INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED LOAN

IN THE AMOUNT OF
US$ 180 MILLION EQUIVALENT

TO THE

REPUBLIC OF INDIA

FOR A

ENHANCING COASTAL AND OCEAN RESOURCE EFFICIENCY PROJECT
AS PHASE (1) OF THE MULTIPHASE PROGRAMMATIC APPROACH

WITH AN OVERALL FINANCING ENVELOPE OF US$ 400 MILLION {EQUIVALENT}

March 24, 2020

Environment, Natural Resources & The Blue Economy Global Practice
South Asia Region

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CURRENCY EQUIVALENTS

Exchange Rate Effective

<table>
<thead>
<tr>
<th>Currency Unit</th>
<th>=</th>
<th>Indian Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$ 1</td>
<td>=</td>
<td>INR 74.2175</td>
</tr>
</tbody>
</table>

FISCAL YEAR
April 1 – March 31

Regional Vice President: Hartwig Schafer
Country Director: Junaid Kamal Ahmad
Regional Director: John A. Roome
Global Practice Director: Karin Erika Kemper
Practice Manager: Christophe Crepin
Task Team Leader(s): Milen F. Dyoulgerov Vollen, Sita Ramakrishna Addepalli
### ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>BE</td>
<td>Blue Economy</td>
</tr>
<tr>
<td>CA</td>
<td>Chartered Accountant</td>
</tr>
<tr>
<td>CDR</td>
<td>Climate and Disaster Risk</td>
</tr>
<tr>
<td>CPF</td>
<td>Country Partnership Framework</td>
</tr>
<tr>
<td>CRZ</td>
<td>Coastal Regulation Zone</td>
</tr>
<tr>
<td>CSO</td>
<td>Coastal States Organization</td>
</tr>
<tr>
<td>CVCA</td>
<td>Critically Vulnerable Coastal Area</td>
</tr>
<tr>
<td>CZM</td>
<td>Coastal Zone Management</td>
</tr>
<tr>
<td>DLI</td>
<td>Disbursement-linked Indicator</td>
</tr>
<tr>
<td>DOFE</td>
<td>Department of Forests and Environment</td>
</tr>
<tr>
<td>DPR</td>
<td>Detailed Project Report</td>
</tr>
<tr>
<td>EEP</td>
<td>Eligible Expenditure Program</td>
</tr>
<tr>
<td>EIRR</td>
<td>Economic Internal Rate of Return</td>
</tr>
<tr>
<td>ENCORE</td>
<td>Enhancing Ocean and Coastal Resource Efficiency</td>
</tr>
<tr>
<td>ESA</td>
<td>Eco-sensitive Area</td>
</tr>
<tr>
<td>ESIA</td>
<td>Environmental and Social Impact Assessment</td>
</tr>
<tr>
<td>ESMF</td>
<td>Environmental and Social Management Framework</td>
</tr>
<tr>
<td>FIRR</td>
<td>Financial Internal Rate of Return</td>
</tr>
<tr>
<td>FM</td>
<td>Financial Management</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GIS</td>
<td>Geographic Information System</td>
</tr>
<tr>
<td>GoI</td>
<td>Government of India</td>
</tr>
<tr>
<td>GRC</td>
<td>Grievance Redress Cell</td>
</tr>
<tr>
<td>GRUMP</td>
<td>Global Rural and Urban Mapping Project</td>
</tr>
<tr>
<td>ICZM</td>
<td>Integrated Coastal Zone Management</td>
</tr>
<tr>
<td>ICZMP</td>
<td>Integrated Coastal Zone Management Plan</td>
</tr>
<tr>
<td>IGRM</td>
<td>Integrated Grievance Redress Mechanism</td>
</tr>
<tr>
<td>IPF</td>
<td>Investment Project Financing</td>
</tr>
<tr>
<td>IUFR</td>
<td>Interim Unaudited Financial Report</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>MOEFCC</td>
<td>Ministry of Environment, Forests, and Climate Change</td>
</tr>
<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>MPA</td>
<td>Multiphase Programmatic Approach</td>
</tr>
<tr>
<td>MSP</td>
<td>Marine Spatial Plan</td>
</tr>
<tr>
<td>NAPCC</td>
<td>National Action Plan on Climate Change</td>
</tr>
<tr>
<td>NCM</td>
<td>National Coastal Mission</td>
</tr>
<tr>
<td>NCSCM</td>
<td>National Center for Sustainable Coastal Management</td>
</tr>
<tr>
<td>NCZMA</td>
<td>National Coastal Zone Management Authority</td>
</tr>
<tr>
<td>NDC</td>
<td>Nationally Determined Contribution</td>
</tr>
<tr>
<td>NPMU</td>
<td>National Project Management Unit</td>
</tr>
<tr>
<td>PDO</td>
<td>Project Development Objective</td>
</tr>
<tr>
<td>PEA</td>
<td>Project Executing Agency</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Form</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------</td>
</tr>
<tr>
<td>PMU</td>
<td>Project Management Unit</td>
</tr>
<tr>
<td>PPP</td>
<td>Public-Private Partnership</td>
</tr>
<tr>
<td>PPSD</td>
<td>Project Procurement Strategy for Development</td>
</tr>
<tr>
<td>PRAMS</td>
<td>Procurement Risk Assessment and Mitigation System</td>
</tr>
<tr>
<td>PrDO</td>
<td>Program Development Objective</td>
</tr>
<tr>
<td>RPF</td>
<td>Resettlement Policy Framework</td>
</tr>
<tr>
<td>RTI</td>
<td>Right to Information</td>
</tr>
<tr>
<td>SCZMA</td>
<td>State Coastal Zone Management Authority</td>
</tr>
<tr>
<td>SESA</td>
<td>Strategic Environmental and Social Assessment</td>
</tr>
<tr>
<td>SDG</td>
<td>Sustainable Development Goal</td>
</tr>
<tr>
<td>SHG</td>
<td>Self-help Group</td>
</tr>
<tr>
<td>SICOM</td>
<td>Society for Integrated Coastal Ocean Management</td>
</tr>
<tr>
<td>SPMU</td>
<td>State Project Management Unit</td>
</tr>
<tr>
<td>STEP</td>
<td>Systematic Tracking of Exchanges in Procurement</td>
</tr>
<tr>
<td>STP</td>
<td>Sewage Treatment Plant</td>
</tr>
<tr>
<td>ToR</td>
<td>Terms of Reference</td>
</tr>
<tr>
<td>UT</td>
<td>Union Territory</td>
</tr>
</tbody>
</table>
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. 
### BASIC INFORMATION

<table>
<thead>
<tr>
<th>Country(ies)</th>
<th>Project Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>Enhancing Coastal and Ocean Resource Efficiency</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Financing Instrument</th>
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<tbody>
<tr>
<td>P167804</td>
<td>Investment Project Financing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environmental Assessment Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-Full Assessment</td>
</tr>
</tbody>
</table>

### Financing & Implementation Modalities

- [✓] Multiphase Programmatic Approach (MPA)
- [ ] Series of Projects (SOP)
- [✓] Disbursement-linked Indicators (DLIs)
- [ ] Financial Intermediaries (FI)
- [ ] Project-Based Guarantee
- [ ] Deferred Drawdown
- [ ] Alternate Procurement Arrangements (APA)

- [ ] Contingent Emergency Response Component (CERC)
- [ ] Fragile State(s)
- [ ] Small State(s)
- [ ] Fragile within a non-fragile Country
- [ ] Conflict
- [ ] Responding to Natural or Man-made Disaster

### Expected Dates

<table>
<thead>
<tr>
<th>Expected Project Approval Date</th>
<th>Expected Project Closing Date</th>
<th>Expected Program Closing Date</th>
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<tbody>
<tr>
<td>23-Apr-2020</td>
<td>31-Dec-2025</td>
<td>29-Dec-2028</td>
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</tbody>
</table>

### Bank/IFC Collaboration

No

### MPA Program Development Objective

Improved conservation of environmentally sensitive coastal areas and increased protection of people in coastal areas in selected States and Union Territories.

### MPA Financing Data (US$, Millions)

| MPA Program Financing Envelope | 800.00 |

---

**Note:** The document is a datasheet for a project aimed at enhancing coastal and ocean resource efficiency in India, focusing on improved conservation and protection in selected areas.
Proposed Development Objective(s)
To strengthen integrated coastal zone management in selected States and Union Territories

Components

<table>
<thead>
<tr>
<th>Component Name</th>
<th>Cost (US$, millions)</th>
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<tr>
<td>Improved Capacity for Decentralized Coastal Management</td>
<td>120.00</td>
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<tr>
<td>Improved Protection and Pollution Abatement in Coastal Areas</td>
<td>240.00</td>
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Organizations

Borrower: Republic of India
Implementing Agency: Society of Integrated Coastal Management

MPA FINANCING DETAILS (US$, Millions)

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<tr>
<th>MPA Program Financing Envelope:</th>
<th>800.00</th>
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<tr>
<td>of which Bank Financing (IBRD):</td>
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<tr>
<td>of which Bank Financing (IDA):</td>
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<tr>
<td>of which other financing sources:</td>
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PROJECT FINANCING DATA (US$, Millions)

SUMMARY

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<tr>
<th>Total Project Cost</th>
<th>360.00</th>
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<tr>
<td>of which IBRD/IDA</td>
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<tr>
<td>Financing Gap</td>
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DETAILS

World Bank Group Financing
The World Bank
Enhancing Coastal and Ocean Resource Efficiency (P167804)

International Bank for Reconstruction and Development (IBRD) 180.00

Non-World Bank Group Financing

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Counterpart Funding</td>
<td>180.00</td>
</tr>
<tr>
<td>Borrower/Recipient</td>
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Expected Disbursements (in US$, Millions)

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<th>WB Fiscal Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
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<tbody>
<tr>
<td>Annual</td>
<td>0.00</td>
<td>17.00</td>
<td>28.00</td>
<td>35.00</td>
<td>35.00</td>
<td>32.00</td>
<td>33.00</td>
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<tr>
<td>Cumulative</td>
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<td>17.00</td>
<td>45.00</td>
<td>80.00</td>
<td>115.00</td>
<td>147.00</td>
<td>180.00</td>
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INSTITUTIONAL DATA

Practice Area (Lead)          Contributing Practice Areas
Environment, Natural Resources & the Blue Economy

Climate Change and Disaster Screening
This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating</th>
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<tbody>
<tr>
<td>1. Political and Governance</td>
<td>Moderate</td>
</tr>
<tr>
<td>2. Macroeconomic</td>
<td>Moderate</td>
</tr>
<tr>
<td>3. Sector Strategies and Policies</td>
<td>Moderate</td>
</tr>
<tr>
<td>4. Technical Design of Project or Program</td>
<td>Moderate</td>
</tr>
<tr>
<td>5. Institutional Capacity for Implementation and Sustainability</td>
<td>High</td>
</tr>
<tr>
<td>6. Fiduciary</td>
<td>Substantial</td>
</tr>
<tr>
<td>7. Environment and Social</td>
<td>Substantial</td>
</tr>
<tr>
<td>8. Stakeholders</td>
<td>Substantial</td>
</tr>
<tr>
<td>9. Other</td>
<td>High</td>
</tr>
<tr>
<td>------------------</td>
<td>------</td>
</tr>
<tr>
<td>10. Overall</td>
<td>Substantial</td>
</tr>
<tr>
<td><strong>Overall MPA Program Risk</strong></td>
<td>Substantial</td>
</tr>
</tbody>
</table>

### COMPLIANCE

#### Policy

Does the project depart from the CPF in content or in other significant respects?

[ ] Yes    [✓] No

Does the project require any waivers of Bank policies?

[ ] Yes    [✓] No

#### Safeguard Policies Triggered by the Project

<table>
<thead>
<tr>
<th>Policy</th>
<th>Yes</th>
<th>No</th>
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</thead>
<tbody>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
<td>✓</td>
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<tr>
<td>Performance Standards for Private Sector Activities OP/BP 4.03</td>
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<tr>
<td>Natural Habitats OP/BP 4.04</td>
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<tr>
<td>Forests OP/BP 4.36</td>
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<tr>
<td>Pest Management OP 4.09</td>
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<td>Physical Cultural Resources OP/BP 4.11</td>
<td>✓</td>
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</tr>
<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
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<td></td>
</tr>
<tr>
<td>Involuntary Resettlement OP/BP 4.12</td>
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<td></td>
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<tr>
<td>Safety of Dams OP/BP 4.37</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Projects on International Waterways OP/BP 7.50</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Projects in Disputed Areas OP/BP 7.60</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

#### Legal Covenants

**Sections and Description**

The Borrower shall, through MoEFCC, appoint, or cause NPMU to appoint, no later than six (6) months after the Effective Date, external and internal auditor(s) with qualifications, experience and terms of reference acceptable to the Bank.

**Sections and Description**
The Borrower shall no later than three (3) months after the Effective Date: (a) cause NPMU and each of the SPMUs to put into operation the Financial Management Manual; and (b) cause NPMU and each of the SPMUs to establish computerized accounting systems which shall be maintained throughout the implementation of the Project or its Respective Part of the Project, as the case may be.

**Sections and Description**

The Borrower shall, and shall cause NPMU, NCSCM and each of the Selected States and Union Territories to, adopt, no later than 3 months after the Effective Date if not already done, and thereafter implement its Respective Part of the Project in accordance with the relevant PIPs (including related operations manuals) in form and substance acceptable to the Bank.

**Sections and Description**

The Borrower, shall, (i) through MoEFCC enter into an MoU/IA with NCSCM and (ii) cause each of the Selected States and Union Territories to enter into MoU/IA with PEAs selected by the Selected States and Union Territories, for the implementation of selected Project activities under the terms and conditions acceptable to the Bank.

**Sections and Description**

For the implementation of Component 2 of the Project, the Borrower shall cause the Selected States and Union Territories (acting through their respective SPMU) to cause Project Execution Agencies (“PEA”) to extend Community Sub-grants to Community Beneficiaries for the purpose of financing Community Sub-projects, in accordance with eligibility criteria, assessment, due diligence and procedures set out in the Community Financial and Procurement Manual.

**Sections and Description**

The Borrower shall cause the NPMU to ensure that, no later than thirty (30) months from the Effective Date, eleven (11) ICZMPs have been completed.

**Conditions**
I. STRATEGIC CONTEXT

A. Country Context

1. **While GDP growth has slowed in the past three years, India remains one of the fastest growing major emerging market economies.** The current slowdown is primarily due to unresolved balance sheet issues in the banking and corporate sectors, compounded by stress in the non-banking segment of the financial sector. These issues have prevented a sustainable revival in private investment and private consumption growth has also slowed in FY19/20. As a result, growth is expected to reach 5 percent in FY19/20. To address the slowdown, the government has introduced various economy-wide and sectoral reforms (including a cut in corporate taxes, as well as steps to support the automobile and real estate sectors, non-banking financial companies and medium and small enterprises). As a result, growth is expected to pick-up gradually from FY20/21 onwards and revert toward potential. On the fiscal side, the general government deficit is estimated to have widened to above 6 percent of GDP in FY18/19 and it is expected to rise further in FY19/20, owing to recently adopted tax cuts and the impact of slower economic growth on tax proceeds. The current account balance is expected to improve in FY19/20, reflecting mostly a sizeable contraction in imports. Given this and robust capital inflows, India’s foreign exchange reserves rose to USD 457.5 billion at end-December 2019 (equivalent to over 11 months of imports).

2. **Since the 2000s, India has made remarkable progress in reducing absolute poverty.** Between FY11/12 and 2015, poverty declined from 21.6 to an estimated 13.4 percent at the international poverty line (2011 PPP US$1.90 per person per day), continuing the earlier trend of fast poverty reduction. Thanks to robust economic growth, more than 90 million people escaped extreme poverty and improved their living standards during this period. Despite this success, poverty remains widespread. In 2015, 176 million Indians were living in extreme poverty, while 659 million – half the population – were below the higher poverty line commonly used for lower middle-income countries (2011 PPP US$3.20 per person per day). Implementation challenges of indirect tax reforms, stress in the rural economy and a high youth unemployment rate in urban areas, may have moderated the pace of poverty reduction since 2015.

3. **The Indian coast is home to more than 250 million people or 14.2 percent of India’s population.** India’s National Coastal Mission (NCM) estimates the value of blue economy (BE) assets at US$24 trillion, with an expected annual value addition of US$2.5 trillion, making it a major contributor to India’s economic growth and poverty reduction. Coastal urban centers like Chennai, Kolkata, Mumbai, and Visakhapatnam are strategically important for the Indian economy. The Indian coast is also a hub for 233 of the large and medium industries located on the west coast, which include petrochemicals, shipbuilding, shipbreaking, power plants (coal, oil, gas, and nuclear), food processing, and other ancillary industries. Coastal tourism is the fastest growing sector, with an estimated contribution of about 6.23 percent of the national gross domestic product (GDP), while providing employment to 8.78 percent of the country’s workforce. India

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1 The Blue Economy (BE) concept, presented in the context of Sustainable Development Goal (SDG) 14 ‘Life Below Water’, is the sustainable ocean economy, where economic activity is in balance with the long-term capacity of ocean ecosystems to support this activity and remain resilient and healthy (Economist Intelligence Unit 2015). Accordingly, the BE assets encompass living and nonliving resources, and ecosystems and ecosystem processes.
continues to be the seventh largest fishing nation in the world, with its coastal fisheries providing essential livelihoods and shaping the local culture of a large share of the population.

B. Sectoral and Institutional Context

4. The country’s coastal natural resources and ecosystem are of substantial ecological and economic significance for poverty reduction and shared prosperity. The Indian coastal ecosystems, comprising mudflats, sand dunes, estuaries, creeks, mangroves, coral reefs, wetlands, lagoons, sea grass beds, sandy beaches, and rocky shores, extend to 42,808 km². Over 5,400 km² of mangroves house rich biodiversity and provide critical ecosystem services, while 5,800 km² of coastal sand dunes and mudflats and 12,800 km² of coastal reserved forest provide similar critical ecosystem services and disaster risk reduction functions. Policies on environmental protection are now gaining momentum but are still poorly integrated in the natural resources management. India’s ability to sustain the long-term improvements in GDP depends on the success of economic policies to reduce dependence on natural capital. If economic growth is to contribute to the well-being of Indians, decision makers need to identify opportunities to extract more value and revenue from coastal and marine resources without diminishing the value of coastal ecosystems.

5. The Indian coastal ecosystems are under pressure from unregulated development causing pollution and overutilization. Major factors include competing demands for land, unregulated land uses along the coastal fringes and public spaces and beaches, changing agricultural practices and developments, urban sprawl and land reclamations, port operations without adequate facilities, pollution from oil spills and ships, and discharge of untreated solid waste and sewage reaching coastal waters. The quality of coastal waters and marine and coastal ecosystems is gradually degrading. Three of the ten rivers, the Indus, Ganga, and Brahmaputra, which carry over 90 percent of the total global plastic debris into the oceans, flow through India.

6. Habitat destruction and resource degradation diminish the economic potential of coastal and marine resources and harm communities dependent on these resources for their livelihoods. India’s coastal fisheries are already largely overexploited due to unsustainable fishing practices. Coral reefs and other critical marine habitats experience rapid degradation due to destructive fishing techniques and reef mining for calcium carbonate production, overfishing by small boats, siltation because of deforestation and sedimentation, land-based pollution including untreated sewage and solid waste, and irresponsible tourism.

7. The anthropogenic pressure on coastal resources is exacerbated by the effects of climate change. The National Action Plan on Climate Change (NAPCC) (2008) of India describes climate change as “one of the most critical global challenges of our times.” A total of 13 Indian coastal states and UTs, encompassing 84 coastal districts and 370 million people, are affected by cyclones annually. Four states on the east coast (Andhra Pradesh, Odisha, Tamil Nadu, and West Bengal), one UT (Pondicherry), and one state on the west coast (Gujarat) are particularly vulnerable to weather-related hazards. Increasing temperatures threaten marine biodiversity and critical coastal habitats. Coastal areas are susceptible to frequent storm events, increased erosion risks, flooding, and sea level rise, which in turn increase the vulnerability of the coastal communities. Similarly, coastal industries and their supporting infrastructure, including transport (ports, roads, rail, and airports), power and water supply, storm water, and sewerage, are highly sensitive to extreme weather and climate events such as

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4 The National Cyclone Mitigation Project analyzed the historic frequency of cyclones on the Indian coast (from 1891 to 2000) and found out that the east coast was affected by 308 cyclones, out which 103 were severe. During the same period, 48 tropical cyclones crossed the west coast, of which 24 were severe cyclonic storms.
high winds, storm surges, and sea level rise. Reversing the coastal mangrove and forest belt degradation can offer significant adaptation and risk reduction benefits, while also unlocking India’s vast coastal and marine carbon sequestration potential.

8. Improved coastal management is an important element of India’s Nationally Determined Contributions (NDCs) under the Paris Agreement, whereby India agrees to (a) create an additional carbon sink of 2.5 to 3 billion tCO₂eq through additional forest and tree cover, including mangroves, by 2030; (b) better adapt to climate change by enhancing investment in sectors vulnerable to climate change, including coastal regions; and (c) build capacity and invest in cutting-edge climate technology. While the Ministry of Environment, Forests, and Climate Change (MOEFCC) has endeavored to leverage different sources of funding in support of achieving the NDCs (Green Climate Fund and other sources), investment in the coastal regions remains marginal. In this context, the proposed Enhancing Ocean and Coastal Resource Efficiency program (ENCORE) will expand the World Bank’s direct support toward achieving the NDC targets of the Government of India (GoI) by supporting coastal ecosystem restoration and sound management of mangrove forests and sea grass fields.

