry Department of Kolkata University; (iv) reasonable pace of construction of Multi-Purpose Cyclone Shelters; (v) resumption of storm water drain works which was held up for more than 17 months; and (vi) induction of over 2000 SHGs in Sagar Island as part of coastal livelihood activities

2. The following provides the broad summary of overall actions, which need to be addressed on priority

S.No.	Activity/Progress/Status	Key Actions to be addressed on Priority
1.	Procurement of ICZM Planning (including SLMP) consultants is nearing completion and is expected to be awarded during end of July, 2016. This activity is significantly delayed	(i) SPMU to expedite procurement process for hiring ICZMP consultants; (ii) SPMU to follow up with SICOM for ESA map and Hazardline to facilitate the planning process; and (iii). Initiate consolidation of experiences from pilot implementation is an immediate pending activity. Action overdue
2.	Capacity Building Activities for IESWM has been pending for considerable time. Bank provided comments during the mission on draft capacity building plan	SPMU to update capacity building plan and provide an update schedule of implementation of capacity building activities. Action overdue
3.	Construction of 25 MPCs: construction underway at various stages under 5 packages, except at Kashimara due to increased threat of erosion; site to be shifted. Expected plan of completion is April 2017	Comprehensive site management to ensure, i) compliance towards all environmental, health and safety safeguards with immediate and urgent attention on securing site, waste management, project information on site, reduced noise pollution; ii) DMD to hire supervision consultant for regular technical monitoring at construction sites. Action Overdue
4.	Digha Sewerage system and STP: Minor works remaining. Consent to Establish STP obtained. Household survey completed.	i) All works linked to operationalization of STP to be expedited and completed by July 2016, including securing Consent to Operate from WBPCB; and ii) Household connections to be expedited by DSDA to facilitate commissioning of sewerage and STP – Action plan to be provided by July, 2016.
5.	Beachfront development: CRZ clearance for Phase I & II obtained. Phase I – construction works at Saikatabas site and OAT near completion; Kshanika under progress. Hawker Rehabilitation: 56	Agreement with Hawkers to carry forward the work, resolution of Phase-II & III activities, Action plan for implementation of beach front development, hawker relocation, sustainability action plan to be expedited – Action is Overdue and SPMU to take necessary action on priority

	rehabilitated in semi-permanent shelters and 163 are expected to be rehabilitated in permanent building.	
6.	Drainage: work resumed in April 2016. 15.36 Km (of 32.85 Km) completed. Contract extended till April 2017	Regular Supervision is needed to ensure timely completion of works
7.	Livelihood activities: 2134 SHGs currently functioning; benefiting 25608 households. 1021 SHGs to be further established in 19 more blocks. 20 trainings conducted benefiting more than 300 members. Grading for 597 SHGs completed. CIF disbursed to 220 SHGs. <u>Entry-point activities:</u> 72 (128) completed, 56 ongoing with more than 40% works over. Geo-referencing completed for 8 sites	Livelihood activities: i) Documentation of process and achievement for wider dissemination; ii) RFP for Impact Assessment consultancy to be advertised on priority – Action overdue Entry-point activities: Action Plan for completion of work to be shared by July 2016
8.	Eco-tourism and Env. Sanitation at Sagar Island: Construction activities under progress. Serious construction issues noted with alarming variation in earth works at all sites – Lapses in SIDCL technically reviews of designs and BoQs. There is risk of non-completion of works by Dec 2017	(i) SPMU jointly with SIDCL to take action for independent technical assessment of the designs and BoQ by end of July 2016; (ii) SPMU to take a view on releasing of funds for ongoing work with a mechanism of SIDCL certifying all variations; iii) SPMU to take a view on future inputs of design and supervision consultants – Immediately ; and (iii) action plan for capacity building of community for operation and maintenance of facilities – by end of July 2016
9.	Plantations: Completed: Shelterbelt – 50ha (110ha); Mangrove – 45ha (125ha); Gap Plantation – 150ha (300ha); Farm Forestry – 440ha (625ha); Pallisade – 3000ha (5000ha); strip – 40ha (40ha). Slow progress and unlikely to complete targets <u>Wildlife protection:</u> Negligible progress with no results recorded	Plantations: i) Detailed Action Plan for completion of all plantation to be shared by July 2016; ii) Mangrove plantation to be geotagged and scientifically evaluated for quality and survival rate by end of August, 2016 <u>Wildlife protection:</u> Results to be documented and shared by July 2016
10.	Overall-Environmental Safeguards – for all the ongoing activities	(i) Construction safety and appropriate occupational safety measures for the workers need to established; and (ii) SPMU to ensure PEA's close management of their design and supervision consultants to minimize delays and deviations.
11.	Communication Plan and Strategy: The SPMU has no credible and actionable communication plan and has no strategy devised except broad outline	Action Overdue for the past one year. This is of great importance for the forthcoming ICZM Planning activities.

Management of Social Issues and Impacts

3. *Social Mobilization:* Aiming towards the target of 15,000 BPL families directly benefiting through livelihood improvement activities in Sagar Block (inclusive of Sagar Island and Ghoramara Island distributed in 9 Gram Panchayats), 2134 SHGs have been formed comprising of 25, 608 households. 499 community contracts with approximately 485 CBOs have been signed inclusive of

207 contracts for entry point activities (EPA) and 292 contracts for income generation activities (IGA). The livelihood component is being implemented by State Rural Livelihood Mission. Project has conducted 148 PRAs covering 96 out of total 113 *sansads* across 9 gram panchayats.

4. *Entry Point and Income Generation Activities:* Out of the 128 entry point activities, 72 have been completed and the remaining 56 are in various stages of implementation. The EPA activities include (a) construction of 41 brick road packages totaling approximately 20 km, of which 16 km has been completed, (b) sinking of 78 tube wells with raised platforms of which 47 has been completed, (c) construction of 3 raised plat forms for existing tube wells of which one has been completed, (d) all 4 concrete culverts; re-excavation of 7 existing ponds; and one pay and use toilet have been completed. Project has disbursed INR 436 lakhs so far on EPAs out of total 526 lakhs allocated. Apart from EPAs, 6 IGA contracts are also under execution by SPMU which includes fisheries; vermicomposting and betel leaf cultivation. Out of 17.83 lakhs allocated for IGA, approximately 9 lakhs have been disbursed. Out of 128 EPA sites, 8 has been geo-referenced.

5. *Self Help Groups for livelihood generation:* SPMU signed memorandum of understanding with WBSRLM in January 2015. However, the actual implementation started only in August 2015 post several rounds of discussion for clarity on MOU. As per the MOU, it was agreed that (i) SPMU to continue to fund and monitor 128 Entry Point Activities (EPAs) and the fund already given on IGAs (i.e. 6 contracts); (ii) WBSRLM will release funds for Income Generation Activities to *Sanghas* based on Micro Investment Plan prepared by SHGs; (iii) Community Investment Fund as grant to *Sanghas* for on-lending to SHGs and Revolving Fund as grant to SHG for on-lending to its members following existing WBSRLM guidelines; (iv) the usual implementation procedures of WBSRLM programme delivery structure will be followed i.e. SMMU at the state level, DRDC / DMMU at the district level, and then BMMU at the block level with BDO as Block Mission Director with its support officials; and (v) Execution of activities through community institutions after appropriate and adequate capacity building. WBSRLM has so far formed 2134 SHGs covering over 25,600 households with at least one deprivation.

6. The plan is to cover all 33, 513 households with at least one deprivation and auto inclusion. WBSRLM ensures that (i) activities selected by SHGs are not detrimental to the environment; (ii) IGA funds are utilized for productive purpose only; (iii) financial transactions between *Sanghas* and SHGs on account of CIF is transferred through bank / cheque; and (iii) a purchase committee of at least 3 members is formed for purchases of more than INR 5000 and at least three quotations are invited. WBSRLM has appointed 25 community service providers (CSP) and a *Sangha* coordinator. All CSPs and coordinator are members of existing SHGs. At block level, 4 district level trainers have been appointed. Grading has been completed for approximately 600 SHGs and about 400 SHGs have completed their MIP. Till March 2016, 410 SHGs received bank loan of about INR 3.37 million (on an average 82,000 per SHG) and another INR 1.1 million was disbursed to 228 SHGs as CIF. A total of INR 1.11 crore has been released as CIF. WBSRLM has planned to spend INR 10.15 crore in the FY 2016-17. The annual plan includes formation of another 1000 SHGs; disbursement of INR 113.85 lakhs as revolving funds for 759 SHGs; and disbursement of INR 800 lakhs as CIF to 1600 SHGs.