9. The NCM, initiated under the NAPCC by the MOEFCC, aims to improve the management of coastal areas to respond to the threats of climate change. Its vision is to transform the country’s coastal and marine sector into the world’s best managed productive ecosystem. The NCM calls for developing carbon-neutral villages through green spaces, water and salinity management, pollution management, hygiene measures, smart energy management, and sustainable livelihoods through eco-friendly agriculture and fisheries practices. The NCM sets an ambitious BE agenda while stressing the importance of conservation and resource sustainability.

10. The GoI has been successful in piloting good practice coastal zone management (CZM) models. However, it has seen multiple difficulties in finding a sustainable formula for state CZM institutions and advancing the implementation of authority devolution to local governments, in part because of sectoral compartmentalization within the state government and a lack of planning and management capacity. The effectiveness of state CZM institutions is challenged by the lack of alignment of functions, financing models, and functionaries among the Union and state and local government tiers. The lack of functional vertical and horizontal integration—key for the success of Integrated Coastal Zone Management (ICZM)—undermines the viability of the CZM regulatory provisions already in place and the realism of moving away from centralized management and funding schemes. Among others, the NCM will face implementation challenges that may hinder reform progress due to a lack of solid capacity for making use of cutting-edge research and science, using information flows across in-state institutions and across states to support state-/local-level CZM.

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Box 2. National Coastal Mission goals in the context of India NDCs

The NCM aims at responding to climate change through a combination of adaptation and mitigation measures to help

- Strengthen natural shields against extreme weather conditions to protect shoreline, assets, and communities;
- Enhance carbon sinks in sustainably managed coastal and marine ecosystems;
- Adapt vulnerable species/ecosystems to the changing climate;
- Increase productivity of coastal marine ecosystem including in the Exclusive Economic Zone (EEZ) on a sustainable basis; and
- Adapt and improve employment-generation opportunities for coastal communities to reduce pressures on marine ecosystems.

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5 India NCM (under the 2017 NAPCC).
(i) Institutional Context

11. India’s CZM has evolved through a series of policy, regulatory, and institutional reforms. Over the last decade, the GoI has initiated a transition from top-down regulation of coastal development to adopting the principles of ICZM\(^6\) for the development, protection, and conservation of the country’s coastal and marine resources. More recently, the ICZM has been elevated to a guiding policy embodied in India’s new NCM and core pillar linked to its 2017 NAPCC.

12. The GoI launched differentiated CZM regimes pursuant to the CRZ and Island Protection Zone Notification, and subsequent amendments. Most recently, the CRZ 2018 amendment seeks to promote science-based sustainable development, considering the risks from overuse of natural resources, coastal pollution, natural hazards, and sea level rise and aims to conserve and protect unique coastal and marine environment and ensure the livelihood security of local communities. The CRZ 2018 defines the CRZ as the coastal stretches and water area up to its territorial water limit, excluding the islands of Andaman, Nicobar, and Lakshadweep and the marine areas surrounding these islands. The CRZ 2018 provides a detailed classification of eco-sensitive areas (ESAs) and CVCAs, no-development zones, and prohibited activities. In most areas, the CRZ prohibits development activities up to 500 m (CRZ-1) on the landward side from the high tide line and in the intertidal zone. Beyond the 500 m line, it further regulates the development in both densely developed land areas (CRZ-2) and relatively undisturbed areas (CRZ-3) at or near the coastline. On the marine side, this regulatory regime extends from the low tide line to 12 nautical miles on the seaward side (CRZ-4).

Figure 1. Coastal/Marine Ecologically Sensitive Areas

13. The GoI has demarcated 34,000 km\(^2\) of ecologically sensitive coastal areas. These are biologically diverse ecosystems under threat that provide significant ecosystem services and play a role in maintaining the integrity of the coast. The Coastal Regulation Zone (CRZ) Notification, 2011, has identified 12 sites along the coast as critically vulnerable coastal areas (CVCAs) for promoting conservation and sustainable use of coastal resources and habitats. The baseline data and information, which are vital for the scientific planning and management of the coastal resources, have been compiled under the World Bank-supported 2010 ICZM

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\(^6\)ICZM may be defined as “a continuous and dynamic process by which decisions are taken for the sustainable use, development, and protection of coastal/marine areas and resources” (Cicin-Sain and Knecht 1998).
There is a need to apply this fundamentally new knowledge in the management of the coastal space and natural resources. The possibility of large-scale restoration of coastal and marine habitats (implemented under the ICZM Project) has shown success particularly in the three coastal states of Gujarat, Odisha, and West Bengal. Rehabilitation and restoration of coastal ecosystems and habitats would be scaled up in other states.

14. **The GoI has done early testing with World Bank support of transitioning from top-down coastal regulations to a science-informed coastal management, with initial piloting in three states with different development trajectories—Gujarat, Odisha, and West Bengal.** The 2010 ICZM Project has helped set up institutional foundation to better align policies with coastal zone functions and financing among the Union and state governments. It has demonstrated scalable and sustainable models for increasing the productivity of the coastal and marine ecosystems and improving the livelihood opportunities for coastal communities. Major achievements of the 2010 ICZM Project include the mapping and delineation of over 7,000 km of the Coastal Hazard Line for India’s entire mainland coast based on latest climate change projections, as well as 16,000 acres of mangrove restoration to enhance coastal carbon sinks and protect coastal assets and communities against climate and disaster risks (CDRs). Importantly, the project has further demonstrated significant private sector interest and willingness to invest in responsible coastal development in the presence of enabling conditions, such as regulatory certainty, access to information, or access to reliable infrastructure. Recognizing the ICZM as a continuous process, future World Bank support will build upon the ongoing 2010 ICZM Project to address core challenges emerging from its implementation through longer-term engagement and support to enabling functional state and national institutions for resilient and productive coastal development.

**Box 3. Result Highlights from the 2010 Integrated Coastal Management Project (IDA Cr.47650-IN)**

- Science-based foundation for CRZ implementation established nationwide: 12 ESA identified; Coastal Sediment Cells and Hazard Line defined for the entire mainland coast; first Regional Coastal Processes Study completed covering 482 kms of the Odisha Coast; comprehensive ICZMP piloted in Gujarat, Odisha, and West Bengal.
- 16,000 Ha of mangroves and 2000 Ha of shelterbelt restoration; first-of-a-kind coral transplantation piloted.
- innovative Environmental infrastructure/MFD solutions, including sewage treatment plant (STP) PPP model adopted state-wide in Gujarat and demonstration of “soft” coastal protection technologies.
- Island electrification in West Bengal, with 100% electrification coverage/30800 APL and 250 BPL service connections provided in Sagar Island.
- Livelihood improvements and environmental services benefiting directly 1,84 million people, and indirectly 13.8 million people (50% women).

15. **India has established national institutions to align coastal zone functions and functionaries among the Union and state governments.** The National Coastal Zone Management Authority (NCZMA), constituted under the Environment (Protection) Act of 1986, aims to protect and improve the quality of the coastal environment and to prevent, abate, and control pollution in the coastal areas. The NCZMA coordinates the actions of the State Coastal Zone Management Authorities (SCZMAs) and is responsible for examining the proposals for modifications in the CRZ-1 areas and in the CZM plans. It also reviews cases involving violations of the provisions of the Environment (Protection) Act (MOEFCC 2017). Mindful of the need for significant technical and operational support to enable the NCZMA’s evidence-based decision making, the Society for Integrated Coastal Ocean Management (SICOM), established under the MOEFCC, has the mandate for strategic planning, management, execution, monitoring, and implementation of projects and operates in line with the core vision

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7 India Integrated Coastal Zone Management Project (P097985, IDA Cr.47650-IN for US$ 221.96 million equivalent) with expected closing date in March 2020.
of vibrant, healthy, and resilient coastal and marine environment for continuous and enhanced outflow of benefits to the country and the coastal communities. Since 2010, SICOM has served as the National Project Management Unit (NPMU) of the 2010 ICZM Project. In parallel, the National Center for Sustainable Coastal Management (NCSCM) was established under the MOEFCC. It assists in the protection, conservation, rehabilitation, and management of the coast through scientific advice to the state/UT governments and other stakeholders on policy and management matters relating to ICZM. While some ICZM capacity is already in place at the central level, fully functioning state/UT institutions to enable the state Coastal Management Authorities (CMAs) to carry out their reviewing and permitting functions in an informed way in CRZ-2 and CRZ-3 are still lacking in most coastal states and UTs.

16. **Within the current institutional setup, an adequate human resource capacity and technical know-how is a major challenge at both the national and state levels.** The disconnect between the centrally mandated CRZ 2018 rules and states’ institutional capacity to take over coastal management responsibilities is further exacerbated by limited financial resources at the state level. Marine and coastal development is under the direction of several departments and agencies—mostly, operating in silos. These institutional constraints adversely affect coastal zone planning, zoning, and permitting, which are inherently local functions—and are now increasingly transferred to state/local oversight under the CRZ 2018. States are facing serious implementation challenges, including in the development of institutional capacity for the preparation and implementation of state-level ICZM plans (ICZMPs) and marine spatial plans (MSPs). In addition to information gaps and technical capacity constraints, the lack of incentives to tackle complex cross-sectoral issues of the coast has emerged as another challenge. Past experience highlights another crucial impediment: the lack of awareness and vision of the coast as a ‘seamless geographic and developmental space’, which restricts the institutions’ ability to address the growing human- and climate-induced challenges in the marine and coastal space.

17. **The implementation experience under the 2010 ICZM Project revealed the complexity of the CZM agenda.** The 2010 ICZM Project helped improve the coastal governance structures at the national level and has demonstrated good ICZM practice models. It has spearheaded impactful investments in pollution abatement, coastal natural resources conservation, clean beaches, and community livelihoods. It has supported the preparation of comprehensive ICZMPs/MSPs to address user conflicts and enable impactful investments. However, it has also emphasized outstanding capacity issues and identified the barriers for expanding positive impacts. The issues needing further attention and financial assistance include:

   (a) Inadequate planning and implementation capacity of states;
   (b) Lack of functional alignment, scalable financing models, and functionaries among the three tiers of government, which undermines the devolution of CZM responsibilities;
   (c) Lack of functioning formula for the state ICZM institutions to further the devolution of coastal management functions to local levels;
   (d) Sectoral compartmentalization within the state governments; and
   (e) Lack of experience with ICZMP implementation financing and the need for scalable investments to sustain positive outcomes from successful ICZM pilot activities.

   **(ii) Transformative Proposition**

18. **The GoI recognizes and aims to address the above outstanding coastal management issues through institutional and capacity strengthening of the CZM systems across all coastal states/UTs through a long-term program.** This is aligned with the strategic objectives of the NCM as a major pillar within the NDCs under the

19. **ENCORE support builds on the results, experience, and lessons learned from the ongoing 2010 ICZM Project.** The ENCORE program will be open to all nine coastal states and four UTs where coastal resources fall under significant pressure, with eight states and three UTs having achieved preparation readiness to qualify for initial support. It will help expand the integration of scientific information in the ICZM decision making, policy design, and project development by involving multiple coastal states in capacity-building programs and focusing on the fundamentals and development benefits of ICZM regulation and management. The demand for informed ICZM decisions will be addressed through the ICZMP/MSP preparation and their implementation by the participating coastal states/UTs. With a combination of interventions that cut across the national and state levels, which allows for accommodating the states’ different readiness levels, the proposed program will ensure sequencing of scientifically informed ICZMPs/MSPs with investment interventions consistent with the plans’ priorities (see figure 2).

*Figure 2. Evolution of the World Bank ICZM Support at the National and State Levels*

20. **The design of the ENCORE draws on key lessons and experiences of the international ICZM practice.** This is based on an in-depth review of international experience of ICZM carried out during preparation, which, in conjunction with research on India’s experience in policy, legislative, regulatory, and programmatic matters, has produced a number of actionable recommendations for the design of the ENCORE. The review includes specific examples of CZM experience from Brazil, Canada, the EU, Japan, Mexico, the US, S. Africa, and the E. Asia Regional ICZM programs, including China, the key points of which are summarized in box 3. The ENCORE preparation has further benefited from the insights and structured reviews carried out during a major
International ICZM Conference that was convened in India in July 2019 to share lessons learned from global ICZM/BE experience under federal and related settings.  

**Box 4. Lessons learned from ICZM Best International Practice**

- **Sustained multiyear commitment.** ICZM has emerged as a continuous participatory management process, including consideration of a broad range of economic, social, and cultural aspirations for the sustainable use, economic development, and protection of coastal/marine areas and resources. Hence it is important to plan, negotiate, and fund multiyear economic and environmental initiatives for coastal development to realistically capture their impact and benefits and ensure sustainability.

- **Sequencing planning and investments.** Self-standing institutional planning and ICZM capacity-building support tends to perform poorly in contrast to programs that anchor the process in real-time productive sector investments.

- **Continuous stakeholder engagement.** Identifying and involving key stakeholders from the very start of issue identification are critical for providing local knowledge, encouraging dialogue, building awareness, and ensuring sustainability.

- **Predictable and incentives-based ICZM funding.** ICZM initiatives tend to be funded on a piecemeal basis. A ‘stop-start’ approach to coastal management projects can generate mistrust among stakeholders, thereby jeopardizing the viability of outcomes, particularly where public participation is an important part of the ICZM process. As a result, it is important to obtain high-level support for ICZM programs to ensure that funding will be sustained. Decentralization of funds toward local authorities can ensure local government buy-in to the ICZM process. An alternative strategy is to provide local authorities with greater autonomy, giving them the ability to generate specific funds through tax and other revenues.

- **A solid baseline.** ICZM is a long-term process, for which it is important to establish stakeholder consensus over the quantitative and qualitative baseline data necessary to measure achievement, progress, and impacts early in the project implementation process. Under a decentralized system, a common format for administrative units and jurisdictions is needed to enable longitudinal monitoring of socioeconomic benefit changes and impacts over time.

21. **ENCORE will provide long-term support to the GoI for meeting national coastal and marine spatial planning needs and will enable the states and UTs to deliver on the CRZ implementation powers.** The ICZMP and MSP allow to better integrate science with natural capital economics as well as social and cultural analysis. Using priority, no-regret investments as convening points, the planning process further engages multiple—and often competing—coastal resource user and stakeholder perspectives through a reiterative consultative process. Development priorities will be identified for zoning regime compliance—scenarios, tradeoffs, and outcomes—that are less obvious at individual sector levels. Implementation of the ICZMPs and MSPs will be supported by a robust evaluation framework to measure and report outcomes based on performance indicators to be tested in the ENCORE’s Results Framework (RF) for subsequent adoption for a comparative assessment of the states’/UTs’ ICZM performance. The plans have to identify capacity and resourcing needs attached to organizations responsible for implementation at the respective levels of authority.

22. **The program will further support the NCSCM expand its states'/UTs' support role to address institutional challenges with respect to planning.** This entails acquiring skills and expertise for natural capital valuation, applied socioeconomic research, use conflict mapping, and integrated planning, among others. The NCSCM will launch innovation initiatives to mainstream the BE considerations into policy and decision making. Through partnerships with other academic and research institutions, the NCSCM will support subnational

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8 Conference summary and the final report, Towards the Development of the Next Phase of ICZM in India: Application of Lessons Learned from an International Review of ICZM Implementation, are under review and available in the project documentation.
decisions and management capacity at the needed scales, especially concerning land use as well as formulating projects for coastal ecosystem protection and rehabilitation, green infrastructure, and community involvement. There are significant differences in socioeconomic and climate vulnerabilities among the coastal states, and the continuing World Bank support will promote scalable coastal development models in line with the latest scientific research.

23. **ENCORE is fully integrated with the NCM and aligned with its priority areas.** The program is further intended to inform and help launch the NCM implementation. By strengthening the national and state capacity for implementing the NCM, the ENCORE will contribute to meaningful convergence of ideas and governance actions of the participating states. The program will also introduce incentive-based approaches to strengthen the states’ performance. To this end, ENCORE will apply a phased, two-tier approach that will link the states’ institutional capacity gains and ICZMP achievements with investment incentives. Thus, the program is expected to play a key role in informing the implementation of India’s vision of ‘harmony between the environment; landscapes; natural values of the coastal areas; and the socioeconomic development, tourism, and cultural activities. Investments guided by the ICZMPs will effectively consider the natural and cultural assets in future coastal developments and that the provision of infrastructure and municipal services in urban and rural areas contributes to addressing pollution, protecting ecosystems, and reducing environmental degradation in the Indian coast.

24. **The proposed multiyear financial support is in line with the growing need to safeguard India’s pristine coastal and marine assets over the next decade.** The program will help protect and improve the resilience of intangible coastal resources focusing on rehabilitation of coastal beaches and mangroves as a carbon sink; address pollution from untreated waste streams including plastics; and support sustainable tourism to boost vulnerable coastal communities. The program’s focus is consistent with the definition of Blue Economy, which “combines governance, strategic priority and policy setting, and investment needs while simultaneously identifying the socioeconomic opportunities provided by the coastal and ocean resources” (GEF 2018).

25. **ENCORE has strong commitment from the GoI and its priority areas and component actions have been defined to advance the devolution of CRZ responsibilities to the states concurrently with operationalizing the NCM.** The basis established for coastal governance in India during the 2010 ICZM Project has identified gaps related to the roles and responsibilities of the third tier of the Government—the districts. Thus, institutional and regulatory effectiveness may take time and ENCORE could provide the inputs and opportunities to support the GoI in carrying out the coastal zone governance reforms.

C. Relevance to Higher Level Objectives

26. **ENCORE aims to improve conservation of environmentally sensitive areas and increase protection of people against pollution, erosion, and sea level rise in selected coastal states and UTs in India.** The ENCORE program will directly contribute to the World Bank Group’s twin goals of ending extreme poverty and boosting shared prosperity sustainably, while also advancing the GoI’s achievement of SDGs 11, 13, and 14. The Project is consistent with the World Bank Group Country Partnership Framework FY18-22, Report No. 126667-IN, July 25, 2018, discussed at the Board on September 20, 2018, and is aligned with achieving the objectives of its focus areas on (a) promoting resource-efficient growth, (b) enhancing competitiveness and creating jobs, and (c) investing in human capital. With reference to Focus Area 1 (Resources and Resource Efficiency), the project will help unlock new economic potential—for example, through supporting the goal of establishing 200 Blue Flag Beaches and enabling sustainable coastal tourism—including unlocking the potential of India’s coastal islands,
while empowering the state and local governments to pursue a more effective and climate-resilient development in coastal peri-urban areas and urban areas (CPF Objectives 1.2 and 1.5).

27. ENCORE will also contribute to CPF Objectives 1.2 and 2.3, aligned with the GoI’s priorities and pathways to ending poverty and boosting shared prosperity as follows:

(a) **Engaging a federal India.** Identifying entry points and change levers at various levels of India’s federal system where the World Bank Group’s contributions are most catalytic, including strategic partnerships with select states;

(b) **Strengthening public sector institutions.** Sustaining a focus across the World Bank Group activities on tightening the chain from inputs to outcomes in service delivery through improved systems, performance incentives, and coordination mechanisms.

(c) **Supporting a Lighthouse India.** Analyzing, curating, and disseminating the country’s vast experience and knowledge internally, among states, as well as externally, at a global level.

### D. Multiphase Programmatic Approach

28. The Multiphase Programmatic Approach (MPA), approved in July 2017, is an adaptive and programmatic approach that facilitates a long, large, or complex engagement as a set of linked operations (or phases), with intermediate shorter-term objectives that contribute to an overall Program Development Objective (PrDO).

(i) **Rationale for Using MPA**

29. **ENCORE is designed as an eight-year MPA operation with two overlapping phases of five years each that are anchored in the umbrella India NCM.** The first phase of US $360 million, of which US $180 million financed by IBRD and US $180 million counterpart financing, will finance the development of state-level ICZMPs in eight coastal states (Andhra Pradesh, Gujarat, Goa, Karnataka, Kerala, Odisha, Tamil Nadu, and West Bengal) and three coastal UTs (Daman and Diu, Lakshadweep, and Puducherry) no-regret coastal investments in three states (Gujarat, Odisha, and West Bengal, where pilot ICZMPs already exist), and institutional and technical capacity building in all states and at the federal level. The remaining one coastal state and Union Territory (Maharashtra and the Andaman & Nicobar islands, respectively) will have the opportunity to join ENCORE Phase 2 upon accomplishing the same readiness criteria9 as applied for participation in Phase 1. The second phase of US $440 million, of which US $220 million from IBRD and US$220 million counterpart financing, will commence in year three and finance investments prioritized by the ICZMPs prepared under the first phase. Such sequencing also allows participating states and the UTs to build on their experience from the ICZMP preparation process and already apply lessons learned. Thus, Phase 2 is expected to comprise investments in coastal protection and regeneration, climate-friendly development projects, regeneration and restoration of coastal ecosystems, pollution abatement, and risk reduction in/around ESAs.

30. **The proposed MPA design reflects lessons learned from the 2010 ICZM Project.** That project demonstrated the ICZM approach in India’s context and supported regulatory improvements for clear and complementary division of authority and responsibilities among federal, state, and local authorities as an essential element in ICZM implementation. The project helped promote ICZM defined as “a continuous and dynamic process by which decisions were taken for the sustainable use, development, and protection of coastal and ocean resources”.