7. *Beneficiary:* The livelihood component of the project has so far directly benefitted over 41000 individuals of which nearly 29000 are women members.

8. *Capacity Building:* In the last financial year, WBSRLM helped build capacity of over 560 individuals. The details of capacity building programs is given in table below.

Table 1: Details of capacity building initiatives

Sl. No.	Training	Number of event	Number of participants
1	Exposure visits	1	36
2	CIF management and book keeping	2	72

3	Sangha Management	1	45
4	MIP Preparation training	9	64
5	Workshop with Cooperative Department	1	25
6	SHG members participation in Block level review meetings	6	300
7	Number of CSPs trained	1	24
	Total	21	566

Source: WBSRLM

9. *Distribution of grid electricity in Sagar Island:* The distribution of electricity in Sagar Island will benefit 34,036 households. So far WBSEDCL has provided over 31050 service connections (which include both domestic and commercial connections). As agreed project has prepared a documentary on Sagar Island's electrification highlighting socio-economic benefits of electrification. SPMU also conducted a study on impact of Grid Electricity on Healthcare Services & Facilities in Sagar Island in 8 gram panchayats. The study shows that Grid Electricity to a large extent has brought in spurt in CAPEX (Capital Expenditure) as units have either bought or improved lighting facility, fan, computers, refrigerators and air condition machines or have procured/installed electric fed or dependent medical appliances in order to have facility augmentation at their respective units. The monthly expenditure for meeting energy requirements also showings signs of upswing despite cost cutting to a large extent on DG sets account. The primary reasons include installation of new electric fed appliances and increased duration of daily service period by most of the enterprises and public healthcare facilities.

10. The *eco-tourism activities in Sagar Island* is considerably delayed. The eco camp complex includes 10 large and 20 small huts, an eating house, 2 toilet blocks, and a reception block. The plan also covers a bus terminal with a waiting area, food court, toilet block, and tourist and information office. So far community has not been involved in the process and no eco-tourism committee has been formed.

11. *Digha Beach Front Development:* A total of 2464 vendor kiosks will be rehabilitated in Digha of which 1798 vendors will relocated under ICZMP in three phases. DSDA will rehabilitate 119 vendors and rest 547 vendors needs to be rehabilitated by state government through DSDA. These 547 vendors are not located on the beach front. Under phase I, 219 vendors will be rehabilitated of which 56 will be relocated to Jagannath Ghat where new kiosks have come up and rest 163 will be accommodated in G+1 building at Kshanika Ghat. The construction at Kshanika ghat got delayed as vendors were not happy with the design. Each vendor wanted an open front so that their shop is visible from the road. DSDA has now changed the design of the building and construction has commenced. In phase II, 1083 vendors will be rehabilitated between railway station ghat and police holiday home along the embankment. In phase III, 496 vendors will be rehabilitated in-situ. Although all 56 kiosks have been placed in Jagannath ghat, they are yet to be allotted to vendors. DSDA is yet to complete the road construction and other landscaping in the rehabilitation site. The kiosks require repainting as they have been lying idle for last one year. Mission was informed that vendors will pay Rs. 400 per sq. feet for the kiosks given to them.

Table 2: Vendor Relocation Strategy

Phase	Current location of vendors	Number of vendors to be rehabilitated	Proposed Rehabilitation site	Rehabilitation strategy
I	Beach front	56	Saikatabas site	Relocate vendors located in front of Children Park Embankment to (i) stretch between Saikatabas and 1 No. ghat and (ii) between embankment of 1 No. Ghat and East Approach

		163	Kshanika ghat	In-situ rehabilitation of 77 vendors at kshanika ghat. Others to be rehabilitated here currently located near Triangular Park approach; DVC Road; and hotel sector.
II	Beach front	1083	At New Digha: Between railway Station Ghat and Police Holiday Home along the embankment	Rehabilitation of all vendors in New Digha except 163
III	Beach Front	56	Aparajita ghat	In-situ rehabilitation
		99	Sapua market	
		18	Hospital ghat	
	Foreshore road	18	Opposite hospital	
		168	New Digha foreshore-southern	
	Others	137	Sobujer Haat and Shibalaya road	

Source: DSDA

12. Construction of toilet blocks in new Digha is nearing completion. DSDA has constructed separate toilets for differently abled persons. The open air theatre is also nearing completion though considerably delayed.