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9 These include (i) ICZM unit established (or in the processes of establishment) that is also designated to take up on the SPMU functions; (ii) ICZM Planning readiness
coastal/marine areas and resources.” The 2010 ICZM Project applied a management process that acknowledges complex interrelationships between central and local authorities and demonstrated a framework for major functions of ICZM (for example, developing a long-term vision for area planning, promoting appropriate uses of coastal and marine areas and stewardship of coastal and marine resources, and providing public safety in coastal and marine areas prone to climate-related hazards). At the same time, the 2010 ICZM Project experience emphasized that building ICZM capacity among the federal, state, and local entities involved in ICZM implementation, as well as capacity among user groups and the public, is an essential ingredient of success for ICZM. It also flasked out the unmet institutional capacity needs at the state level to support strong federalism practices. The use of the MPA confers several advantages over the alternatives of a single operation or series of independent operations.

• **The MPA conveys the importance of the long-term commitment to coastal zone management and the World Bank’s engagement in this strategic area.** Evidence from other World Bank projects suggests that the impacts associated with improved CZM take many years to materialize. They also require continuous and predictable financing from public sources and strong central coordination to address problems that cut across different governmental jurisdictions (for example, land-based sources of marine pollution such as plastics and offshore oil or gas exploitation that affects coastal fisheries). The experience from ICZM multiyear programs in East Asia, South Africa, the Philippines, Brazil, and China, and from developed countries such as Canada, Japan, and the United States of America confirmed that stable financing is a *sine qua non* for the success of ICZM. Upward and downward shifts in the funding cycles leave the ICZM programs without appropriate support for implementation. Experience also pointed out that a good governance framework for ICZM and sustained funding for management interventions and maintenance of environmental improvement infrastructure attracted successful private sector investments (for example, in Xiamen, China and Batangas, Philippines). The MPA provides greater assurance of financial continuity than a series of independent operations. It also reinforces the NCM as a means of ensuring that state-level ICZM investments will be complemented by actions at other levels of government.

• **The MPA allows states to finance investments based on their own readiness,** while creating a harmonization framework for top-down coordination and consistency between planning and investment development. Rather than requiring that the second phase investments be appraised up-front, as would be the case in a single operation, the MPA allows the simultaneous financing in the first phase of ICZMP implementation investments in three states and the ICZM planning and identification of investments in the remaining coastal states to be financed in the second phase. The introduction of an implementation readiness criteria for the second phase provides an incentive for the latter to strengthen their institutional performance during the first phase. Targeted up-front institutional support and capacity building, combined with introduction of the implementation readiness criteria, will set the pace for gradually involving multiple agencies at the state/local level and will make project coordination more manageable.

• **The MPA provides opportunities for applying collaborative adaptive models.** Increased partnership with academia and scientific organizations will help facilitate the development and use of tools for the application of ecosystem-based considerations of ocean and coastal issues. Collaboration will provide downward and upward feedback to strengthen each level of the Government. All stakeholders will be engaged in joint actions toward effective management of coastal resources. Under such a collaborative model, the roles of key stakeholders may be expanded. The proposed models will (a) encourage knowledge flow among states to learn from others’ experience, (b) engage with the private sector to
finance investments in low-impact economic development, (c) gather feedback from those affected by the coastal management plans and strengthen engagement of the interested stakeholders, and (d) identify and adopt new technologies and approaches for pollution management with sustainable results (for example, reusing plastics/waste and nature-based solutions for pollution control). Continuous and increased engagement of more states within the lifetime of the ENCORE program will enhance the learning opportunities of state institutions, especially in problem solving and enhance their capacity in adaptive management.

(ii) The ENCORE Program Theory of Change

31. The ENCORE Program aims to support the GoI in implementing the NCM to reduce the impacts of climate change while improving development and conservation outcomes in coastal areas. In the absence of a functioning ICZM, poorly planned development exacerbates pollution control, coastline degradation, and erosion and flood protection needs. The constraints limiting the ability of institutions to address these issues are low capacity and technical know-how, gaps in institutional landscape and coordination, missing ICZMPs and MSPs, lack of implementation experience, as well as low private sector engagement. ENCORE will use its inputs to address the performance of state-level institutions to ensure inclusive coastal development that safeguards India’s green and blue assets.

32. Figure 3 describes ENCORE’s long-term outcomes and the road map for their achievement. Building on lessons learned from the implementation of the 2010 ICZM Project, it focuses on improving institutional capacity for governance of coastal resources and implementation of ICZMPs to achieve long-term outcomes. Results-based financing (disbursement-linked indicators [DLIs]) supports the achievement of critical institutional and capacity-building actions at both the central and state/UT levels.

Figure 3. The ENCORE Theory of Change

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Activities</th>
<th>Outputs</th>
<th>Immediate outcomes</th>
<th>Outcomes</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Review/revise curricula</td>
<td>Science, research, data mgmt., feedback and links to academia built up: India Lighthouse Knowledge Hub, Coastal Online Platform and Capacity for ICZM including CRZ authority devolution established</td>
<td>Improve institutional capacity for decentralized coastal management</td>
<td>Increased protection of people in coastal areas</td>
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<td></td>
<td>Improve efficiency of data mgmt. and feedback</td>
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<td></td>
<td>Train personnel</td>
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<td></td>
<td>Agreements w academia</td>
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<td></td>
<td>Set up state ICZM units and knowledge activities</td>
<td>ICZMPs and MSPs prepared and implemented through investments sub-projects in 9 States and 4 UTs</td>
<td>Increase in number of people with improved access to diversified livelihood activities</td>
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<td></td>
<td></td>
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<td>Increase in coast line protected by nature-based solutions</td>
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<td></td>
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<td>Increase in ecological sensitive area protected</td>
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<td></td>
<td>Design and plan ICZMP and MSP investments sub-projects in nature-based solutions and protection of significant</td>
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<td></td>
<td>Design and plan ICZMP and MSP investment sub-projects in infrastructure and pollution</td>
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<tr>
<td></td>
<td>Design and plan ICZMP and MSP investments sub-projects in planning, cap. building and livelihoods</td>
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</tbody>
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Critical assumptions: (1) Planning and legal certainty (review and permitting of investments) ensured. (2) Learning between States on ICZM taking place.
(iii) Program Development Objective

33. **PrDO.** Improved conservation of environmentally sensitive coastal areas and increased protection of people in coastal area in selected States and Union Territories.

**Key Program Development Objective Indicators**

i. Environmentally sensitive coastal areas under conservation (number)

ii. People with reduced exposure to coastal pollution, erosion, and storm surges (number) (disaggregated by state/UT, type of exposure, gender)

(iv) Program Framework

<table>
<thead>
<tr>
<th>Phase #</th>
<th>Sequential or Simultaneous</th>
<th>Proposed Project Development Objective (PDO)</th>
<th>Estimated IBRD Amount (US$, millions)</th>
<th>Estimated IDA Amount (US$, millions)</th>
<th>Estimated Amount (US$, millions)</th>
<th>Estimated Approval Date</th>
<th>Estimated Environmental and Social Risk Rating</th>
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<td>Simultaneous</td>
<td>Improved conservation of environmentally sensitive coastal areas and increased protection of people in coastal area in selected States and Union Territories</td>
<td>180.00</td>
<td>0.00</td>
<td>180.00</td>
<td>December 2019</td>
<td>Substantial</td>
</tr>
<tr>
<td>2</td>
<td>Simultaneous (starting two years after ENCORE 1)</td>
<td>Improved conservation of environmentally sensitive coastal areas and increased protection of people in coastal area in selected States and Union Territories</td>
<td>220.00</td>
<td>0.00</td>
<td>220.00</td>
<td>2023</td>
<td>Substantial</td>
</tr>
</tbody>
</table>

| **Total IBRD financing** | 400.00 | 0.00 | 400.00 |
| **Estimated cost for the entire MPA Program** | US$800.00 |

(v) Learning Agenda

34. The learning agenda supported by ENCORE is in line with the 2018 India CPF emphasizing how the World Bank Group will deepen engagement with states and investing in the institutions and capabilities of states and local governments to address their development priorities.

35. The ENCORE’s learning agenda uses collaborative adaptive models and management tools for ecosystem-based solutions for ocean and coastal issues, which will be implemented in partnership with academia and scientific organizations. The objective is to engage and create ownership among stakeholders in formulating actions for effective management of coastal resources based on knowledge and know-how transferred through collaborative learning. The proposed approach will (a) encourage knowledge flow among states to learn from others’ experience, (b) engage with the private sector to finance investments in low-impact economic development, (c) gather feedback from those affected by the coastal management plans and strengthen engagement of the interested stakeholders, and (d) identify and adopt new technologies and approaches for pollution management and sustainable results (for example, reducing and reusing plastics/waste and nature-based solutions for pollution control). The learning agenda will be anchored on simultaneously
engaging with states at different levels of problem-solving capacity. ENCORE learning modes build on the following:

**Learning Networks and Facilitation of Knowledge Flows**

36. The 2010 ICZM Project learning networks have helped define the CZM problems and identify solutions. Experience from the 2010 ICZM Project indicates that without strong central-state relationships, it is difficult to foster or support institutional learning. ENCORE takes an approach to capacity building which emphasizes that learning does not spread by default—it needs active and passive networks. Thus, ENCORE will facilitate knowledge sharing across the coastal states and all local governments by placing significant emphasis on enabling states to learn (from both successes and failures) and by aiming to be responsive to states’ needs and learning from pilot states during ENCORE Phase 1. The NCSCM will continue to play a major role in the learning agenda, which will be expanded through a partnership with a university consortium. The NCSCM has spearheaded the establishment of a consortium with 14 universities and education institutions to formalize multidisciplinary interactions to address key coastal issues. SICOM will further states’ learning that is embedded in the implementation of monitoring and evaluation (M&E) arrangements for internal measurement of success/failures of pilot investments. At least once a year, the participating states will learn from deconstructing implementation progress and will have access to ‘implementation learning insights’ to help boost their capacity and ensure high standards during the implementation of the ENCORE’s phases.

37. ENCORE will support the establishment of a Coastal States Organization (CSO) to help the states and UTs maintain leadership roles in the development and implementation of the NCM. The CSO will collaborate with federal, regional, and other partners to protect and strengthen coastal resilience and unify the efforts of the public and private sectors for sustainable development investments.

38. Learning through the CSO format will allow states to collectively define what they want to learn in terms of thematic areas. The CSO will serve as a platform for collective learning (for example, peer-to-peer, and ‘learning about the learning’) and will draw knowledge from outside as needed (demand based) but will not force outside examples on the states without assessing the existing demand. The CSO network of local governments will facilitate knowledge sharing to (a) enhance the capacity of local governments to prepare plans and manage their coastal and ocean resources for sustainable use; (b) provide peer assistance on project development and implementation, including with participation of local society groups, communities, and the private sector; (c) initiate studies on issues encountered by states during implementation; and (d) facilitate partnerships with investors for scaling up ICZM.

**New Technologies and Science-based Approaches to Pollution Management for Sustainable Results**

39. Learning areas where the project will foster or support capacity and knowledge dissemination with an objective to produce sustained results include ecosystem conservation and risks management in the mainland, climate change adaptation and mitigation, conservation management for islands, and pollution management and abatement. Accordingly, the knowledge programs led by the NCSCM focusing on BE assets, natural wealth accounting, resilience to climate impacts, and island management will reach all participating states/UTs and will produce cadres for administration and planning and management and project implementation. Learning as a driver for change is at the program’s core, and throughout the two phases, it will provide a platform for testing and strengthening the federal-state interface, in effect serving as an applied lab for operationalizing the center-state ICZM model in India. The project will engage in learning incentives and customized learning aiming at collaboration with the private sector on integrated management solutions of environmental issues and low-impact investments.
Innovation and Knowledge Integration

40. ENCORE will invest significantly in electronic monitoring and open learning networks to connect research organizations (NCSCM, universities, and SICOM), states, stakeholders, and decision-makers. The coastal online web portal, with several thematic layers, will be accessible to all stakeholders for in-depth understanding of coastal issues and decision-support tools. The NCSCM and SICOM would actively manage the platform to ensure high standards of learning. They will package and communicate successes and benchmarks to motivate ‘scaling up and replication’; package and disseminate insights on learning to policy makers, stakeholders, and the public; retain sufficient resources to support stakeholders’ desire to conduct evaluation and research; and provide links to short, structured case documents addressing substantial CZM issues.

41. NCSCM will maintain a repository of good CZM practices, learning materials, scientific research, and coastal zone uniform database. National coastal health scorecards will be produced by the states and aggregated at SICOM and the NCSCM. While they will be used for monitoring state performance and building consistent pressure, the information will be used in peer learning. The NCSCM will use it for learning and communicating science infographics, report cards, fact sheets, policy briefs, e-books, e-atlases, and so on for each project developed. The NCSCM will reach out to global partners for knowledge exchange events and for joint research projects to widen the scale of knowledge on CZM to national and international audiences. Access to accurate monitoring data and scientific research will create awareness of stakeholders and local communities about the value of green and blue assets for well-being and economic sustenance.

42. ENCORE will promote transparency through a complementary set of processes responsible for the flow of knowledge both vertically and horizontally to facilitate timely feedback from those affected by the ICZM plans. These cross-process activities will be driving the flow and internalization of knowledge and behavioral changes among institutional and private stakeholders and will facilitate conflict resolutions. The strengths of such stakeholders’ learning rest on its focus on decentralized coastal management, which essentially puts planning and actions in the context of inclusive ICZM solutions applicable to the individual states.

II. PROJECT DESCRIPTION

A. Project Development Objective

PDO Statement

43. To strengthen integrated coastal zone management in selected States and Union Territories.

PDO Level Indicators

44. The PDO indicators for the ENCORE Phase 1 include:

(a) Institutional Effectiveness Index (number) (disaggregated by State/UT): Index based on scoring (0–1) of 3 dimensions. Each state/UT will have its own score with a maximum score per state/UT of 3. The proposed index elements include:

(i) Coastal Online Platform operational;
(ii) Quality of State ICZM plan(s) assessed as high;\(^\text{10}\) and

(iii) States coastal zoning and construction permitting follow ICZMPs.

In the Results Framework, the target of 33 is the sum of the score for each of the States and UTs.

(b) Coastal Zone Protection Index (number) (disaggregated by State/UT): Index based on scoring (0–1) of achievement on six dimensions; 0 = not achieved target, 1 = achieved target. The target for each dimension and state/UT will be determined on the basis of the priorities identified in their respective ICZMPs and available funding. The index will therefore help measure the states/UTs’ progress in implementing their ICZMPs. Each state/UT will have its own score with a maximum score per state/UT of 3. The proposed index elements include

(i) Environmentally sensitive areas protected and/or restored (number);

(ii) Communities and/or cultural and economic assets protected by coastal infrastructure solutions (number);

(iii) Communities and/or cultural and economic assets protected through nature-based solutions (number);

(iv) Residential areas under pollution and waste management (number);

(v) Major pollution sources under management (number); and

(vi) Beneficiaries in livelihood improvement programs (number).

In the Results Framework, the target of 50 is the sum of the score for each of the States and UTs.

(c) Share of target beneficiaries that express satisfaction with project interventions (community resilience; natural resource protection; livelihood aspects) (disaggregated by State/UT; gender)

45. **Disbursement-linked indicators:** This is an Investment Project Financing (IPF) operation in which US$28.5 million of the disbursements will be made against DLIs and US$151.5 million will be made against individual expenditures. The purpose of the DLIs is to draw attention to and motivate institutional changes that were not achieved under the 2010 ICZM Project. These changes are important for the achievement of the PDO but do not absorb large quantities of expenditure and might be neglected under input-based disbursement. They focus on (a) improving the predictability of resource allocation for ICZM by the federal government to states, (b) improving ICZM Project management capacity in states, and (c) ensuring that the needs of the private and community stakeholders are reflected in the preparation and implementation of ICZMPs. Specifically, the ENCORE Phase 1 Project includes the following DLIs (see annex 1):

- **DLI 1:** SICOM and NCSCM resourced and scaled appropriately to meet ENCORE objectives and support the needs of States/UTs, including the capacity building that will be led from the center;

- **DLI 2:** State ICZM Units designated as technical secretariat and operational to carry out ICZM planning and CRZ implementation functions, and

- **DLI 3:** ICZM Plans prepared with active stakeholder engagement.

\(^\text{10}\) The ICZMP/MSP quality will be ensured through a two-tier quality review system, whereby the plans are first reviewed by NCSCM and then by a panel of eminent international ICZM experts. First tested under the 2010 ICZM project, the model will be expanded under ENCORE, with NCSCM initiating periodic reviews starting early in the ICZMP/MSP preparation process to allow for iterative learning and plan improvement.
B. Project Components

46. ENCORE Phase 1 will support India’s transition to environmentally sustainable and climate resilient management of the coast by addressing the factors negatively affecting the health of the coastal ecosystems and the quality of services provided by them. To this end, the operation will support activities for (a) improved institutional capacity for decentralized coastal management at both the state and national levels, and (b) improved protection and pollution abatement in coastal areas. The ENCORE Phase 2 operation will follow a similar structure, financing ICZMPs implementation scale-up for those Phase 1 coastal states/UTs that have established functioning ICZM units and have completed their ICZMPs. As noted above, Maharashtra and the Andaman & Nicobar islands could also join ENCORE in Phase 2, upon meeting the same readiness criteria as defined for participation in Phase 1.

Component 1. Improved Capacity for Decentralized Coastal Management (Phase 1 IBRD US$60 million; GoI/states US$60 million; Phase 2 IBRD US$35 million, GoI/states US$35 million)

47. Component 1 will support the national and state capacity for coastal zone management, customized to the needs of national and state organizations, stakeholders, and community beneficiaries. The outcomes of this component are linked to the Institutional Effectiveness Index (PDO Indicator one). The proposed activities will enable the coastal states/UTs to acquire the necessary skills and knowledge to transition from regulatory to management approaches to conservation and development of coastal resources, providing a needed institutional foundation for the NCM implementation. This will effectively support the devolution of power to the states pursuant to CRZ 2018, whereby the lack of corresponding institutional capacity may potentially increase unsustainable development pressures and thus negatively affect the natural ecosystems and hamper local development and community livelihoods. The capacity of national institutions established under the 2010 ICZM Project will be further enhanced, focusing on innovation in the protection of ecologically sensitive coastal areas. This includes the NCSCM, which was created as a science center to provide expertise and scientific information for the needs of the coastal states/UTs.

48. The component will finance applied research and development, studies and capacity needs assessment, training, exchange programs, good practices pilots demonstrating innovation, flagship programs for strengthening the resilience of communities and coastal and marine natural assets, decision support systems for the ICZMP/MSP/BE strategy preparation (under Component 2), and inputs toward long-term operating models for the NCSCM and SICOM. Activities will focus on five thematic areas: (a) conservation management in the mainland coastal areas, (b) climate change adaptation and mitigation, (c) conservation management for islands, (d) pollution abatement, and (e) capacity building. Component 1 activities will be implemented by the NCSCM and SICOM in collaboration with the participating states/UTs and universities and research centers.

49. Subcomponent 1.1. India CZM Lighthouse Knowledge Hub will support the NCSCM science and research programs organized around the following three clusters:

Blue assets:
- undertaking MSPs in identified CVCAs in selected coastal states and UTs, with focus on building India’s capacity for natural capital accounting and coastal ecosystem valuation;
- producing analytical inputs for the preparation of ICZMPs/MSPs, such as economic and environmental impact assessments, plans for coastal and marine asset conservation, and coastal

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11 See ENCORE Climate Change Review and Co-benefits Screening.docx
ecotourism, as well as technological solutions and Phase 2 investment plans for reducing marine pollution from plastics and other waste; and

• promoting the reduce-reuse-recycle (3R) approach and innovative, community-driven solutions for protection of coastal communities and ecosystems through green infrastructure. This science and research work will directly supplement the mapping of 34,000 km² of ESAs along the Indian coast that was completed under the 2010 ICZM Project.

Coastal resilience:

• providing analytical support for coastal resilience, such as analyzing flood risk, sea-level rise and spatial assessment of shrinking deltas;

• conducting biophysical constraints mapping of mariculture, aquaculture and sea farming; preparing coastal erosion shore management plans; and

• providing analytical input for investments in coastal resilience, such as climate-smart coastal villages, beach management services, etc.

Island management:

• conducting island vulnerability assessment and activities focused on preserving the traditional knowledge of island tribal communities; and

• mapping island habitats and restoring sea grass meadows.

50. **Subcomponent 1.2. Decision-making Support for ICZMPs/MSPs and Implementation** will support the monitoring, modelling and analysis, information and database development for coastal and marine spatial planning, such as on coastal debris and management; estuarine and coastal acidification and eutrophication; mangrove ecosystem GHG flux; in situ observation of coral reefs; establishing an oyster reef watch program; as well as establishing and expanding databases to provide for integrated land and sea biodiversity exploration interface and on mangroves, sea grass, and seaweeds and centralize data on island environment and protection.

51. **Subcomponent 1.3. Partnership with the Universities on ICZM** will support the development of a nationwide academic partnership for collaboration on ICZM as a joint initiative of NCSCM and SICOM through the establishment of a formal university consortium for ICZM, including (i) curriculum development; (ii) delivery by the consortium partners of capacity building activities in the form of ICZM faculty programs and applied collaborative research on coastal issues relevant to the selected states and UTs; (iii) setting up online platforms for operating coastal database and information, providing public access to information; and (iv) scholarship extension to meritorious students, with a preference for women for the identified ICZM courses.

52. The ICZM university consortium will build on the already existing NCSCM network for collaboration with university centers, pursuant to the ‘Anna University Declaration,’ which was signed with 14 coastal education institutions on June 21, 2010, with a view to strengthening the capacity of regional universities and research institutes on coastal issues. The ‘partnership’ idea is unique, and the NCSCM will be the first national research organization to launch focused collaboration with regional universities. Beyond scaling up the ICZM research agenda, the consortium’s main objective will be to establish and maintain solid ICZM academic curriculum and a pipeline of ICZM cadre to meet the growing need for experts in the states/UTs, including for the newly created states’ ICZM Units. In turn, a growing ICZM community of practice will enable India’s future pursuit of policy and institutional innovation in this space.
53. **Subcomponent 1.4. State Capacity for CRZ Implementation** will support (i) the establishment and initial operation of a new coastal states organization (CSO), with the objective of building its capacity to take on leadership roles and collaborate with central- and state-level partners in order to protect and strengthen coastal resilience and promote sustainable development investments; and (ii) setting up the state-level coastal management secretariats in selected states and UTs.

54. The subcomponent is focusing in particular on the center-state interface and management capacity of state agencies for effective devolution of power to them under the CRZ 2018—a GoI priority. To this end, SICOM will provide management, fiduciary, and quality assurance support to the states to further strengthen its operational interface with them, while the NCSCM will scale up its methodological support and scientific inputs to states to help them fulfil their functions for implementation of CRZ 2018. NCSCM training will be tailored to match the existing capacity of local and state institutions, aiming to ensure (a) effective project management and (b) efficient execution of devolved regulatory responsibilities. Through the knowledge network supported by the NCSCM, the states will participate in knowledge exchange and learning by doing, accessing lessons from successful international practices on how to address decentralization challenges such as conflicts over management of coastal resources, coordination of sectoral development plans, and BE investments.

55. In this context, the role of the new CSO will be to facilitate peer ICZM learning among coastal states/UTs, while helping them take on leadership roles in the implementation of the NCM. The CSO will collaborate with federal, regional, and other partners to protect and strengthen the coastal resources and help bridge public- and private-sector dialogue on sustainable coastal investments. The CSO will help coastal states’/UTs’ Blue Economy decision making by (a) serving as a clearinghouse of ICZM-related information, updates, and lessons learned; (b) providing a forum for coastal states/UTs to discuss issues and activities affecting coastal areas; (c) mediating interstate issues and conflicts concerning coastal programs; (d) representing the views of coastal states in government forums; (e) strengthening the capacity to leverage financial resources for innovation; and (f) helping the central government identify incentive models for coastal states/UTs to take on ‘competitive federalism’ approaches to ICZM.

56. States will further receive methodological support from SICOM for setting up their ICZMUs to take on SPMU functions and build their capacity in the course of the project’s implementation. Subcomponent activities will be tailored to the operational needs of individual states to enable them to deliver on a wider variety of indicators of the ENCORE PDO. Pursuing the GoI’s concept of competitive federalism in the ICZM context (which entails that states may compete for resources and investment) would require significant institutional buildup and capacity strengthening at the state and local levels in planning, prioritization, and management of coastal resources. SICOM will assume more responsibilities in providing capacity-building support for the state and local level to be competitive in resource mobilization, including (a) budget allocations; (b) applying for (block) grants, if such are adopted under the NCM; (c) negotiating partnership agreements with the private sector; (d) entering into PPPs; and (e) mobilizing funding from different sources or partners, including through collaborative arrangements with international counterparts, such as PEMSEA or the WACA program, to identify short-, medium-, and long-term knowledge and funding opportunities.

57. **Subcomponent 1.5. Project Management, Monitoring, and Evaluation** will support (i) project management activities, including staffing and operationalizing of the NPMUs and the SPMUs; (ii) implementing a communications plan and access to information-related activities; (iii) providing training and support to the MoEFCC’s medium-term capacity building plan; (iv) establishing a dedicated grievance registration and redress system; and (v) verifying ENCORE Phase 1 DLIs.
58. At the national level, SICOM, a society established under the 2010 ICZM Project, will continue to operate as the NPMU for the ENCORE Project implementation period as well. Support will be extended for staffing and operation of the NPMU, establishment of financial management (FM) and procurement systems, implementation of project communication plan and Right to Information (RTI)-related activities, governance and accountability actions, M&E and third-party reviews and audits, coordination with states and other stakeholders, providing training and workshops, as well as for special evaluation studies, among others. Assistance will be provided to MOEFCC’s medium-term capacity-building plan and training of coastal zone managers from all coastal states and UTs.

59. The project management cost of the states’/UTs’ technical ICZM secretariat units (ICZMUs), also acting as the states’ Project Management Units (SPMUs), including staffing, operation, and other project management activities, will be similarly financed under this component. Each SPMU will prepare annual budgets and staff plans. Dedicated support will also be provided for the establishment of a grievance registration and redress system, quality assurance consultancies, verifying DLIs and social audits. To build long-term institutional sustainability, the SPMUs staff will include technical experts to support their respective states’/UTs’ Department of Forests and Environment (DOFE) capacity-building activities for ICZM planning and implementation.

60. In their entirety, the component activities will provide a platform for testing and strengthening the federal-state interface, in effect serving as an applied lab for further operationalizing the center-state ICZM model under ENCORE Phase 2, to be then applied at scale under the NCM.

Component 2. Improved Protection and Pollution Abatement in Coastal Areas (Phase 1 IBRD US$120.0 million, GoI/states US$120.0 million; Phase 2 IBRD US$85.0 million, GoI/states US$85.0 million)

61. Coastal issues—particularly those related to coastal ecosystem protection and regeneration, pollution abatement, and siting of green infrastructure—have regional dimensions, especially given the geographic and economic interconnectedness of the coastal states and UTs. Many of the investments needed to address the causes of coastal degradation have to be defined with this spatial dimension in mind. To this effect, Component 2 will support the states/UTs in developing cost-effective solutions to address the risks to the coastal natural capital assets through inclusive spatial and marine planning in line with the CRZ 2018 implementation requirements. Investments in no-regret/green and grey infrastructure will aim to minimize the anthropogenic and climate risks to people and economic assets in the participating states/UTs.

62. Component 2 will support preparation of state/UT ICZMPs/MSPs, related enabling activities, and their follow-up implementation through impactful investments aligned with the plans’ objectives and meeting the statutory coastal zone requirements. Importantly, the plans will frame the state investments in the categories listed below and will engage multiple stakeholders to enable their development and implementation. Priority will be placed on cross-sectoral investments that will enhance the interagency coordination/harmonization in line with the ENCORE development objective and that can potentially catalyze private sector participation in sustainable coastal development.

63. In line with the GoI prioritization of decentralizing CZM decision making, project funding will be available for state investments that will implement the states’ ICZMPs (where such plans exist) or will facilitate the preparation of state ICZMPs (where such plans are yet to be developed). The investments will have to meet criteria for cost-effectiveness and scalability of coastal development models that protect and augment the value of green and blue assets and contribute to sustained local economic growth. Public resources will be used to leverage private funds for nature-based solutions and infrastructure improvements when these meet the performance criteria for area-based ecological improvements, with PPPs being the preferred option where
applicable. Project support for investments will also stimulate the states’/UTs’ readiness for adoption of the new national Coastal Hazard Line to reduce the impacts and CDRs of new coastal development. States with weak capacity to effectively manage and supervise project investments will receive project support for establishing project implementation units, with staff skills and a decision-support system linked to the national and state levels for progress monitoring.

64. **Component 2** will further finance expenditures for preparation of feasibility studies, ESIA, engineering designs, procurement of works and equipment, supervision costs, community development investments, training and awareness building, and incremental operating costs during project life. For the coastal states/UTs that will be preparing their first ICZMPs, Phase 1 will also support the preparation of priority implementation investments (for example, in marine plastics removal, repurposing, and safe disposal) for the implementation of approved ICZMPs/MSPs to be financed by Phase 2. State investments for which financing will be provided under ENCORE Phase 1 will be grouped in five categories as follows.

65. **Category 1: Integrated Coastal Zone and Marine Planning.** Under this category, the project will finance the preparation of ICZMP and MSP for stretches of the coastal line selected by the participating states/UTs.

66. Each state will determine the planning area where integrated management solutions can reduce the pressure on coastal (ecologically sensitive and CDR vulnerable) areas in order to mitigate future risks for ecosystems and communities. The planning areas will also follow one or more of India’s 27 mainland coastal sediment cells, a key element of the country’s shoreline management that was demarcated under the 2010 ICZM Project. For each participating state/UT, the priority areas requiring a CRZ-mandated Shoreline Management Plan (SMP) will be similarly included. The benefits of ICZMP and MSP as instruments supporting the CRZ 2018 implementation include (a) reducing potential conflicts among economic sectors and creating synergies between (including investment) activities; (b) promoting private investments by creating predictable, transparent, and clearer rules; (c) facilitating cooperation among states; and (d) promoting environmental sustainability through early identification of impacts and opportunities for multiple uses of coastal space.

67. Eight coastal states and two UTs have determined the shoreline stretches for which ICZMP preparation support will be provided. ICZMPs that have already been prepared for the selected stretches of the coast of Gujarat, Odisha, and West Bengal will provide valuable lessons for other coastal states/UTs. Expanding this to all the participating states/UTs, the project will finance ICZMPs, including MSPs completion covering a total of 1,740 km (or over one-third of the coastline of the participating states/UTs). A set of no-regret, ICZM-enabling investment proposals has been similarly identified under the above-mentioned categories to anchor the ICZMP/MSP preparation and implementation as outlined below.

68. **Category 2: Conservation and Protection of Coastal and Marine Resources.** This category will support the implementation of investments included in the ICZMPs and the MSPs of selected states and UTs, including activities that aim to strengthen coastal ecosystems and ecosystem processes and are prioritized based on their readiness.

69. More specifically, financing will be extended for the implementation of ICZMP- & MSP-consistent investments -- for example, application of soft engineering methods for addressing coastal erosion at selected locations; eco-restoration of sacred coastal groves (e.g., taluk of Nagapattinam District); preparation of a Geographic Information System (GIS) database on coral reefs’ health and sea grass and rehabilitation of degraded areas (e.g., for Gulf of Mannar); restoration of ESAs and coastal dunes (e.g., Alyia Beyt, Gujarat); promotion of coastal ecotourism; restoration of wetlands (e.g., Nani Kakrad, Gujarat); as well as protection of coastal areas through shelter belt and windbreak plantations and restoration of mangroves across multiple
states and UTs. Investment projects will be prioritized based on their readiness to commence immediately following project approval and are intended to contribute directly to the NCM’s goal of protecting an estimated 1,500 km of medium/highly vulnerable shoreline by 2027. Living shoreline activities will help achieve this goal by simultaneously providing ecosystem services to communities, including food production, nutrient and sediment removal, water quality improvements, and climate and disaster risk reduction.

70. **Category 3: Coastal Pollution Management and Infrastructure Improvement.** Under this category the project will finance (i) preparing and implementing integrated investments in environmental/green infrastructure targeting area-based pollution reduction; (ii) supporting local governments in implementing systems for collecting, analyzing, and disseminating information about the sources and scope of marine pollution and stimulating do-no-harm private sector investment through activities such as awareness building campaigns and beach enhancement management and safety services projects.

71. By pursuing predefined, area-based pollution targets, the project aims to address significant and mutually reinforcing anthropogenic drivers of coastal environmental degradation. Activities contributing to meeting such targets can include area-specific integrated plastics, other solid waste, and wastewater pollution reduction (e.g., Pondicherry lagoon cleanup, restoration, and tourism development), small-scale 3R (reduce-reuse-recycle) life cycle waste schemes, such as vermi-shed and micro-composting facilities (e.g., Kayalpattanam and Keelakarai Municipality, Nagapattinam); fecal waste management, coastal and marine pollution monitoring systems, and small customized production waste management schemes (e.g., Tamil Nadu’s investment plan including solid waste management projects in critically polluted fish-landing centers in the Gulf of Mannar); and waste water reduction in priority areas (e.g., for achieving blue flag beach certification, or for otherwise critical environmental health targets). Local government investment support could further include pilot projects to reduce the use of plastic and plastic pollution (for example, using plastic waste as fuel substitution for coal in cement production) and piloting marine plastics removal, repurposing, and disposal schemes.

72. **Category 4: Livelihood Security of Coastal Communities.** This category will support coastal communities in improving their management of water resources and access to drinking water; sanitation and hygiene facilities; fishery; awareness of coastal regulation zone requirements and compliance including facilitating youth training and counselling; community village greenery and community ecotourism, with a focus on women community enterprises; and the involvement of self-help groups for waste management and recycling activities.

73. Following GoI’s Climate-smart Coastal Village Initiative model, financing will be made available for coastal community sub-projects addressing threats that can directly affect the local coastal economy dependent on ecosystem resources. For example, support for sustainable community fisheries projects will simultaneously target strengthening community fisheries management to curb overfishing and coastal fisheries depletion. Similarly, community-centered ecotourism activities, such as whale shark tourism for promotion of the BE in Somnath and Dwarka, as well as scuba diving and coral tourism, could be prioritized for expanding women enterprises and economic empowerment. The subcomponent will also advance education counselling and placement support for empowering young girls in coastal communities (executed by the respective SPMUs).

74. **Category 5: Capacity Building.** Project financing will be extended to (i) support the selected states’ and UTs’ initiatives for implementation of CRZ 2019, including monitoring of coastal resources and the quality of the coastal environment; building institutional capacity at the state and district levels, with qualified human resources; developing awareness and capacity of communities; (ii) strengthen the capacity development of participating communities in conducting social audits; (iii) support capacity building of the participating states/UTs in marine research and ocean studies.
75. This category specifically targets state/UT capacity building for successful ICZMP/MSP development and implementation. Recognizing the critical role of stakeholder engagement and ownership building in this process, the project will support skills development at the state/UT ICZMUs/SPMUs, along with related communication and awareness events. Similarly, strengthening marine science and technology capacity, including in marine GIS, coastal resource and BE assessments, as well as the interface of ecological research with coastal engineering, will enable coastal states and UTs build the organization systems and capacity for ICZM planning and implementation of their district environmental and disaster management authorities, in particular.

C. Project Beneficiaries

76. The project beneficiaries are the populations of the participating coastal states. More than 180 million people live in 74 coastal districts of mainland India and depend on agriculture, fisheries, and other coastal natural resources for their livelihood. The population density estimated by the Global Rural and Urban Mapping Project (GRUMP) indicates that about 10.6 crore (1 crore = 10 million) people live within 10 m elevation from the mean sea level, of which 5.6 crore people reside in rural areas. The same estimate indicates that about 54 lakh (1 lakh = 100,000) people (27 lakh people in rural areas) live below 1 m elevation (GRUMP, Socioeconomic Data and Application Centre, Columbia University 2011).

77. ENCORE Phase 1 will support investment projects in smart coastal development in eight coastal states and three UTs. Phase 2 will expand the number of participating states where such investments will follow approved ICZMPs and benefit from improved implementation capacity. Using the 2010 ICZM Project pilot in three states (Odisha, Gujarat, and West Bengal) as a model, the number of direct beneficiaries in the first phase is estimated at 1.8 million people of which 50 percent are female. In Phase two, based on conservative estimates of the project’s vulnerability and pollution reduction investments directly benefiting an average of 6 percent of total number of people living in the nine states and four UTs, which total over 560 million. Other direct beneficiaries of the capacity-building activities are government officials, researchers, and local residents. With regard to indirect beneficiaries, the estimated number is 77.19 million people of which 50 percent are female. These numbers reflect that the multitude of environmental benefits from the subprojects will cover areas greater than the immediate vicinity of subproject implementation sites.

78. The project will address multiple risks associated with coastal vulnerability through research, effective planning, and coordinated management of sections of India’s coast. The ENCORE’s support for soft measures aimed at addressing coastal erosion in highly eroding coastal stretches based on the Shoreline Management Plan will benefit to over 320 communities living in close proximity to the vulnerable areas where natural assets will be protected. The coastal resilience program will result in improved climate adaptation and resilience of the coastal communities in the 12 CVCAs and selected islands of the Lakshadweep Archipelago and Andaman Group of Islands. The population of the islands will further benefit from the mapping of benthic habitats (for example, Lakshadweep) and ecosystems restoration. Site-specific interventions in the participating states/UTs will benefit from the NCSCM’s detailed scientific input and thus are likely to generate well-targeted benefits from protection against flooding, storm surges, erosion, and pollution, which will accrue to people living in the proximity of project interventions. Many project activities will also generate temporary or permanent employment for coastal communities. With regard to indirect beneficiaries, social benefits in the form of access to diversified livelihood activities will accrue to (a) fishermen, from improving income generation during the closed fishing season and (b) tourism sector workers, from protection of sites of cultural and historic significance.

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12 The 2010 ICZM Project achieved in three states 1.6 million direct beneficiaries, of which 50 percent were female.
D. Rationale for Bank Involvement and Role of Partners

79. The public sector has inherent responsibilities and strategic interests (economic, security, social, and so on) in the governance of the coastal space, as well as in creating conditions for sustainable use of blue resources and sustained no-harm private sector investments in that space. In many countries, ICZM initiatives fail because of the inadequacy or short-term nature of implementation funding. The GoI has made considerable resources available to pilot and demonstrate ICZM in partnership with the World Bank under the 2010 ICZMP Project. Building on that experience, the second investment operation targeting the majority of coastal states will in turn directly inform the implementation of India’s new NCM.

80. During the ENCORE preparation, both the GoI and the World Bank emphasized the need to leverage other sources of funding, particularly from the private sector, to complement the resources from the Government. However, without a predictable planning framework and enforcement capacity, the already significant footprint of private sector-built infrastructure in the coastal areas could increase the negative pressure on green and blue assets. On the other hand, private sector activities are also negatively affected by regulatory uncertainty as well as by natural hazards like coastal erosion, coastal flooding, and effects of climate change. The ENCORE Project will help the GoI establish a regulatory climate enabling return-seeking investments in sustainable infrastructure and business enterprises, in conjunction with the coastal zone sector reforms. By appropriately sequencing its support, ENCORE will allow states to develop their ICZMPs and MSPs in parallel with creating private sector investment opportunities in infrastructure improvements and firm-level efforts that also increase fisheries’ sustainability.

81. Expanding the World Bank support to India through the ENCORE Program, with added attention to the resilience and environmental protection of coastal areas and based on systematic ICZMPs/MSPs development, will enable the states to manage the land and territorial waters and the underlying continental shelf areas in a more efficient manner. The World Bank’s support for the CZM plan preparation will facilitate identification of priority investments at the state level and will stimulate consensus building among coastal communities on the protection of natural assets. As a global pioneer and ICZM implementation leader among development partners for the last three decades, the World Bank can bring a unique experience in designing and implementing larger-scale coastal regulatory and management reform programs that anchor capacity building into fully integrated cross-sector investment activities. The World Bank’s support brings in international ICZM expertise and implementation lessons learned, enables knowledge sharing on CZM issues between India and other countries, and catalyzes ICZM processes ensuring that the GoI’s long-term management decentralization agenda is evidence based and with strong scientific basis and institutional capacity.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

82. The project will have multiple implementing agencies: (a) SICOM/MOEFCC, at the national level and with lead responsibilities and (b) SPMUs under the DOFEs in each of the participating states. The SICOM and the SPMUs/DOFEs in Gujarat, Odisha, and West Bengal have gained substantial experience under the 2010 ICZM Project and have demonstrated competent leadership in project implementation. Nonetheless, the state agencies that are new to the ENCORE will receive substantial capacity-building support and methodological guidance at the outset of the project.
83. The three pilot projects supported under the 2010 ICZM Project in West Bengal, Gujarat, and Odisha demonstrated the ability of state and local partners to coordinate and mobilize the necessary technical capacity to implement specific coastal projects.

84. Three states (Gujarat, West Bengal, and Odisha) have piloted the establishment of ICZM technical secretariats that also took on the SPMUs' functions for the 2010 ICZM Project and have the capacity to continue to coordinate project activities on a full-time basis and directly execute the relevant subcomponent activities. In addition, the Steering Committees at the national and the state levels set up (with composition agreed by the World Bank) for intersectoral coordination will continue to oversee the project. The CSO will serve as a consultative platform for peer learning during implementation.

85. SICOM has provided the essential administrative, financial, technical, and monitoring support to ensure the success of all activities under the 2010 ICZM Project and will continue to act as the NPMU for the ENCORE Phase 1 Project. Further capacity will be built within SICOM to carry out efficient M&E for the ENCORE Program and incorporate the findings into the central database currently being set up under the 2010 ICZM Project. The ENCORE Program will facilitate a broader mandate of SICOM to carry out M&E up to scale of the program. SICOM will also identify leadership training opportunities for state- and district-level personnel and will coordinate this as early as possible during Year 1 of implementation. SICOM will also operate the web-based decision-support tool or coastal database and information flow and a web-based portal for public access in support of planning.

86. The NCSCM, established under the MOEFCC, has contributed significantly to the activities of the 2010 ICZM Project—the preparation of CRZ and hazard line maps, ESA identification, and shoreline change maps—and has established a sound scientific and technical foundation for the development of management strategies and actions. It has demonstrated the capacity to take on the leadership for Component 1 implementation. Under ENCORE, the NCSCM will continue to lead advanced scientific work on understanding coastal systems and advise both the GoI and the coastal states/UTs on well-reasoned and enforceable ICZM policies, plans, and implementation actions. It will also expand its planning capacity with additional personnel and training. The NCSCM currently serves as a final review of state ICZM decisions. Under the project, the NCSCM (in consultation
with SICOM and MOECC) may have a broader mandate and play a more proactive role in planning and support to decision making in the participating states and UTs.