13. *Digha Waste Water sub project:* The issue of access to agriculture field at the STP site has been resolved. Project has provided an access road along the boundary wall of STP for the villagers. DSDA has initiated the survey for household connection. DSDA will be charging INR 4500 per household for the connection. Hotel association has agreed for connection and on an average hotel owners will be paying INR 18000 for the connection.

Status of Prior Agreed Actions (September 2015)

Actions	By whom	By when	Status
Expedite construction of vendor kiosks in Digha and arrive at a mutually agreed mechanism for distribution of kiosks to vendors with hawker's association	DSDA	December 31, 2014	Not complied. Substantially delayed
Rehabilitate 56 vendors at Jagannath ghat	DSDA	December 31, 2015	Not complied
Expedite construction of vendor kiosks in at Kshanika ghat and other locations and relocate all vendors	DSDA	June 30, 2016	Work in progress. Completion may get delayed
Additional construction of toilets for differently abled persons	DSDA	December 31, 2015	. Complied
Completion of socio-economic database of balance CBOs	SPMU	December 31, 2015	Partially complied. Completed for 863 CBOs.
Energize all households in Sagar Island	WBSEDCL	November 30, 2015	Work in progress. Partially complied
Initiate identification and training of beneficiaries under Sagar Island eco-tourism	SIDCL	Immediately	Not Complied

Agreed Actions: Social Issues

Actions	By whom	By when
Expedite construction of vendor kiosks in Digha and arrive at a mutually agreed mechanism for distribution of kiosks to vendors with hawker's association	DSDA	December 31, 2016
Share results of SIA along the alignment and appropriate resettlement instrument with the Bank	DSDA	October 31, 2016
Energize all households in Sagar Island	WBSEDCL	November 30, 2016
Initiate identification and training of beneficiaries under Sagar Island eco-tourism	SIDCL	Immediately
Completion of socio-economic database of balance CBOs	SPMU	December 31, 2015
Closure of 128 EPA contracts	SPMU	December 31, 2016
Geo- reference of all EPA sites (community contract wise)	SPMU	December 31, 2016
Prepare case studies of select EPAs	SPMU	December 31, 2016
Conduct impact evaluation of EPAs and livelihood activities	SPMU	October 30, 2016

Financial Management

14. Budget: The state has provided the entire state share while the cumulative project expenditure as of April 30, 2016 is Rs.116.1 crores and pending bills are in the range of Rs.1.02 crores.

15. Accounting: All entities have installed and operationalized TALLY accounting system and financial reports are being generated based on TALLY records. The project accounts are up to date. SPMU should conduct finance and procurement workshop for all PEA's. Advanced training on taxation related areas should be provided to the staff to ensure better compliance with the tax laws of the state and country.

16. CBO advances: The mission reiterated that CBO advances from the project, needs to be reviewed on a continuous basis and the mission requested SPMU to review each case individually and take steps to either recover or get the UC for the advance. 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.

17. Changes to Manual: The SRLM in West Bengal is leading the livelihood component and the amounts are being rotated at through the federations. While this is as per agreement with the Bank, the mission requested SICOM to revise the FM manual to reflect this change appropriately.

18. Bank Guarantees: 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.

19. Retention Money: 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. 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.

20. Cash flow management: Cash management of each PEAs should be reviewed regularly in order to maintain minimum cash balance. Minimum Cash balance would be maintained keeping in mind the requirement of 3-4 months contingency expenses like salaries, rent and other necessary and

committed expenses. PEAs should return the excess money lying with them to SPMU taking into consideration the 3-4 month requirement of fund. Retention money held at all PEAs level and SPMU to be utilized for meeting immediate cash flow requirements and this should be communicated to Nodal Officers by the SPMU. Monthly review meeting of finance accounts of all PEAs and SPMU should be carried out to review the cash position.