87. The NPMU and SPMUs will be responsible for all procurement, ensuring prudent FM, quality assurance, monitoring, and evaluations under the project. The NPMU and SPMUs will collaborate with a range of government departments or specialized project executing agencies (PEAs) that have jurisdiction, demonstrated capacity, and expertise in management and execution of the proposed pilot investments. PEAs will be responsible for contract management, including signing of contracts, regular supervision, contract payments, and accounting. In the cases of community-driven development projects, the participating communities will carry out procurement of small works, goods, and incremental operating facilities through shopping and force accounts. PEAs will manage the entire procurement process with necessary support from the NPMU/SPMUs. The sharing of roles and responsibilities, including administrative and fiduciary arrangements and activity implementation plans, will be agreed between the NPMU/SPMUs and PEAs and will be outlined in agreed (bilateral Memoranda of Understanding [MoUs]).

88. To be able to efficiently implement the abovementioned responsibilities at the scale of the ENCORE Project, the NPMU and SPMUs will have to be staffed with personnel with adequate skills and resources. Such provisions are included in the project’s DLIs and will be monitored. The complete description of implementation provisions and a project implementation schedule for the Phase 1 implementation period will be provided in the project implementation plan, to be developed before effectiveness.

89. SICOM and the NCSCM will prepare detailed Project Implementation Plans (PIPs) with operating manuals and guidelines. PIPs will be used as a baseline for preparation of the project progress reports. These will be inputs for implementation performance monitoring.

90. Performance monitoring will use the following as inputs: (a) national and state project reports, which include all the project design details and implementation arrangements; (b) detailed project reports (DPRs) for specific capacity and institution building programs implemented by the NCSCM, SICOM, and states; (c) DPRs for major investments, including relevant environmental and social impact management measures and outcome monitoring indicators; (d) FM Manual providing the details of funds flow, accounting, auditing, and reporting and the related control and accountability mechanisms; (e) Procurement Manual containing the proposed procurement strategy, methods, and procedures to be adopted and documents to be used for procurement of works, goods, and consultant services and powers to award these works and consultancies; (f) Environmental and Social Management Framework (ESMF); and (g) stakeholder engagement and communication strategy. State-level performance monitoring will use (signed MoUs) between various PEAs and the NPMU/SPMUs outlining the respective roles and responsibilities as well as reporting and accountability requirements. A detailed project cost model will be used for monitoring costs and expenditure.

B. Results Monitoring and Evaluation Arrangements

91. Timely M&E is crucial in determining and understanding progress (or lack thereof) and implementing corrective measures. By assessing the states’ progress toward implementation of ICZMP and MSP objectives and using the ENCORE Results Framework, the project M&E will be part of the data platform for monitoring the decentralization aspects. It feeds into an evidence-based accountability framework for the use of public funds. It improves the transparency of project interventions and policies to reverse coastal areas and climate change effects. The M&E arrangements for ENCORE build on the experience from the 2010 ICZM Project.
92. The M&E arrangements for ENCORE Phase 1 Project are according to the Results Framework in annex 1 as well as the overall Program results outlined in Fig. 3 above. The baselines are set using various methods and data sources and will be confirmed during the first year’s data collection. Data sources include institutional reviews, focus group discussions, data from state projects reporting, field surveys, reviews of technical completion reports, direct observations, analysis of states’ project portfolio, and others. The Results Framework includes custom indicators as well as corporate required indicators on gender and citizen engagement. Even though DLIs are intrinsically linked to the PDO, they are shown distinctly from the Results Framework and would be monitored separately during project implementation. Verification protocol for DLIs are outlined in annex 1.

93. The emphasis in the ENCORE’s M&E will be to support (a) data-driven communication and shared learning from ICZMPs and MSPs preparation, design, and implementation of state/UT projects; (b) a structured approach to collect baseline information for any interventions; (c) reiterative assessment of beneficiary and environmental impacts from the project’s investments, capacity building, planning, and management interventions that can inform improving the ENCORE’s performance in real time; (d) establishment of and building capacity for longer-term monitoring of coastal areas; (e) improvement in the M&E arrangements and framework for ICZMPs and MSPs to assess their implementation progress; and (f) assessment of economic efficiency as feasible at the project level, for ICZMPs and MSPs as well as area-based economic impact.

IV. PROJECT APPRAISAL SUMMARY

A. Economic and Financial Analysis

94. The ENCORE operation combines institutional capacity building and selected climate-smart coastal protection investments, intended to apply various approaches for conservation and protection of BE assets that can improve economic development and environmental sustainability within the coastal zone. The appraisal of each MPA phase requires an appropriate stand-alone economic and financial analysis be conducted. For ENCORE Phase 1, the analysis includes a quantifiable baseline analysis demonstrating both the financial internal rate of return (FIRR) and the economic internal rate of return (EIRR) in real terms. Using conservative assumptions, the baseline generates a result FIRR of 6.39 percent per year and an EIRR of 15.86 percent per year.\(^\text{13}\) The FIRR captures quantifiable cash flows including project costs as well as direct and indirect revenues arising from the investments and activities: improved livelihoods generating incomes associated with BE are an example. The EIRR captures additional benefits (or avoided costs) that do not necessarily have a clear market value: examples include environmental or ecosystem service flows such as erosion control or storm surge protection that may be more prevalent with climate change. There are also a broad range of potential benefits which are not captured by either of these measures because they are unquantifiable (for methodological reasons) or have overarching sociopolitical reasons that mandate such investments irrespective of quantifiable results: examples include investments in cultural assets (for example, sacred groves, traditional knowledge, physical cultural assets) or investments that ensure human health and safety (for example, some GISs).\(^\text{14}\)

95. The analysis reflects over one hundred [115] complementary and stand-alone activities to create a baseline MPA portfolio of up to 20 categories for which values could be considered. Reflecting the MPA design

\(^{13}\) FIRR and EIRR are used as bottom-line indicators. They are also regarded as appropriate for analyses of a large portfolio of relatively small stand-alone investments because the timing of such investments may be fluid. Using rates of return as an indicator provides a more robust result that is less sensitive to delays of some activities if other activities are accelerated.

\(^{14}\) For Phase 1, about 1 percent of total project activities were targeted directly to health, safety, and cultural investments; excluding them from the analysis does not have a significant impact on results.
logic, the relative weight of these categories across the two MPA phases varies, including some categories having no dedicated activities under Phase 1: for example, no expenditures were identified in Phase 1 dealing directly with EEZ management. Some categories have small shares in Phase 1 but are expected to become more important subsequently (Tourism is directly addressed by 0.3 percent of project expenditures; renewable energy constitutes 1.6 percent). In line with ENCORE Phase 1 focus on strengthening ICAM institutional base, the most substantial categories are certain institutional expenditures (planning 10.6 percent, monitoring 5.4 percent, and capacity building 13.1 percent); livelihood expenditures (8.2 percent); erosion control (7.7 percent), and various expenditures associated with conservation activities (11.1 percent). Solid waste management activities including a beach cleanup program at the national level constitute the largest share: 40.4 percent. Note that some categories will have impacts within other categories because of interlinkages: beach cleanup will have impacts on tourism. Analyses are conservative to the extent that benefits are likely to be underestimated. For example, opportunities for cost recovery are not always reflected: laboratories are capable of generating revenues for other services, but such benefits are not explicitly estimated. Also, the enabling environment created by many of the institutional investments will potentially induce others to independently replicate or innovate around the results of pilot and demonstration activities, which can be scaled up. Finally, these same institutional activities will provide a foundation for potentially productive incremental investments in Phase 2; the current analysis burdens Phase 1 with all the core institutional investments.

96. Recognizing the fundamental interdependency across many of the project activities, the analysis is not further compartmentalized to generate results at individual component/subcomponent or State/UT levels. For example, beach cleanup activities will target a wide range of potential outcomes such as improved human health, improved ecosystem health and function, and enhanced tourism potential. The consolidated analyses demonstrate that the focus on the combined institutional capacity building and selected climate-smart coastal protection efforts provide an efficient allocation of investment resources while supporting less quantifiable social and environmental objectives.

97. Sensitivity analyses were undertaken to explore impacts beyond the core analysis of the five-year time span and US$360 million investment envelope of Phase 1, and to illustrate the potential range of IRR results. As a low case, it is assumed that one half of activities related to solid waste management, plastics removal, and beach cleanup are unsuccessful. The resultant FIRR is 4.57 percent per year while EIRR is 11.57 percent per year. In contrast a high case is chosen to reflect the impacts of successful capacity-building efforts that are capable of delivering additional value through subsequent activities. As a proxy for such activities, a portfolio was constructed from preliminary Phase 2 activities and their associated institutional and capacity-building requirements. The stand-alone preliminary Phase 2 portfolio features lower levels of institutional requirements and higher levels of some productive livelihood activities such as the facilitation of tourism development, fisheries, and renewable energy alternatives. This stand-alone preliminary Phase 2 portfolio delivered an FIRR of 9.14 percent per year and an EIRR of 14.41 percent per year. A weighted portfolio—comprising the Phase 1 activities and Phase 2 proposals within the US$800 million total MPA envelope—delivered an FIRR of 7.90 percent per year and an EIRR of 15.06 percent per year.

B. Fiduciary

(i) Financial Management

98. ENCORE Phase 1 will follow the same implementation arrangements as already established under the ICZM Project, which was well managed over the years. The project will be implemented by SICOM continuing to act as the NPMU. Under the project, implementation is to be carried out by twelve agencies out of which four
agencies where part of ICZM 1 and have good working knowledge of World Bank requirements. Seven states/UTs have formed new societies who do not have experience of working with World Bank projects. Based on the scope of activities, multiplicity of entities and capacities of the entities, the FM risk is rated ‘Substantial’. Detailed FM outline is provided in annex 2.

99. As this is a central project, it follows an overall project cost sharing ratio of 50:50 between the GoI and the IBRD. The GoI’s fifty percent share further comprises twenty percent from the participating states and thirty percent through the MOEFCC. In case of Puducherry the state share would be ten percent, while for other UTs the funding would be done by the GoI. All states/UTs have issued confirmation about providing counterpart funding for the project.

100. Budget head has been created at the GoI level and states. The GoI will allocate funds for its share including budget for central components, grants to state, UT share, and World Bank share. The states will provide their share of twenty percent to the SPMUs. The GoI would transfer the funds to SICOM at least twice a year, which will be handled using a project bank account. SICOM will further transfer funds to national PEsAs and the SPMUs according to the annual work plan and funds utilization. Most of the SPMUs have opened separate project bank accounts in discussion with SICOM.

101. The SPMU would maintain separate bank account and ensure that PEsAs are giving access to the funds through dedicated project bank accounts according to the work plan. The PEA would use the project bank accounts and make payments. The PEA would compile the monthly accounts and send to the SPMU for accounting within ten days from the end of the month. The SPMU would finalize the accounts within thirty days from the end of the month. The original documents would be retained and filed separately in the PEA for future audits. Project accounts would be maintained separately in Tally software. All the SPMUs and state PEsAs are required to maintain accounts in Tally for ease of accounting and consolidation. SICOM will consolidate the project accounts at the central level. For the states, the model of decentralized payments would be followed. In case of UTs all payments and accounting would be centralized at the SPMU level.

102. Disbursements will be done in reimbursement mode. SICOM would collate and submit a consolidated interim unaudited financial report (IUFR) to the World Bank through CAAA for disbursements within sixty days from end of every quarter. IUFR format has been developed and agreed.

103. As the number of states are increasing, the team size in terms of chartered accountants (CAs) and commerce graduates at SICOM needs to be increased. The staffing pattern would be incorporated in the FM Manual and the staff would be hired within the first three months of effectiveness. In the case of the SPMU, senior staff should be deputed from the state to handle government procedures, while at least one CA supported by one commerce graduate with computerized accounting knowledge, should be recruited to maintain project accounts in each SPMU. The states have agreed to the staffing pattern which would be incorporated in the FM Manual and the staff would be hired within the first three months of effectiveness.

104. A consolidated audit report would be submitted by SICOM within nine months from end of every financial year. The audit would be carried out by a CA firm appointed by SICOM according to the ToR agreed with the World Bank. Internal auditors would be also appointed by SICOM according to the ToR agreed with the World Bank. These audits should be regular audits and carried out at least once every six months. An audit committee should be formed at the state level and NPMU to review the audit reports on regular basis. The auditors should be appointed within six months of effectiveness. Detailed FM outline is provided in annex 2.
105. The project includes both DLI and non-DLI payments. Non-DLI payments (category 1) would be made based on the actual expenditure incurred and reported through IUFR. DLI payments (category 2) would be made based on the Eligible Expenditure Program (EEP) and the achievement of results associated with the DLIs. EEP will consist of the following: (a) thirty percent of IOC, and (b) consultancy for ICZM plans. The disbursement table category wise is outlined in table 1.

106. Retroactive financing: The project will have retroactive financing from 1st April 2020. The following activities have been agreed under retroactive financing: (a) BEAMS activities; (b) Establishment of Data Centres; (c) Livelihood activities in Gujarat; and (d) Carry over activities from ICZM Project mutually agreed between the Bank and SICOM.

Table 1. Disbursement Table

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in US$)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, Training; Incremental Operating Costs for the Project (up to 70% of such Incremental Operating Costs); consulting services for Part 1 and Part 2 of the Project except Part 2(a) of the Project; and Community Sub-projects under Part 2(d) of the Project</td>
<td>151,050,000</td>
<td>46 percent</td>
</tr>
<tr>
<td>(2) Eligible Expenditure Program under the Project.</td>
<td>28,500,000</td>
<td>100 percent of EEP</td>
</tr>
<tr>
<td>(3) Front-end Fee</td>
<td>450,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(4) Interest Rate Cap or Interest Rate Collar premium</td>
<td></td>
<td>Amount due pursuant to Section 4.05 (c) of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>180,000,000</td>
<td></td>
</tr>
</tbody>
</table>

(ii) Procurement

107. ENCORE procurement will be carried out in accordance with the World Bank’s Procurement Regulations for IPF Borrowers dated July 2016, revised November 2017 and August 2018, and the provisions stipulated in the Legal Agreement. The project would be subject to the World Bank’s Anticorruption Guidelines, dated October 15, 2006, and revised in January 2011 and July 2016. Unless otherwise agreed with the World Bank, the World Bank’s Standard Procurement Documents (SPD), Requests for Proposals, and Forms of Consultant Contract will be used. The MOEFCC has developed a Procurement Manual and a Community Procurement Manual conforming to the Bank’s Procurement Regulations. In case of any inconsistency between the Procurement Manual and the World Bank’s Procurement Regulations for IPF Borrowers, July 2016, Revised November 2017 and August 2018, the latter shall prevail.

108. The Project Procurement Strategy for Development (PPSD) prepared by SICOM looks at planned complex and large procurement contracts, assesses market and implementation risks, and proposes mitigations for the smooth implementation of procurement under the project. The PPSD has reviewed the market conditions for higher risk procurement packages and proposes market approaches to mitigate these risks. A procurement plan has been prepared presenting the methods and approaches for procurement under this project. Based on the scope of procurement, multiplicity of procuring entities and capacities of the procuring entities, the procurement risk is rated “Substantial”. Detailed procurement outline is provided in annex 2.
C. Safeguards

(i) Environmental Safeguards

109. It is envisaged that the project would lead to positive impacts, including marine and coastal conservation, pollution prevention and effective utilization of coastal resources, and promotion of sustainable coastal livelihoods. ICZMPs, which would be prepared as part of the project, would set the stage for investments based on sound scientific understanding of coastal resources and processes, including their environmental, social, disaster, and climate-related sensitivities, among others. Thus, the proposed project mandate subsumes safeguards management as an integral part of the project objectives and implementation.\footnote{Because the Project Concept Note Review took place before October 1, 2018, the then-applicable World Bank Safeguard Policies will continue to apply to the MPA Phase 1. It is expected that for any subsequent MPA financing, the World Bank Environmental and Social Framework will be applicable. Respectively, for the preparation of the MPA Phase 2, the safeguards instrument(s) will be reassessed for approval in line with the new Environmental and Social Framework requirements.}

110. While at this time the planned individual investment activities are not expected to have significant impacts, given the large number of investments to be supported, it is nevertheless possible that there may be subproject(s) identified at a later stage that could generate significant adverse impacts on sensitive coastal and marine ecosystems. The large activity number further spread across multiple jurisdictions with varying capacity to manage risks and covering several big coastal areas, may pose environmental and/or social risks and increase the potential of adversely affecting the achievement of the MPA’s objectives and the sustainability of results. Respectively, the project considers the large number and geographic spread of ENCORE’s interventions and the likelihood that few may emerge to pose significant adverse impacts.

111. Other environmental safeguard policies triggered by the ENCORE Phase 1 Project include OP/BP 4.04 (Natural Habitats), OP/BP 4.36 (Forests), OP/BP 4.09 (Pest Management), and OP/BP 4.11 (Physical Cultural Resources). Because the exact project locations of some interventions are not yet known, to integrate environmental and social considerations in subprojects and effective safeguards management during Phase 1 of the MPA program, the borrower prepared an ESMF. The ESMF includes screening criteria and checklist, guidance for interventions near natural habitats and forests, guidance on Strategic Environmental and Social Assessment (SESA) approach for plan preparation, guidance on Integrated Pest and Nutrient Management, and Physical Cultural Resources Management Framework including chance find procedures in addition to generic Environmental Management Plans (EMPs) for various types of interventions and Environmental Codes of Practices (ECoPs). The ESMF provides guidance on screening, assessing, planning, and implementing mitigation measures; institutional mechanisms at the national, state, and project levels; consultations and disclosure; supervision and monitoring mechanisms; and budget for ESMF implementation.


113. Location identification is under way, and detailed plans are under preparation for interventions to be financed in the first two years of the project in the three states (Gujarat, Odisha, and West Bengal) where ICZMPs
have already been prepared under the ICZMP Project. In addition, location-specific plans and project details are also being prepared for the enabling ICZMP interventions in other states to help them address priority coastal issues while adopting ICZM practices and building ICZM institutions. Individual safeguard instruments for these interventions are similarly under preparation, following the ESMF procedures. Specifically, for each activity under the project for which the ESMF, and/or the RPF provides for the preparation of a Subproject ESIA, and/or a Subproject ESMP, and/or a Subproject RAP, as appropriate, these will be (A) prepared and disclosed in accordance with the ESMF and the RPF, respectively; (B) consulted upon adequately with people affected by the Project as per the ESMF and the RPF, respectively, and submitted to the Bank for review and approval; and (C) thereafter adopted, prior to the activity implementation.

(ii) Social Safeguards

114. ENCORE project interventions will take place on public land and private land acquisition is not envisaged. OP/BP 4.12 (Involuntary Resettlement) has been triggered as there are chances of encroachment of public land leading to loss of (i) shelter, (ii) livelihood/means of livelihood, (iii) access to individual and communal property, and (iv) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons. There are multiple interventions across all project states and UTs, which are at the planning stage and most of the project activities require little or no land. Interventions such as construction, plantation, restoration, and others might have minimal land requirement for which only public land has been considered. Mangrove plantations and small infrastructure in villages will be carried out on public land. Rehabilitation of assets will be in situ and will not require any additional land. Structures, such as street vendor stalls, may need to be moved or relocated for implementation of projects such as restoration of built heritage or natural coastal resources (such as mangrove), infrastructure (solid waste management and sewage), ecotourism activities, beach cleaning, livelihood activities, protection of coastal structures, or other activities.

115. Displacement of vendor stalls, small businesses, or small informal establishments, such as fishermen huts or informal fish-landing sites, may have adverse impacts with regard to livelihood/means of livelihood of the concerned people. This can especially affect women vendors, small business owners, or traditional small fishermen or traditional farmers. Fences may need to be erected to protect coastal resources (sand dunes, turtle nesting sites, and others) or may need to be temporarily erected for construction works (coastal protection structures), and they could block access to people’s lands or public spaces like a part of a beach.

116. There may be negative economic impacts on small businesses, traditional and small-scale fishermen, farmers, or individuals informally working in the structure/site/area to be rehabilitated. Vendors or small businesses removed or displaced from their original locations may be unable to return to these places once they have been rehabilitated, thus facing significant loss of income. During the construction phase, the influx of large numbers of migrant workers in the project area is also not envisaged as assets to be created will be small. At the same time, the project will benefit the community in general. Mangrove plantations and rehabilitation work will be carried out by the local community, thus generating additional employment opportunities. However, inclusion and equity issues may remain a concern in accessing the benefits of the project. The social screening conducted for identified investments shows no adverse social impacts.

117. OP/BP 4.10 on Indigenous Peoples has been triggered as the project investments covers all coastal states of India including island territories and approximately 5.3 percent of the total population in coastal districts of India belongs to various tribal groups. The project has prepared an ESMF, which includes an Indigenous Peoples Planning Framework that will provide guidance on conducting the social assessment and
preparing an Indigenous Peoples Plan, if required. A Resettlement Policy Framework (RPF) has been prepared because sub-projects not known upfront at the appraisal stage may lead to loss of (i) shelter, (ii) livelihood / means of livelihood, (iii) access to individual and communal property and (iv) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods. The RPF provides for any situation that may arise where the need for temporary or permanent land acquisition or resettlement and rehabilitation is inevitable. Resettlement and compensation activities will be conceived and executed in a sustainable manner in line with the RPF. The RPF is intended to be used as a practical tool and to guide the preparation of the Resettlement Action Plan, depending upon the scale and severity of impacts.

118. As part of the ESMF preparation process and based on extensive consultations with stakeholders, including women’s groups, civil society organizations, administrative officials, secondary research, and the GBV risk assessment tool, the GBV risk rating at appraisal stage is ‘Low.’ The ESMF notes that the MoEFCC and the State Coastal Zone Management Authorities (SCZMAs) for the participating states are well-equipped to address GBV related risks in the context of proposed project interventions.

119. Project interventions involve civil works, albeit not on a large scale. Such upgradation activities will be utilizing largely contract workers who will be employed through small, local contractors, including migrant labor in some states. However, as the ISDS notes, the scale of these activities and the associated impacts is likely to be localized and hence GBV risk mitigation measures are built-into the occupational health and safety aspects of labor management and sensitization of communities.

120. To mitigate potential risks related to on-site safety and GBV, the SCZMAs will (i) conduct regular sensitization and awareness drives for contract workers, community laborers (if applicable) and communities on safety, harassment, GBV-related issues, legal recourse procedures and mitigation channels in collaboration with the police and health departments; (ii) hiring of a gender expert; (iii) sensitize the social expert at PMU on specific aspects of GBV risk mitigation; (iv) strengthen the GRM mechanism by establishing multiple channels to initiate a complaint including confidential reporting in local language with safe and ethical documenting of GBV cases; (v) engage efficiently with community-based organizations and GBV service providers in the project area to ensure a strong support mechanism; and (vi) bidding documents to include a Code of Conduct in line with GBV requirements.

121. Citizen engagement. Sustainability of the priority investments will depend substantially on the meaningful participation and support of key stakeholders, especially local communities. Their willingness to participate will be crucial for the long-term success of the project. Inclusion, participation of coastal communities, and issues and constraints faced will be integrated in the design of the investments. The agenda on inclusion will be at the core of the design of ICZMPs. Because the project is also designed to provide livelihood security to local communities, beneficiary selection will be guided by predetermined criteria that will include criteria for inclusion of vulnerable groups. To ensure transparency, the criteria used will be publicly disclosed. The project will have a communication strategy focusing on efficient and effective use of print and electronic media, information boards, and posters and adoption of any other methods suited to the local context, logistics, and human and financial resources available. The project’s communication plan includes dissemination of investment-specific information through suitable local media. Communities will be engaged through stakeholder consultations in planning and implementation of investments.

122. A social accountability mechanism will be established for the entire project. The key approaches for ensuring social accountability would be any or a combination of participatory processes guiding social audit and community scorecard to acquire feedback on the performance of subprojects and record communities’ recommendations for improvement. An Integrated Grievance Redress Mechanism (IGRM) will be established
for the project, with officers and systems in place at the local implementing agency, SPMU, and NPMU levels. The project will also comply with the RTI Act of 2005 and, as mandated under Section 4 of the act, will ensure proactive disclosure and sharing of information with key stakeholders, including communities and beneficiaries.

123. The Grievance Redressal Mechanism for the ENCORE Program incorporates an integrated system with Grievance Redressal Cell (GRCs), with necessary officials and systems, at the NPMU and the SPMUs in all participating states and UTs. There should be a designated person in change/nodal officer at the PEA, SPMU and NPMU level to receive the complaints. Grievances may be submitted through various mediums, including in person, in written form to a noted address, e-mail, social media (if comes to the notice of the concerned authority), or through direct calls to concerned official/s. The Social and Environmental Expert/person in charge in the concerned SPMU shall be responsible for the coordination of grievance/complaints received. If an aggrieved person is not satisfied with the results of grievance mechanism under the program, such a person can approach judiciary. To help citizens to access the legal recourse system, each state has an established operational mechanism, the Legal Aid Centre, which provides free services including services of lawyers without any cost to the litigants. All SPMUs will establish a partnership with the respective state’s Legal Aid Centre to provide such services to the aggrieved persons claiming impact from the project, provided they have at least accessed the grievance redress mechanism offered by the project. A detailed social safeguards outline is provided in annex 3.

(iii) Gender

Gender Analysis and Gender Gaps

124. Coastal communities in India are strongly tied to the marine resources and ecosystems for their livelihood and food. While women and men may have common interests, they also have different needs, skills, knowledge, and responsibilities with respect to the use and management of coastal resources. Unequal valuation of women’s work and skills and lack of consideration of their needs and interests, at macro and microlevels, has historically undermined women’s power, income, decision making, and enjoyment of benefits and status in marine and coastal development.¹⁸ This has resulted in linear planning, lack of gender-disaggregated data, and focus on formal and paid activities where men dominate.¹⁹ Moreover, because of the social construction of gender roles, women and men have different —usually unequal—capacities and approaches with respect to environmental interpretation and change.²⁰

125. At the community level, patriarchal norms and gendered division of labor prevent women and adolescent girls from participating in community management and decision-making processes, including disaster risk reduction initiatives. A recent study in India found that women’s awareness and decision making in disaster risk reduction interventions was relatively low compared to men even though more women are affected by natural disasters such as tsunamis than men.²¹

126. Similarly, gender norms and biases exclude women from actively participating formally in conservation, sustainable use, and protection of coastal resources, while decision making about CZM tends to be the purview of male technical specialists. For instance, in SICOM’s organizational structure, out of sixteen staff members,

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¹⁸https://www.academia.edu/38533986/Gender_in_coastal_and_fisheries_resource_management_A_Regional_Synthesis_Report.
¹⁹ https://wedocs.unep.org/bitstream/handle/20.500.11822/27633/Gender_MarEco.pdf?sequence=1&isAllowed=y
there are only three women technical specialists, including two ICZM planners and one environmental engineer.\(^\text{22}\)

127. At this juncture, there are opportunities within the development phase of ICZMPs to ensure equitable opportunities and inclusivity for women in planning, decision making, and implementation of CZM interventions.

*Gender Actions*

128. As part of the states’/UTs’ institutional development, the project will encourage more women participation in the project management structure, by targeting that at least 30 percent of the technical positions in SICOM and SCZMA secretariats are filled by women technical specialists by the end of Phase 1. Further, the project will support the recruitment of a gender officer at SICOM and ensure that there is gender expertise available to guide gender sensitivity in the planning, implementation, and M&E processes of ICZMPs. The gender officer will work closely with gender focal points in SCZMA and other project implementing agencies at the state level.

129. To build the community’s awareness and skills to prepare and deal with extreme climate events, in the projects’ intervention areas Component 2 under ENCORE Phase 1 will facilitate the training of an equal number of adolescent boys and girls in early warning, search and rescue, first aid, water and sanitation, and shelter management by accredited trainers from reputed organizations. There will be special emphasis on training adolescent girls to ensure that they gain essential skills and equipment for gender-sensitive relief and rescue work during disasters.

130. Coastal waters and shorelines are accumulation zones for marine plastic litter from source (land-based-plastic litter) to sea (aqua-culture, shipping, and maritime activities). Poor waste management services in coastal areas puts residents living in informal areas near the coast at risk of contracting infectious diseases. The rise of diseases linked to poor waste management also further increases the care work of women who look after sick children and family members, giving them less time to spend in other productive activities.\(^\text{23}\) Against this backdrop, the project will support increased involvement of SHGs from the fishing communities in waste management and recycling activities.

131. Lack of gender-disaggregated data and gender-sensitive baselines on coastal communities with respect to differentiated livelihoods, access to resources and information, agency, and decision making often limit the extent to which policies and interventions related to coastal management can ensure equitable benefits to the most marginal groups and women. In addition to the abovementioned interventions, during Phase 1, the ENCORE Project will conduct gender-sensitive baseline studies in selected project intervention areas to obtain gender-disaggregated data on livelihood base, educational status, health, access to resources and information, mobility and skills of the local population, and the implications this has for their vulnerability. Data obtained through these studies will inform design and implementation of interventions for Phase 2.

**(iv) Grievance Redress Mechanisms**

132. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB’s

\(^{22}\) http://sicom.nic.in/about-us/whos-who#

\(^{23}\) https://wedocs.unep.org/bitstream/handle/20.500.11822/27633/Gender_MarEco.pdf?sequence=1&isAllowed=y
The World Bank
Enhancing Coastal and Ocean Resource Efficiency (P167804)

Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB’s independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank’s attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank’s corporate Grievance Redress Service (GRS), please visit http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

V. KEY RISKS

133. The overall risk for the project is expected to be Substantial. The risk level reflects the challenges of multitier institutional reform in the context of likely entrenched interests and limited organizational capacity. The key risks include the following:

- **Institutional capacity for implementation and sustainability (High).** Governance and financial accountability frameworks rest within multiple agencies. Key institutional issues that have emerged as particularly challenging include (a) weak alignment between the national and state CZM functions, including resourcing and science and information flows; (b) institutional sustainability, in part because of poor human resource management and weak capacity to attract and retain technical experts, as well as poor accountability systems; and (c) complex and often duplicative business processes and disjointed administrative structures, especially at the state level, that complicate coordination and delay responses. The project will address this risk by (a) supporting devolution of ICZM decision making to the state level and better alignment of central schemes (for example, the NCM) to promote ‘competitive federalism’ approaches and (b) prioritizing and resourcing comprehensive institutional capacity building for putting in place functional ICZM institutions and plans at the state level, as a precondition for downstream investment and by linking disbursements to measurable progress indicators.

- **Fiduciary (Substantial).** The main risk drivers are associated with the implementing agencies’ FM capacity and procurement constraints. As new states are embarking on the project, the inherent FM capacity is weak which needs to be addressed by hiring commerce graduates for both the SPMU and PEAs. Computerized accounting would be implemented at the SPMUs and PEAs. Because SICOM is well versed with the World Bank FM requirements, it will work with the SPMU and PEAs to ensure that accounting and reporting would be done on time basis. Similarly, while counterpart procurement capacity is expected to be adequate, a design calling for a number of procurement volumes spread across multiple states can pose inherent delay and accountability risks.

The project fiduciary systems will be strengthened at both the national and the State/UT levels by an agreed-upon checklist to facilitate detection of early signals or ‘red flags’ related to potential irregularities during procurement and implementation. The World Bank missions will support building client capacity in the use of this checklist, as well as other methods to detect red flags. In addition, given the complexities in implementation arrangements, periodic audits to be conducted once the program is under way will need to cross-check the complaints-handling capacity and fiduciary systems to be used to gather indications of fraudulent and corrupt practices in key operations areas of the program, such as cash management, procurement and contract management. The auditor’s ToR will be reviewed for including checks that systems are in place to ensure that assets reported to be procured or built actually
exist on the ground at the appropriate location, and items intended for distribution to specified beneficiaries are tracked and are properly accounted for. Implementation support from the World Bank will also include analysis and conclusions from supervision reports related to the efficiency of controls over cash management, and the economy and timeliness of execution of procurement, and any works implementation are meeting specification to ensure anomalies detected are addressed on time.

- **Stakeholders (Substantial).** Evidence from previous ICZM experience indicates that multiple coastal zone users, with often conflicting interests, can generate strong resistance to coastal management, both from entrenched public institutions and private sector actors, including coastal communities. This is especially the case when reforms seek to further devolve user rights, for example having fishing communities taking on partial fisheries management responsibilities. The lack of tradition of wide stakeholder input early into the coastal management plan preparation can exacerbate such risks. In addition, stakeholders disagreeing or perceived to be affected by the latest CRZ amendment can oppose the project by association. To mitigate these risks, the project will (a) undertake a political economy analysis, including mapping to identify key stakeholders, champions, and sources of resistance; (b) carry out risk-based stakeholder analysis; (c) prepare a strategy to engage with stakeholders based on stakeholder matrix; (d) carry out detailed institutional capacity assessment to inform capacity-building activities; and (e) incorporate proactive, gender-sensitive citizen engagement throughout the project design and implementation.

While at this time the planned individual investment activities are not expected to have significant impacts, given the large number of investments to be supported it is nevertheless possible that there may be investment(s) identified at a later stage that could generate significant adverse impacts on sensitive coastal and marine ecosystems. The large activity number further spread across multiple jurisdictions with varying capacity to manage risks and covering several big coastal areas, may pose environmental and/or social risks and increase the potential of adversely affecting the achievement of the MPA’s objectives and the sustainability of results. Respectively, considering the large number and geographic spread of ENCORE’s interventions and the likelihood that some may emerge to pose significant adverse impacts,

- **Environment and social risks (Substantial).** It is expected that some of the social and environmental impacts of the projects, while positive overall, require the closer oversight and monitoring especially as the project has wide geographic spread that cuts across multiple jurisdictions. Project interventions will be supporting investments for pollution prevention, diversifying coastal communities’ livelihoods, creating coastal protection solutions, and developing climate-resilient value chain infrastructure guided by ICZMPs. Thus, construction-related environmental and social impacts may be expected. Other environmental risks include extreme events. The safeguards risk, however, is rated Substantial because of environmental and/or social risks that spread across large coastal areas and multiple jurisdictions with varying capacity to manage risks, thereby increasing the potential of adversely affecting the achievement of the MPA’s objectives or the sustainability of results. Safeguard-related risks include lack of coordination between various line departments. In addition, while planned individual activities are not expected to have significant impacts, it is nevertheless possible that there may be subproject(s) identified at a later stage that could generate adverse impacts given also the sensitivity of coastal and marine ecosystems. Some of the states’ ICZMPs, prepared and financed by the project, will include coastal infrastructure works, for which detailed feasibility studies and siting alternatives will be explored to determine the lowest impact options supported by specific ESA. Relevant mitigation measures are reflected in the project’s ESMF and other safeguards instruments, as necessary. By linking the
The development of state ICZMPs to a Strategic Environmental Assessment process, the project will further ensure consistency between these plans and the conservation and social objectives of the national ICZM framework. In turn, any investment activities will be guided by the ICZMPs, which will address environmental, social, and climate-related sensitivities with a strong focus on regional planning, scientific knowledge, and stakeholder participation. The SPMUs will recruit dedicated safeguards specialists and in addition, strengthening of safeguards capacities of the SPMU staff will be conducted systematically during project implementation. Effective risk management will be supported by the Coastal Environmental Impact Assessment division of NCSCM, a center of excellence in coastal science and management established under the 2010 ICZM Project, which will review and provide guidance on specific safeguards instruments for projects involving natural habitats, forests, and key CRZs.

- **Political and governance, macroeconomic, sector strategies and policies, and technical design of project or program risks are all expected to be Moderate.**

- **Other risks include Climate and Disaster Risk (CDR), which is expected to be High.** Given the project’s focus on coastal ecosystems and communities, preliminary CDR screening indicates high exposure to, and risk from, weather-related natural disasters. In the short term, a major CDR event across the participating states can not only simultaneously disrupt project implementation and/or elevate stakeholder support for the project work, but also generate reputational risks by association. In the longer term, while the project is expected to strengthen government and community stakeholder capacity to reduce and better adapt to climate impacts, such impacts can pose a threat to the project’s infrastructure and natural resource investments in particular. As such, climate risk will be fully integrated in the preparation of the states’/UTs’ ICZMP/MSPs and related implementation activities will be followed accordingly to maximize adaptation benefits (for example, by supporting the diversification of coastal community livelihoods); prioritize nature-based coastal protection solutions; and support climate-resilient value chain infrastructure development, while further expanding counterpart institutional capacity to integrate CDR in mainstream planning, regulatory functions, and investments.
## VI. RESULTS FRAMEWORK AND MONITORING

### Results Framework

**COUNTRY:** India  
**Enhancing Coastal and Ocean Resource Efficiency**

### Project Development Objective(s)

To strengthen integrated coastal zone management in selected States and Union Territories

### Project Development Objective Indicators

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>DLI</th>
<th>Baseline</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>To strengthen integrated coastal zone management in selected States and Union Territories</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PDO Indicator 1: Institutional Effectiveness Index (disaggregated by State/UT) (Number)</td>
<td>3.00</td>
<td>33.00</td>
<td></td>
</tr>
<tr>
<td>PDO Indicator 2: Coastal Zone Protection Index (disaggregated by State/UT) (Number)</td>
<td>0.00</td>
<td>50.00</td>
<td></td>
</tr>
<tr>
<td>Share of target beneficiaries that express satisfaction with project interventions (grouped by community resilience; natural resource protection; livelihood aspects) (disaggregated by State/UT; gender (Percentage)</td>
<td>0.00</td>
<td>55.00</td>
<td></td>
</tr>
</tbody>
</table>

### Intermediate Results Indicators by Components

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>DLI</th>
<th>Baseline</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve capacity for decentralized coastal management</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Indicator Name

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>DLI</th>
<th>Baseline</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>IR Indicator 1.1: SPMUs designated and gazetted as technical secretariats of SCZMAs (Number)</td>
<td>1.00</td>
<td>11.00</td>
<td></td>
</tr>
<tr>
<td>IR Indicator 1.2: Share of SPMU professional staff that are women (Percentage)</td>
<td>30.00</td>
<td>45.00</td>
<td></td>
</tr>
<tr>
<td>IR Indicator 1.3: Monitoring and modeling data by NCSCM for ICZM interventions publicly accessible (Yes/No)</td>
<td>No</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>IR Indicator 1.4: Partnership between NCSCM and other institutions on knowledge exchange and capacity building established (Yes/No)</td>
<td>No</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

**Improve protection and pollution abatement in coastal areas**

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>DLI</th>
<th>Baseline</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>IR Indicator 2.1: Sub-projects designed and completed in accordance with ICZMPs and MSPs (disaggregated by State/UT) (Number)</td>
<td>0.00</td>
<td>58.00</td>
<td></td>
</tr>
<tr>
<td>IR Indicator 2.2: Maximizing Finance for Development Index (disaggregated by State/UT) (Number)</td>
<td>0.00</td>
<td>40.00</td>
<td></td>
</tr>
<tr>
<td>IR Indicator 2.3.: Share of SHGs implementing livelihood security initiatives (Percentage)</td>
<td>0.00</td>
<td>48.00</td>
<td></td>
</tr>
</tbody>
</table>

### Monitoring & Evaluation Plan: PDO Indicators

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Definition/Description</th>
<th>Frequency</th>
<th>Datasource</th>
<th>Methodology for Data Collection</th>
<th>Responsibility for Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDO Indicator 1: Institutional Effectiveness Index (disaggregated by State/UT)</td>
<td>Index based on scoring (0-1) of 3 dimensions. Maximum score per State/UT is 3. Each</td>
<td>Annual</td>
<td>Institutional review State/UT ICZMPs</td>
<td>Institutional review Document review</td>
<td>SICOM M&amp;E function</td>
</tr>
</tbody>
</table>
state/UT will have its own score with a maximum score per state/UT of 3. The proposed index elements include:
- Coastal Online Platform operational.
- Quality of State ICZM plan(s) assessed as high; and
- States coastal zoning and construction permitting follow ICZMPs.

In the results framework, the target of 33 is the sum of the score for each of the States and UTs.

**PDO Indicator 2: Coastal Zone Protection Index (disaggregated by State/UT)**

| Coastal Zone Protection Index (number) (disaggregated by State/UT): Index based on scoring (0–1) of achievement on six dimensions; 0 = not achieved target, 1 = achieved target. The target for each dimension and state/UT will be determined on the basis of the priorities identified in | Annual | Field survey State/UT ICZMPs and technical completion reports Direct observation | Field survey Review of technical completion reports Direct observation | SICOM M&E function |
their respective ICZMPs and available funding. The index will therefore help measure the states/UTs’ progress in implementing their ICZMPs. Each state/UT will have its own score with a maximum score per state/UT of 3. The proposed index elements include:

- Environmentally sensitive areas protected and/or restored (number);
- Communities and/or cultural and economic assets protected by coastal infrastructure solutions (number);
- Communities and/or cultural and economic assets protected through nature-based solutions (number);
- Residential areas under pollution and waste management (number);
- Major pollution sources under management (number); and
- Beneficiaries in livelihood improvement programs.
In the results framework, the target of 50 is the sum of the score for each of the States and UTs.

Cumulative targets.

### Share of target beneficiaries that express satisfaction with project interventions (grouped by community resilience; natural resource protection; livelihood aspects) (disaggregated by State/UT; gender)

Citizen engagement indicator. Under social safeguards the beneficiary feedback loop is described. The sample-based perception survey will focus on perception of improvement in resilience of communities, effectiveness of natural resource protection and changes in livelihood aspects).

Cumulative targets.

### Monitoring & Evaluation Plan: Intermediate Results Indicators

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Definition/Description</th>
<th>Frequency</th>
<th>Datasource</th>
<th>Methodology for Data Collection</th>
<th>Responsibility for Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>IR Indicator 1.1: SPMUs designated and gazetted as technical secretariats of</td>
<td>The indicator captures improvement in the</td>
<td>Annual</td>
<td>Review of documents of designation</td>
<td>Review of documents of designation</td>
<td>SICOM M&amp;E function</td>
</tr>
</tbody>
</table>
### SCZMAs

Institutional landscape as SPMU are key to implementation of sub-projects.

Cumulative targets.