21. 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: Financial Management

Action to be taken	By Whom	By When
Accounts and finance workshop for PEA's and SPMU	SICOM and all SPMUs	Continuous to be conducted at least every six months
Cross learning event	SICOM and all SPMUs	January 2015
Monthly review of cash position	SICOM and all SPMUs	Every month
CBO advance review	All SPMUs	Every month
Amend FM manual to reflect SRLM fund procedure	SICOM and WB SPMU	July 2016

Procurement

22. SPMU and its PEAs have planned procurement of 98 packages for implementing the Project. Of these, 73 contracts have been awarded till end February 2016 and balance 25 packages valuing Rs 45.9 crores are yet to be awarded.

23. SPMU informed that procurement of remaining 25 packages was kept on hold after Feb 2016 when the Code of conduct came into force on announcement of the State elections. SPMU has planned to award these packages well in time so as to ensure their completion latest by end Oct 2017.

24. Mission advised SPMU to closely monitor procurement of all pending packages, particularly the high value contracts of (i) Phase II Rehabilitation of Hawkers and landscaping (cost Rs 22.8 crores) and (ii) Consultancy for ICZM Plan (cost Rs 10 crores). In the event of any factors likely to delay procurement, remedial steps should be taken on priority.

25. Of 73 contracts valuing Rs 249.7 crores awarded already, only 33 contracts valuing Rs 41.4 crores stand completed as on March 31, 2016. Mission reviewed the remaining 40 on-going contracts. SPMU informed that most of the on-going contracts are expected to be completed during the year 2016 and the rest in year 2017 well before the Project closing date.

26. Mission advised SPMU to draw up an Action Plan to monitor completion of all on-going contracts as per expected dates indicated during the Bank's review and share the Plan with the Bank. Besides, high value contracts listed below should be monitored closely so as to avoid any slippage in their delivery/completion.

- Construction of Storm Water Drain at Digha (Package-I) – **cost Rs 41.4 crores:** expected completion in April 2017
- Construction of Sewerage Treatment Plant (comprising Sewerage Line, Pumping Main, Lifting Station & Sewerage Pumping Station) at Digha awarded to Gannon Dunkerley – **cost 15.7 crores:** expected completion in Oct 2016 to be followed by commissioning trials

- Construction of Sewerage Treatment Plant awarded to Gannon Dunkerley – **cost 13.1 crores:** expected completion in Oct 2016 to be followed by commissioning trials and O&M
- Rehabilitation of Hawkers and landscaping at Digha Phase I – **cost Rs 10.3 crores:** expected completion in Sep 2016
- Public rain Shelter Cum Nat Mandir & Public Rain Shelter Cum Dala Arcade – **cost Rs 13.3 crores:** expected completion in Sep 2016
- Multipurpose Cyclone Shelters (25 numbers) – **cost Rs 61.8 crores from Loan funds** + rest from State funds: The contractor (Mackintosh Burn) is expected to complete construction in March 2017. (PMGSY Engineers are supervising construction as a temporary arrangement until a regular Agency is hired. SPMU was advised to expedite engagement of Supervision Consultant.)

Status of procurement by the SPMU and PEAs is summarized in the Table below.

Category	Packages included in approved Proc Plan	Contracts awarded as on March 31, 2016		Contracts completed as on March 31, 2016		Packages yet to be awarded	
		Number	Value (Rs crores)	Number	Value (Rs crores)	Number	Value (Rs crores)
Goods	48	41	8.5	27	3.1	7	3.3
Works	30	20	224.0	2	32.3	10	31.6
Consultancy	20	12	17.2	4	6.0	8	11.0
Total	98	73	249.7	33	41.4	25	45.9

Piloting ICZM Approaches at the National Level

SICOM

1. Audit reports and IUFRRs are being submitted on a timely basis. SICOM is under severe cash crunch due to funds not released by IFD and the MOEF. The mission requested SICOM to follow up with IFD and get the amounts released at the earliest as it is hampering the progress of the project. Auditors have been appointed for the next year by SICOM.
2. **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.