<table>
<thead>
<tr>
<th>IR Indicator 1.2: Share of SPMU professional staff that are women</th>
<th>Gender indicator.</th>
<th>Annual</th>
<th>Review of SPMU staffing lists</th>
<th>Review of SPMU staffing lists</th>
<th>SICOM M&amp;E function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual targets.</td>
<td>The indicator reflects governance improvements in terms of transparency. Monitoring and modeling data are those data to be used to assess feasibility and priorities in sub-projects and to maximize environmental and social benefits. Annual targets</td>
<td>Review of relevant websites</td>
<td>Review of relevant websites</td>
<td>SICOM M&amp;E function</td>
<td></td>
</tr>
</tbody>
</table>

| IR Indicator 1.3: Monitoring and modeling data by NCSCM for ICZM interventions publicly accessible | The indicator is a key capacity indicator as partnerships are crucial to the success to integrated coastal zone management. Involved institutions are academic institutions, foundations etc. | Annual | Review of proceedings and signed partnership agreements | Review of proceedings and signed partnership agreements | SICOM M&E function |

<p>| IR Indicator 1.4: Partnership between NCSCM and other institutions on knowledge exchange and capacity building established | -- | -- | -- | -- | -- |</p>
<table>
<thead>
<tr>
<th>IR Indicator 2.1: Sub-projects designed and completed in accordance with ICZMPs and MSPs (disaggregated by State/UT)</th>
<th>Sub-projects are defined as physical investments. Cumulative targets.</th>
<th>Annual</th>
<th>Evaluation of sub-projects’ reports</th>
<th>Evaluation of sub-projects’ reports</th>
<th>SICOM M&amp;E function</th>
</tr>
</thead>
<tbody>
<tr>
<td>IR Indicator 2.2: Maximizing Finance for Development Index (disaggregated by State/UT)</td>
<td>Index based on scoring (0-1) of 5 dimensions. Target for each dimension and State/UT will be determined based on priorities in ICZMPs and MSPs and available funding. i. Transparent permitting process (regulatory and non-regulatory) is in place to attract private sector engagement/investment in the coast (Yes/No) ii. Financing instruments identified and established at the national level and state level (Yes/No) iii. National Coastal Mission financing mobilized (Yes/No) iv. PPPs initiated</td>
<td>Annual</td>
<td>Review of permitting process Focus group discussion Analysis of PPP portfolio</td>
<td>Review of permitting process Focus group discussion Analysis of PPP portfolio</td>
<td>SICOM M&amp;E function</td>
</tr>
</tbody>
</table>
### Disbursement Linked Indicators Matrix

<table>
<thead>
<tr>
<th>DLI 1</th>
<th>SICOM and NCSCM resourced and scaled appropriately to meet ENCORE objectives and support the needs of States / UTs including the capacity building that will be led from the center</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of DLI</td>
<td>Scalability</td>
</tr>
<tr>
<td>Intermediate Outcome</td>
<td>Yes</td>
</tr>
<tr>
<td>Period</td>
<td>Value</td>
</tr>
<tr>
<td>Baseline</td>
<td>Current staffing near 60%</td>
</tr>
<tr>
<td>September 30, 2021</td>
<td>a) key professional staff (identified as per agreed list with the Bank) recruited in both SICOM and NCSCM respectively; b) The NCSCM submits a capacity building plan to SICOM, including ICZM consortia activities, state-to-state learning and centre-to-state learning</td>
</tr>
</tbody>
</table>
September 30, 2022

- a) key professional staff (identified as per agreed list with the Bank) recruited in SICOM and the NCSCM; and existing key professional staff continue to be on rolls of SICOM and NCSCM respectively;
- b) The NCSCM discloses how capacity-building activities have met the Project objectives and submits a plan to SICOM for the following year, considering experience from the previous year.
- 400,000.00
  - a) $100,000 each for SICOM and NCSCM
  - b) $200,000 for NCSCM

September 30, 2023

- a) Key professional staff (identified as per agreed list with Bank) recruited in SICOM and the NCSCM and existing key professional staff continue to be on rolls of SICOM and NCSCM respectively;
- b) The NCSCM discloses how capacity-building activities have met the Project objectives and submits a plan to SICOM for the following year, considering experience from the previous year.
- 400,000.00
  - a) $100,000 each for SICOM and NCSCM
  - b) $200,000 for NCSCM

<table>
<thead>
<tr>
<th>DLI 2</th>
<th>State ICZM Units designated as technical secretariat and made operational to carry out ICZM planning and CRZ implementation functions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of DLI</td>
<td>Scalability</td>
</tr>
<tr>
<td>Intermediate Outcome</td>
<td>Yes</td>
</tr>
<tr>
<td>Period</td>
<td>Value</td>
</tr>
<tr>
<td>Baseline</td>
<td>One SPMU/ICZMU in Odisha; no on-going capacity-building at the state level</td>
</tr>
<tr>
<td>September 30, 2021</td>
<td>Participating State/s have designated the ICZM</td>
</tr>
</tbody>
</table>
### SCZM Secretariat

Unit as the technical secretariat for the SCZM through a Government Order.

September 30, 2022

The ICZM units of Participating State/s have appointed and maintained key technical staff as per approved staffing plan by SICOM.

1,100,000.00

US$100,000 per state/UT

September 30, 2023

The ICZM units of Participating State/s have appointed and maintained key technical staff as per approved plan by SICOM.

1,100,000.00

US$100,000 per state/UT

### ICZM Plans prepared with active stakeholder engagement.

**DLI 3**

ICZM Plans prepared with active stakeholder engagement.

<table>
<thead>
<tr>
<th>Type of DLI</th>
<th>Scalability</th>
<th>Unit of Measure</th>
<th>Total Allocated Amount (USD)</th>
<th>As % of Total Financing Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate Outcome</td>
<td>Yes</td>
<td>Text</td>
<td>20,000,000.00</td>
<td>11.10</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Period</th>
<th>Value</th>
<th>Allocated Amount (USD)</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline</td>
<td>one ICZM plans prepared for Gujarat, Odisha, and West Bengal, each; no active or continuous stakeholder engagement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>September 30, 2021</td>
<td>Participating State/s mobilizes ICZMP preparation team and engages a consultant/technical agency/NCSCM for preparation of the ICZMP(s)</td>
<td>3,500,000.00</td>
<td>US$350,000 per state /UT</td>
</tr>
<tr>
<td>September 30, 2022</td>
<td>a) Participating State/s completes the draft ICZMP/s and submits to SICOM. b) Each Participating State develops and implements a stakeholder engagement plan, including gender balance, for the ICZMP/s.</td>
<td>8,500,000.00</td>
<td>a) US$800,000 per state/UT b) US$50,000 per state/UT</td>
</tr>
<tr>
<td>September 30, 2023</td>
<td>Participating State/s have the final ICZMP(s)</td>
<td>8,000,000.00</td>
<td>US$800,000 per state/UT</td>
</tr>
<tr>
<td>Verification Protocol Table: Disbursement Linked Indicators</td>
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<tr>
<td><strong>DLI 1</strong></td>
<td>SICOM and NCSCM resourced and scaled appropriately to meet ENCORE objectives and support the needs of States / UTs including the capacity building that will be led from the center</td>
<td></td>
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<tr>
<td><strong>Description</strong></td>
<td>a) Year 1: Key professional staff as per agreed list with the Bank recruited in both SICOM and the NCSCM respectively Year 2 and 3: Key professional staff as per agreed list with the Bank recruited in SICOM and the NCSCM, respectively and existing key professional staff continue to be on rolls of SICOM and the NCSCM, respectively b) Year 1: The NCSCM provides a capacity-building plan to SICOM, including ICZM consortia activities, state-to-state learning and center-to-state learning. Year 2 and 3: The NCSCM discloses how capacity-building activities have met the project objectives and submits a plan for the following year, considering experience from the previous year Description of Achievement a) SICOM and NCSCM has an establishment plan for Year 1 with budget, number of staff (existing plus new recruits), required experience, and capability in: Project management; Procurement; M&amp;E; FM; ICZM Planning; Technical (ICZM) skills in economics/social science/marine planning/stakeholder engagement/science/engineering b) National Capacity building is led by NCSCM and will include (but not be limited to) - University consortia (research programs, degrees, international collaboration, exchanges and joint research initiatives, and so on); - Conferences - practitioner training (workshops, lessons learned and skills transfer, and so on.) Decision-support system to assist states and territories with ICZMP and implementation Year 1 The NCSCM will prepare a resourcing and capacity-building plan (to be reviewed and adjusted annually) which will include: Resourcing • Skills and capabilities required (additional to existing resources) • Resourcing levels (number of people in different capability areas) • Systems/processes needs to support implementation • Phasing of growth to match need for increasing scale/capabilities • Budget Capacity Building • Detailed budget for Year 1 • Planned capacity-building activities (including information exchange, lessons learned, and skills transfer) • What new skills and capabilities will result • How gender balance will be incorporated • How many recipients will receive training • How will this be delivered • The outcomes against which effectiveness will be evaluated. Year 2–3 The NCSCM reports annually on achievement of the objectives and actions of the growth and capacity-building plan to meet the needs of the ENCORE Program. The report will include the plan for the following year. This will include lessons learned (and adjustments made) from the previous year— for Year 2 onward.</td>
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<tr>
<td><strong>Data source/ Agency</strong></td>
<td>SICOM and NCSCM</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Verification Entity | World Bank
---|---
**Procedure**
a) Year 1-3: Document review of establishment plan. Review of sanctioned posts against filled up posts for agreed staff.
b) Year 1
World Bank reviews the NCSCM growth plan to ensure that it meets the objectives of the ENCORE Project and will recommend that it is approved by the GoI. The World Bank provides objective plan content/quality criteria and reviews and approves the resourcing and capacity-building plan and budget for the following year based on achievements of the NCSCM in recruiting new staff, new skills, and so on. This will be verified through a site visit by the World Bank team with expertise in organizational growth.
Year 2–3
SICOM reviews and approve the annual NCSCM report against agreed content/quality criteria following discussion with selected state/UT agencies to ensure that the NCSCM functions of the ENCORE Project and states/territories have been met.

**DLI 2**
State ICZM Units designated as technical secretariat and made operational to carry out ICZM planning and CRZ implementation functions

**Description**
Year 1: Any participating state/UT has designated the ICZMU as the technical secretariat for their SCZMA through a Government Order Year 2 and 3: Any state/UT ICZMU appoint and maintain key technical staff as per approved staffing plan by SICOM Description of Achievement Each participating state/UT ICZMU (PMU) is established and fit for purpose to implement its planned work program. Each participating state/UT has provided SICOM confirmation of establishment through provision of the gazette notice as well as an establishment plan for Year 1 with budget, number of staff (existing plus new recruits), required experience, and capability in: Project management; Procurement; M&E; FM; ICZM Planning; Technical (ICZM) skills in economics/social science/marine planning/stakeholder engagement/science/engineering

**Data source/ Agency**
Each participating state/UT

**Verification Entity**
SICOM

**Procedure**
Year 1.
A document review (gazette notice and plan for year one for the state/UT’s ICM Technical Secretariats) and site visit by SICOM and will confirm establishment of SPMUs, staff capability to deliver outcomes, resulting in SICOM approval of the state/UT plans.
The SICOM reviews and verifies the state/UT ICZMU staffing. Document review of establishment plan. Review of sanctioned posts against filled up posts for agreed staff.

ICZM Plans prepared with active stakeholder engagement.

**Year 2–3**

- The SICOM reviews and verifies the state/UT ICZMU staffing.
- Document review of establishment plan. Review of sanctioned posts against filled up posts for agreed staff.

**Description**

**Year 1:** Any participating state/UT mobilizes ICZMP preparation team and engages a consultant/technical agencies/NCSCM for preparation of the ICZMP. **Year 2:** a) Any participating state/UT completes a draft ICZMP and submits to SICOM. b) Any participating state/UT provides a stakeholder engagement plan, including gender balance, for the ICZMP. **Year 3:** Any participating state/UT has the final ICZMP completed and submitted for TAC review. **Description of Achievement:** Year 1: Any participating state/UT mobilizes the ICZMP preparation team and appoints the consultant/technical agency/NCSCM for developing the ICZMP. **Year 2:** a) Any participating state/UT completes a draft ICZMP to the NCSCM for the area being considered. Key sections will include the following: Governance arrangements Baseline Information, including Data acquisition and analysis (including gap analysis and plan to address information gaps). GIS layers Working papers completed (separate studies, including maps for) - Shoreline management - Conservation management - Disaster management - Livelihood management - Water resources management - Tourism management - Pollution management Coastal profile section, which includes the ‘State of the Coast’ Report, integrating the shoreline management, conservation, disaster, livelihood, water resources, tourism, and pollution information into a single document Priorities and action plans including spatial prioritization and presentation A ‘BE’ approach to defining future economic growth Measures of success (indicators) Implementation cost estimates b) Any participating state/UT provides a stakeholder engagement plan, including gender balance for the ICZMP. Any participating state/UT provides a summary of engagement processes and outcomes for each phase demonstrating appropriate levels of engagement and showing how perspectives have been included in outputs (for example, changes made because of feedback). **Year 3:** Each state/UT will submit a final ICZM Plan incorporating prior TAC and stakeholder feedback. The final plan is submitted for TAC review.

**Data source/ Agency**

NCSCM SICOM

**Verification Entity**

States

**Procedure**

**Year 1:**
- Review of GO for constitution of the team and review of work order/contract issued to the consultants/agencies.

**Year 2:**

- Review of GO for constitution of the team and review of work order/contract issued to the consultants/agencies.
a) SICOM will verify based on the findings of the review of the TAC constituted for the respective State. TAC review will cover the completed baseline information phase and coastal profile to confirm that it is of high quality, and that lessons learned from pilot states in preparing the respective section have been learned/best practice followed. The review further determines that the draft ICZMP is of high quality, has taken on board feedback from reviews, and has followed best practices (including MSP and BE as core elements) and learnings from pilot states. Feedback is provided for the state/UT to enable completion of the final ICZMP.

b) High quality stakeholder engagement in preparation and implementation of ICZM Plans ensures stakeholders are well informed throughout the process and supportive of the completed plans, and the priorities and actions within them. Stakeholder engagement also includes ensuring gender balance as a core element. The NCSCM verifies the quality of engagement plan and implementation of the engagement processes for each participating state/UT through site visits and interviews with selected stakeholders, and/or stakeholder satisfaction surveys.

Year 3:
The state/UT submits the final ICZMP (including MSP and BE as core elements) for TAC approval and is able to prepare its Phase 2 ENCORE work program.
ANNEX 1: Implementation Arrangements and Support Plan

COUNTRY: India
Enhancing Coastal and Ocean Resource Efficiency

1. The World Bank’s Implementation Support Plan (ISP) for the ENCORE Phase 1 Project lays out the approach to be followed to help the project implementation agencies achieve the expected project results, based on the project’s nature and risk profile. The complexity of defining specific actions is linked to the project arrangements involving multiple implementing agencies at both the central and state levels. This includes (a) SICOM/MOEFCC, at the national level and (b) SPMUs under the DOFEs in each of the participating states/UTs.

2. The agreed implementation arrangements were informed by the substantial experience of SICOM and the SPMUs/DOFEs, and the states of Gujarat, Odisha, and West Bengal gained under the 2010 ICZM Project. A number of other states’ agencies that are new to ENCORE, however, need to receive substantial capacity-building support and methodological guidance at the outset of the project to ensure effectiveness, timeliness and transparency of project management.

3. The ISP identifies specific actions to (a) better manage key risks identified in the Systematic Operations Risk-Rating Tool, (b) support institutional development, and (c) ensure compliance with the Financing Agreement signed between the GOI and the World Bank. Key ISP elements include (a) establishing a task team with appropriate skill mix required to carry out the project due diligence and provide technical advice to the client at all times; (b) ensuring availability and timely inputs of qualified staff within the World Bank (including consultants as needed), by managing work load of each TT member; (c) ensuring quality and on-time technical and fiduciary reviews, including through field visits and assessments of physical progress, to enable scheduled payments to contractors/consultants, and disbursement schedules; (d) undertaking actions needed to monitor the implementation of mitigation measures identified through the risk assessment process; (e) providing inputs needed for regular monitoring and assessment of project performance and results; and (f) organizing communication with project stakeholders and providing inputs for effective interaction with project beneficiaries.

4. Implementation support will combine periodic supervision with timely technical assistance and policy advice as necessary from the following three specializations categories: technical, fiduciary, and social mobilization. The ISP provides for (a) joint GOI agencies and World Bank reviews, including field visits every six months; (b) regular communication and interim technical discussions including spot visits by World Bank and SICOM/SPMU staff; (c) a third-party technical and project management support to SICOM and SPMUs; (d) monitoring and reporting on project implementation progress and achievement of results; (e) a third-party impact evaluation; (f) annual internal and external financial audits and FM reporting; (g) periodic procurement post-reviews, and (h) written communication with the Government agencies and oversight institutions and other institutional stakeholders on implementation assessment and performance results, including on the necessary actions to ensure timely resolution of implementation bottlenecks.

5. World Bank team skill mix. The World Bank will put in place a TT comprising a diverse skill mix from various Global Practices, including consultants. Skill sets required for effective implementation support include, among others, project management, policies and institutions, capacity building, natural resources management, coastal and marine spatial planning, biodiversity conservation, marine resources specialist, M&E, structural engineer, procurement, FM, IT system specialist, big data/open contracting, communications, citizen engagement,
environment, legal, and social mobilization. The World Bank team will monitor and advise the DOF on the skills sets and qualification necessary for effective project implementation.

6. **Support to critical implementation support milestones.** The World Bank task team will support the SICOM and SPMUs to provide inputs for the project launch during the first three months after project effectiveness. Project launch is a major forum where project agencies and stakeholders will discuss Project Implementation Plans (PIPs), roles and responsibilities of implementing agencies, and other important details that will shape the first 18 months of project implementation and based on implementation readiness. The midterm review will be carried out jointly during year 3 of the project with inputs from NCSCM, SICOM and the World Bank. It will be a stocktaking exercise for which the SICOM will lead the preparation of a comprehensive report on the project-wide progress, technical issues, and assessment of capacity of implementing agencies, determine needs for training, evaluate interim results, and propose actions to address bottlenecks. The World Bank task team will support the GOI in organizing a project completion workshop three month before Phase 1 project closure to present the project results. It is expected that the NCSCM and SICOM will present the analysis and results of the project beneficiaries survey conducted during the last implementation year of Phase 1.

7. **Six-monthly joint review missions.** The SICOM and the World Bank task team will jointly conduct implementation reviews every six months following project effectiveness. These reviews would initially focus on key start-up and capacity-building activities to facilitate ICZM planning and accelerate early stages of technical definition of investments and their implementation. SICOM would collect information from SPMUs and will prepare and submit to the World Bank an Implementation Progress Report in an agreed format at least 15 days before the start of each joint review. During the joint review, SICOM and the World Bank TT would (a) review progress in the context of the PIP and associated Procurement Plan; (b) identify key issues affecting project performance (both positive and negative); and (c) agree on any actions as needed to sustain and/or accelerate project implementation. Documentation of the joint review consists of an Aide Memoire—which summarizes items (a) to(c)—and a Management Letter from the World Bank to the GOI.

8. In addition to the joint review missions, to ensure smooth implementation, the World Bank task team would follow a problem-solving approach and meet periodically (monthly) with the Borrower’s agencies to monitor and assess the implementation progress, identify issues and measures to address them, and set up an action plan. The World Bank TT would include the World Bank Task Team Leaders (TTLs) and various specialists, including FM, procurement, M&E, environmental and Social Safeguards, and core technical experts (both World Bank staff and consultants), as identified over the course of ENCORE Phase 1 implementation. World Bank task team composition would vary based on the problem solving agenda and requirements of each joint review.

**Implementation Support Plan**

9. The World Bank task team is based in Washington, DC, the United States, and Delhi, India. During the joint reviews and any interim reviews, detailed inputs from the task team would consist of the following:

   (a) **Technical inputs.** These would be provided to NCSCM, SICOM and SPMUs and other field-based implementing entities visited during the reviews to facilitate smooth implementation. The World Bank TT would maintain regular phone and e-mail contact with the implementing agencies to facilitate ongoing workflow, such as (i) review of TOR, (ii) prior review of procurement, (iii) identification and deployment of international expertise under ENCORE, and (iv) other review and advice as may be required. The SICOM would review and update the Project Implementation Manual as needed during project implementation and submit these updates to the World Bank TT for review and agreement.
(b) **Fiduciary inputs.** The task team would support the NCSCM, SICOM and SPMUs through training and other capacity-building needs with respect to FM and procurement. Procurement and FM compliance would be part of the joint reviews described earlier. The World Bank TT would also ensure any timely support required by the SICOM and SPMUs to meet the agreed fiduciary requirements, as given in the Financing Agreement.

(c) **Procurement.** The Procurement Plan will be updated as required and will be the basis of the World Bank’s procurement supervision plan. The World Bank’s electronic procurement planning and monitoring system (STEP) will be used to prepare and regular update and get ‘no objection’ of the Procurement Plans of this project. Respective SICOM and SPMU staff will receive training on STEP organized by the World Bank, during its use in the project.

(d) **Safeguards.** The task team would monitor environmental and social safeguards compliance during the joint reviews and provide technical assistance to SICOM and SPMUs’ specialists as needed.

10. A summary of the identified implementation support needs is provided in Table 1. A detailed matrix with time-bound actions for effectiveness and start-up will be included in the POM.