NCSCM

3. **Payment to Design Consultant:** Flying Elephant Studio (FES) has been appointed design and supervision consultant. The contracts are in two parts Part A- Design (Lump sum) and Part B- Supervision (Time based). In Part A extra scope of work for design was carried out on request of NCSCM and has been completed. The payment for this activity needs to be calculated and done as per the contract. The mission requested NCSCM and SICOM to resolve this issue at the earliest and make payments to the vendor amount as per contract. (Rama decide if you want to keep this)
4. **Delay in work:** Due to nonpayment of bills and contractual issues the physical work has been delayed and further delay is expected unless these contractual issues are sorted out by the project at the earliest/
5. **Transfer to universities:** NCSCM has transferred certain amounts to the universities as per MOU, for which UCs are yet to be obtained. The mission requested NCSCM to follow up with the universities both on the technical progress and expenditure made by them and account for the expenditure based on UCs. In some cases like Calcutta University, in spite of completion of activities and submission of UCs no payments have been released from NCSCM.
6. **Approval of Contract variations:** NCSCM has contract variation in most of the contracts and these needs to be approved by the competent authority either at NCSCM or SICOM level as required. Without the approval, these variations could be held as audit objections or not eligible for disbursements.
7. **Weak Procurement:** Auditors have repeatedly highlighted the issue of weak procurement in NCSCM which needs to be addressed by the project.
8. **Appointment of Auditors:** SICOM is required to support NCSCM in appointing auditors for the society. The auditors need to be appointed within next three months.

9. Procurement

10. NPMU and its PEAs have planned procurement of 144 packages for implementing the Project. Of these 97 contracts have been awarded till March 31, 2016 and balance 47 packages valuing Rs 95 crores are yet to be awarded.

11. Pending packages yet to be awarded by the NPMU include 3 high value packages which account for 50% of the total cost of all pending packages. These packages are (i) Procurement of Servers for Data Collection – cost Rs 14 crores, (ii) Construction of pillars and fixing of markers on the final hazard line – cost Rs 16.80 crores and (iii) Consultancies for preparation of DPRs for 10 states for the next Project – cost Rs 20 crores. Mission advised NPMU to closely monitor their procurement and in the event of any issue of feasibility of any of these packages or any other factors likely to delay procurement, remedial steps should be taken on priority.

12. Of 97 contracts valuing Rs 209 crores awarded already, 73 contracts valuing Rs 89.2 crores stand completed as on March 31, 2016. Mission reviewed the remaining 24 on-going contracts. Most of these contracts are expected to be completed during the year 2016, and a few packages in 2017 well before the Project closing date (Dec 29, 2017).

13. NPMU was advised to closely monitor the on-going contracts to ensure their completion as planned. NPMU indicated possibility of Part C of the Consultancy Contract with M/s IPE Global (relating to supervision of the work which will be procured only after the Consultant submits its report for Development of Master plan for Gandhi Green Memorial Project Mission) getting cancelled. Mission advised NPMU to review all remaining packages to be procured and if any of these packages are not required/decided to be taken up, update of the Procurement Plan should be submitted for the Bank's review and approval.

14. Photogrammetry contracts for Zones 5, 6, 7 & 8 were re-ordered recently on M/s IIC and M/s Cyient, following termination of contracts originally awarded to M/s Geodis. These contracts are progressing satisfactorily and are expected to be completed by July 31, 2017. A close watch on implementation of Photogrammetry contracts is called for to avoid further slippages in completion.

15. NPMU informed the Mission that there was a revision of the areas covered by Photogrammetry contracts for respective Zones and this would lead to increase in the contract values. Mission advised NPMU to submit the proposals without further delay for contract modifications – contract wise - for the Bank's review in line with the Procurement Guidelines.

16. Mission noted that expenditure against the awarded contracts for Construction of NCSCM building & facilities for Civil Works (value Rs 29.3 crores) and Construction of NCSCM building & facilities for Interior Works (value Rs 22.7 crores) totaled to Rs 27.4 crores. This implies expenditure of balance amount of Rs 25 crores is still to be incurred for completing the two contracts. NPMU/NCSCM should expedite the remaining work and payments.

Status of procurement by the NPMU and PEAs is summarized in the Table below.

Category	Packages included in approved Proc Plan	Contracts awarded as on March 31, 2016		Contracts completed as on March 31, 2016		Packages yet to be awarded	
		Number	Value (Rs crores)	Number	Value (Rs crores)	Number	Value (Rs crores)
Goods	67	53	60.4	45	50.1	14	31.1
Works	52	28	138.7	19	37.9	24	35.9
Consultancy	25	16	10.1	9	1.2	9	28.0
Total	144	97	209.2	73	89.2	47	95.0