**Table 1.1. World Bank TT’s Estimated Implementation Support Budget/Staff Effort Requirements**

<table>
<thead>
<tr>
<th>Time</th>
<th>Focus of Borrower’s Actions</th>
<th>Skills Needed</th>
<th>Resource Estimate</th>
<th>Source</th>
</tr>
</thead>
</table>
| First 12 months (year 1) | - Technical and operational support  
- Project effectiveness  
- Project launch and mobilization of implementing arrangements  
- Operationalizing PMU systems;  
- Staffing; hiring PM consultant  
- Identifying technical and capacity issues  
- Technical support  
- Developing TORs  
- Opening accounts developing technical packages  
- Initial payments for consulting services  
- Launching capacity and training activities  
- Fiduciary training and supervision  
- Launching procurement  
- Procurement evaluations  
- Signing contracts for services and construction  
- Implementing and monitoring safeguards activities | - TTL and co-TTL  
- M&E specialist  
- Coastal zone planning specialist  
- Institutional and CZ Policies specialist  
- Marine resources management expert  
- Conservation/habitat Restoration specialist  
- Marine Spatial Planning specialist  
- Technical engineer  
- Capacity development and Training specialist  
- Project management specialist  
- Legal specialist  
- Communications specialist  
- Administrative support  
- FM specialist  
- Procurement specialist  
- Social development specialist  
- Environmental specialist | - US$290,000  
- 16 SWs (TCIB) | BB  
FAO  
TCIB |
| Anually, thereafter    | - Technical and operational support  
- Developing technical packages;  
- Initial payments for consulting services  
- Launching capacity and training activities  
- Team technical support | - TTL and co-TTL  
- M&E specialist  
- Social development specialist  
- Environmental specialist | - US$260,000/ year | BB  
FAO |
<table>
<thead>
<tr>
<th>Time</th>
<th>Focus of Borrower’s Actions</th>
<th>Skills Needed</th>
<th>Resource Estimate</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>(year 2-3-4-5-6)</td>
<td>• Capacity building programs and M&amp;E launched&lt;br&gt;• Midterm review&lt;br&gt;• Execute technical packages and contracts;&lt;br&gt;• Technical supervision of construction/small works&lt;br&gt;• Completing capacity-building activities (year 3-4);&lt;br&gt;• Implementing and monitoring safeguards activities (every year)&lt;br&gt;• Payments execution&lt;br&gt;• Carrying out annual audits; M&amp;E and reports&lt;br&gt;• Beneficiary survey (year 4&amp;6) Phase 1 project completion workshop (year 4)&lt;br&gt;• Implementing citizen engagement and communication plans</td>
<td>• Marine resources management specialist&lt;br&gt;• ICZM Planning expert&lt;br&gt;• Institutional capacity development specialist&lt;br&gt;• Technical specialist/ engineer&lt;br&gt;• Marine Spatial Planning Specialist&lt;br&gt;• specialist&lt;br&gt;• Project management specialist&lt;br&gt;• Social Mobilization&lt;br&gt;• Legal specialist&lt;br&gt;• Communications specialist&lt;br&gt;• Administrative support</td>
<td>• 12 SWs/ year (TCIB)</td>
<td>TCIB</td>
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<tr>
<td></td>
<td>• Fiduciary monitoring and reporting&lt;br&gt;• Carrying out procurement evaluations&lt;br&gt;• Signing contracts for services and construction (completed in Year 4)&lt;br&gt;• Executing payments&lt;br&gt;• Implementing and monitoring safeguards activities</td>
<td>• FM specialist&lt;br&gt;• Procurement specialist</td>
<td>• 4 SWs/ year&lt;br&gt;• 10 SWs/ year</td>
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<tr>
<td></td>
<td></td>
<td>• Social development specialist&lt;br&gt;• Environmental specialist</td>
<td>• 5 SWs/ year&lt;br&gt;• 6 SWs/year</td>
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</table>

Note: SW = Staff week; BB = Bank Budget; FAO TCIB
ENCORE is a continuation to the ICZM Project. The ICZM Project’s financial management system has been well managed over the years, and similar implementation arrangements would be followed for this project. Key financial management arrangements are detailed below.

2. **Implementation arrangements.** SICOM (a society at the central level established in 2010 under the MOEFCC) would implement the project as the NPMU. Under the project, implementation is to be carried out by twelve agencies which include National PMU (SICOM) and eleven states/UTs PMUs. SICOM and three states PMUs namely West Bengal, Gujarat, and Odisha have experience in implementing World Bank financed project. Seven states namely Karnataka, Andhra Pradesh, Kerala, Lakshadweep, Goa, Puducherry, and Daman & Diu have created new ICZM societies which will act as SPMU for the project and have no previous experience with Bank’s project.

3. **NPMU:** SICOM is a registered society and have proper FM systems and procedures (comprising budgeting, internal controls, accounting, reporting, and audit) to account for and report on the entire project resources and expenditure as per requirements of the Bank. The FM arrangements will be overseen by a finance controller who is a chartered accountant and is supported by a team of chartered accountant and commerce graduates. Due to increase in the number of states to be handled by the project, the FM staffing requirements/need for a FM consultancy has been confirmed during appraisal.

4. **SPMU:** The State Project Management Unit (SPMU) in the states will serve as the apex state level organization and are societies. The SPMUs will function under the overall guidance of NPMU and DOE and the respective state PEAs will function under the SPMU’s guidance. The FM arrangements will be overseen by the finance manager a chartered accountant recruited by the societies who will be assisted by at least two commerce graduates. The FM assessment of SPMUs clearly demonstrates the requirement of additional FM staff requirements/ FM consultancy to carry out the project accounting and reporting.

5. **PEAs (working as technical partners and working on behalf of SPMU):** PEAs are technical partners for this project. An MOU would be signed between SPMU and PEA and thereafter PEA would work on behalf of the SPMU. PEAs have been identified under the project both at national level, and at state level. The PEAs will work under the overall guidance of the respective SPMU and the controlling department. The legal status of the PEAs is varied - registered societies, company under the companies act, government departments, urban local body etc. Each state should clearly demarcate the PEAs, identify officers and issue government orders for designating them as nodal officers, and sign a MOU to start the project activities.

6. **Project cost sharing.** As this is a central project, it follows an overall project cost sharing ratio of 50:50 between the GoI and the IBRD. The GoI’s 50 percent share further comprises 20 percent from the participating states and 30 percent through the MOEFCC. In case of Puducherry the state share would be ten percent, while for other UTs the funding would be done by the GoI. All states/UTs have issued confirmation about providing counterpart funding for the project.

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24 Odisha, Gujarat, Goa, Tamil Nadu, Kerala, Karnataka, Andhra Pradesh, West Bengal, Daman & Diu, Puducherry & Lakshadweep
7. **Budgeting.** Budget head has been created at the GoI level and states. The GoI will allocate funds for its share including budget for central components, grants to state, UT share, and World Bank share. The states will provide their share of 20 percent to the SPMUs. SICOM will consolidate the budget requirements and request the MOEFCC to make budget provisions. The SPMU will ensure that the state governments make adequate budgetary provision every year. Budget would be provided based on annual work plan. Time lines has been set by SICOM for the preparation and submission of the work plan and consolidation of budgets by all SPMUs/SPEAs and has been included in the FM Manual.

8. **Fund flow.** The GoI would transfer the funds to SICOM at least twice a year, which will be handled using a project bank account. SICOM will further transfer funds to national PEAs and the SPMUs as per annual work plan and funds utilization. Most of the SPMUs have opened separate project bank accounts in discussion with SICOM. The SPMU will decide who would operate the project bank accounts and should get appropriate approval from the state. Transfers would be made using the ECS method, and adjustments would be made for unutilized funds. To have prudent fund flow and have better control on accounting and reporting at the SPMU the following mechanism has been agreed:

   (a) The SPMU would open a separate bank account for the project. The entire amount received would be kept and accounted through this account.

   (b) The SPMU would advise PEA to open bank accounts in branches of the same bank. The account would be opened in such bank account which would offer both Pay in Par facility and Core Banking solution. These bank accounts would be operated by the designated PEA officers.

   (c) The SPMU on a quarterly basis would provide the amount which can be used by the PEA from their bank account. The PEA would use this bank account and would make payments. This will help the SPMU in having dynamic control over the cash flow, accounting and reporting.
9. **Accounting.** The major accounting centers for the project would be the NPMU, SPMU, and PEAs. Major portion of the expenditure and payments would happen at the PEA level through the project bank account while the actual accounting and consolidation would happen at the SPMU level for the state level expenditure and the NPMU level for the entire project.

10. PEA would compile the monthly accounts and send to the SPMU for accounting within ten days from the end of the month. SPMU would finalize the accounts within thirty days from the end of the month. The original documents would be retained and filed separately in the PEA for future audits. Project accounts would be maintained separately in Tally software.

11. All the SPMUs and state PEAs are required to maintain accounts in Tally for ease of accounting and consolidation. SICOM will consolidate the project accounts at the central level. For the states, model of decentralized payments would be followed. In case of UTs, all payments and accounting would be centralized at the SPMU level. The accounting systems would be setup within three months of effectiveness.

12. A Financial Management Manual has been developed which will provide in detail the applicable accounting policies and procedures for the project. The books of account will be maintained in a computerized software following double entry cash basis. The manual has separate sections for accounting arrangements for NPMU, SPMU and PEAs. Books of accounts for the project would be maintained under double-entry principles.

13. **Reporting and disbursements.** Disbursements would be done in a reimbursement mode. The central and state governments would provide budgets which will be used for carrying out activities, and expenditure would be consolidated and reported using IUFR for disbursement. States would submit their respective reports to SICOM which would collate and submit a consolidated IUFR to the World Bank for disbursements within sixty days from end of every quarter. The IUFR formats have been designed and agreed. There would be two disbursement categories one category for DLI disbursements, while the second category for regular disbursement.

14. **Staffing.** The current staffing pattern should continue in SICOM. As the number of states are increasing, the team size in terms of chartered accountants (CAs) and commerce graduates at SICOM needs to be increased. The staffing pattern has been incorporated in the FM Manual and the staff would be hired within the first three months of effectiveness. In the case of the SPMU, senior staff should be deputed from the state to handle government procedures, while at least one CA supported by one commerce graduate with computerized accounting knowledge, should be recruited to maintain project accounts in each SPMU. The states have agreed to the staffing pattern which would be incorporated in the FM Manual and the staff would be hired within the first three months of effectiveness. In each PEA, the state should hire at least one commerce graduate with computerized accounting knowledge to maintain project accounts. Both SICOM and states can use PFMC for supporting the project.

15. **External audit.** A consolidated audit report would be submitted by SICOM within nine months from the end of every financial year. The audit would be carried out by the CA firm appointed by SICOM and the TOR has been prepared and agreed. The auditors would be appointed within six months of effectiveness. SICOM would form an Audit Committee to review the audit report.

16. **Internal audit.** Internal auditors would be appointed by SICOM and the TOR has been prepared and agreed. These audits should be regular audits and carried out at least once every six months. The audits would be carried out by the CA firms appointed within six months of effectiveness. An Audit Committee needs to be formed
by each SPMU with one representative from the finance section of SICOM. These Audit Committees would review all audit reports and compliance at least once in every six months.

17. **EEP and DLI payments.** The project includes both DLI and non-DLI payments. Non-DLI payments would be made based on the actual expenditure incurred and reported through IUFR. Disbursements against DLIs will be made on satisfactory achievement of DLIs, verified according to the agreed verification protocol and supported by the Eligible Expenditure Program (EEP). EEP will consist of the following, (a) thirty percentage of IOC; and (b) consultancy for ICZM plans.

18. If the project does not achieve the DLI targets for any year, the World Bank may allow a roll over until the DLI target is achieved. In case of non-scalable DLIs (as provided for in DLI Verification Protocol), the World Bank will disburse only against full achievement of DLI target. In case of scalable DLIs, if partially achieved, the World Bank may authorize withdrawal of a lesser amount of the DLI value allocated to the said DLI target and subject to availability of adequate EEP. The remaining amount of DLI will be disbursed once the DLI target value is fully achieved. In case the project is unable to achieve DLI targets (scalable or non-scalable), the World Bank may reallocate the proceeds of the loan to another DLI, in consultation with SICOM. In case the audited EEP is less than the reported EEP, the difference will be adjusted from subsequent DLI claims.

(ii) **Procurement**

19. Procurement for the project will be carried out in accordance with the World Bank Procurement Regulations for IPF Borrowers dated July 2016, revised November 2017 and August 2018, and the provisions stipulated in the Legal Agreement. The project would be subject to the World Bank Anticorruption Guidelines, dated October 15, 2006, and revised in January 2011 and July 2016. Unless otherwise agreed with the World Bank, the World Bank’s Standard Procurement Documents (SPD), Requests for Proposals, and Forms of Consultant Contract will be used.

20. All ENCORE Phase 1 procurement activities are envisaged to be carried out by twelve agencies, which include SICOM and SPMUs. Procurement activities are expected to be largely similar among the different procuring entities. SICOM has developed a procurement manual and community procurement manual conforming to the World Bank Procurement Regulations for all procurement under this project. In case of any inconsistency between the procurement manual and the Bank’s Procurement Regulations for IPF Borrowers, July 2016, Revised November 2017 and August 2018, the latter shall prevail.

21. **A Project Procurement Strategy for Development (PPSD)** has been prepared by SICOM which looks at planned complex and large procurement contracts, assesses market and implementation risks, and proposes mitigations for the smooth implementation of procurement under the project. Procurement activities presenting a potential market risk may include STP construction, acquisition of latest high-end technological equipment, erosion protection works, etc. The PPSD has reviewed the market conditions for such procurement packages and proposed market approaches to mitigate these risks. A procurement plan has been prepared that presents the methods and approaches for procurement under this project.

22. **Procurement Capacity:** Of the 12 agencies to carry out procurement activities under ENCORE Phase 1, SICOM and three of the SPMUs have already handled bank-funded procurement under the 2010 ICZM Project. Staffs from all agencies have undergone training on World Bank procurement procedure and based on requirement more can be provided. SICOM has engaged a procurement consulting firm to ensure that SPMUs follow agreed procurement arrangements and for providing day-to-day procurement and functional support.
23. **Procurement Risk Assessment and Mitigation (PRAMS):** As part of the project preparation process, an assessment has been conducted for procurement capacity of the implementing entities using PRAMS to identify generic procurement risk and risk mitigation measures under this project. Based on the scope of procurement, multiplicity of procuring entities and capacities of the procuring entities, the procurement risk is rated “Substantial”. The key risks and associated mitigation measures are summarized in Table 2.1:

*Table 2.1. Assessed Procurement Risks and Mitigation Measures (to Be Updated after Procurement Risk Assessment Management System Is Completed for All State Implementing Agencies)*

<table>
<thead>
<tr>
<th>Risks Identified</th>
<th>Proposed mitigations</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>The large number of procurement agencies present communications and consistency challenges</td>
<td>SICOM is developing one Standard Procurement Manual for use by all SPMUs upon World Bank clearance.</td>
<td>By Negotiation</td>
</tr>
<tr>
<td>SPMU procurement capacity takes time to build</td>
<td>Consultant to help the Borrower</td>
<td>Consultant already hired to help Borrower with PPSD, Procurement Plan, STEP and Procurement Manual</td>
</tr>
<tr>
<td>New SPMUs with no experience of Bank’s procurement system</td>
<td>Staff training</td>
<td>To be provided periodically</td>
</tr>
</tbody>
</table>

24. **Procurement Thresholds:** Table 2.2 lists the thresholds for the various procurement methods.

*Table 2.2. Procurement Thresholds*

<table>
<thead>
<tr>
<th>Procurement Type</th>
<th>Method Threshold (US$ million)</th>
<th>Bank’s Prior Review Threshold (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Works</td>
<td>Open International &gt; 40</td>
<td>All contracts &gt; 10</td>
</tr>
<tr>
<td></td>
<td>Open National &lt; 40</td>
<td></td>
</tr>
<tr>
<td></td>
<td>National Request for Quotation &lt; 0.1</td>
<td></td>
</tr>
<tr>
<td>Goods, IT and non-consulting services</td>
<td>Open International &gt; 10</td>
<td><strong>Goods and Information Technology:</strong> All contracts &gt; 2</td>
</tr>
<tr>
<td></td>
<td>Open National &lt; 10</td>
<td><strong>Non-Consulting Services:</strong> All contracts &gt; 2</td>
</tr>
<tr>
<td></td>
<td>National Request for Quotation &lt; 0.1</td>
<td></td>
</tr>
<tr>
<td>Consulting Firms</td>
<td>QS &lt; 0.3</td>
<td>All contracts &gt; 1</td>
</tr>
<tr>
<td></td>
<td>LCS, FBS – With WB No Objection based on justification</td>
<td></td>
</tr>
<tr>
<td></td>
<td>QCBS, QBS – in all other packages</td>
<td></td>
</tr>
<tr>
<td>Shortlist of National Consultants</td>
<td>Up to 800,000</td>
<td></td>
</tr>
<tr>
<td>Individual consultants</td>
<td></td>
<td>All contracts &gt; 0.3</td>
</tr>
<tr>
<td>Direct Selection</td>
<td>With WB No Objection based on justification</td>
<td></td>
</tr>
<tr>
<td></td>
<td>For Goods / Works / non-consulting services: As per paragraph 6.8-6.10 of Regulation.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>For Consultants: As per paragraph 7.13-7.15 of Regulation</td>
<td></td>
</tr>
</tbody>
</table>

25. **Post Review:** All contracts not subject to prior review by the World Bank will be subject to post review during the project’s Implementation Support Missions (ISM) and/or special post review missions including missions by consultants hired by the Bank. The World Bank may conduct, at any time, independent procurement reviews of all the contracts financed under the loan. Also, if there are internal audits carried out for sample
procurements, the Borrower may consult with the World Bank to include the Bank’s requirements under the TOR for such audits, in which case the Bank will only review the internal audit reports.

26. **Community Contracting**: Some procurement under project Component 2 such as livelihood support and improvement activities, mangrove plantation and related small value civil works will be procured following the principles of “Community Driven Development (CDD)” as detailed in paragraph 6.52 and Annexure-XII of the Procurement Regulations. To ensure that such procurement meets the basic principles of economy, efficiency, equal opportunity, and fairness and transparency of the process, the procurement manual shall include the required simplified and flexible procedures, the corresponding simplified bidding and contract formats, and applicable safeguards such as participatory monitoring. Community contracting will be done as per Community Procurement Manual.

27. **Public-Private Partnerships (PPPs)**: The Bank may finance the cost of a project, such as STP under PPP arrangements and the procedures may be followed as build-own-operate (BOO), build-operate-transfer (BOT), and build-own-operate-transfer (BOOT) concessions or similar types of private sector arrangements provided the selection procedure will follow the provisions stipulated at Para 6.42 to 6.45 and Annexure-XIV of the World Bank Procurement Regulations.

28. **E-procurement System**: E-procurement has been mandated by many state governments and the Borrower is encouraged to use an e-procurement system. Some of the states under this project are using the NIC portal while others have different portals. Most e-procuring service providers in India, including NIC, have been assessed and cleared by the World Bank. If a new system is proposed, it must be assessed and cleared by the World Bank team prior to its use under this project.

29. **Complaint Handling Mechanism**: To address procurement complaints received by the proposed Project, a complaint handling mechanism will be implemented by SICOM and each individual SPMU. The STEP has an integrated system for recording complains and resolutions and a similar system must be followed by each of the agencies. On receipt of complaints, immediate action would be initiated to acknowledge the complaint and for its redress within a reasonable timeframe. All complaints will be addressed at levels higher than the level at which the procurement process was undertaken, or the decision was taken. Any complaint received will also be forwarded to the World Bank for information, along with all correspondence pertaining to that complaint.

30. **Record Keeping**: All records pertaining to award of tenders, including bid notification, bid opening minutes, bid evaluation reports and all correspondence pertaining to bid evaluation, communication exchanged with the Bank and the bidders/consultants in the process, bid securities, approval of invitation/evaluation of bids must be retained by the concerned PMUs.
Environmental Safeguards

1. It is envisaged that the project would lead to positive impacts, including marine and coastal conservation, pollution prevention and effective utilization of coastal resources, and promotion of sustainable coastal livelihoods. It will increase the resilience of vulnerable communities living in natural disaster-prone coastal areas and support integrated coastal planning and management. In addition, the project is expected to provide a scientific basis and an effective coastal management framework (including institutional capacity) for resource-efficient and integrated coastal management. The proposed project mandate subsumes safeguards management as an integral part of the project objectives and implementation. Rather than ad hoc placing and implementation of project investments in time and space without adequate planning considerations, the ICZMP, which would be prepared as part of the project, would set the stage for investments, with a scientific basis, considering the environmental-, social-, and disaster-related sensitivities, among others. Thus, overall, the project bears significant positive environmental effects.

2. The subproject activities would spread along different locations in the coastal states of India. The exact locations of the specific project investment activities are not known at this stage. The World Bank’s Safeguards Policy OP 4.01 (Environmental Assessment) is triggered for the project. Some of the project activities including preparation of ICZMPs and measures for coastal protection, conservation of resources, and pollution prevention may have positive and negative impacts on natural habitats (including rivers, streams, and sacred graves), CVCAs, and ESAs including coastal mangrove forests (classified as reserve forests in some states). Hence, OP/BP 4.04 (Natural Habitats) and OP/BP 4.36 (Forests) are triggered. Some of the project activities also aim at improved agriculture using salt-resistant species and floating farms suggestive of the need for incorporating better pest management strategies, triggering OP/BP 4.09 (Pest Management). Though there will be no direct impact on physical cultural resources, such impacts and chance finds may not be ruled out during desilting and excavation works involved in civil construction, coastal protection works, and water body improvements in varied coastal regions. Hence, OP/BP 4.11 (Physical Cultural Resources) has been triggered.

3. The spread of proposed subprojects and activities is further considered, along with the likelihood that, given the large number of investments to be supported, it is nevertheless possible that there may be subproject(s) identified at a later stage that could generate significant adverse impacts on sensitive coastal and marine ecosystems. To integrate environmental and social considerations in multiple subprojects proposed in different coastal states and effective safeguards management, in Phase 1 of the MPA program, the borrower has prepared an ESMF following the guidance in OP/BP 4.01 (Environmental Assessment). The ESMF also incorporates the provisions for managing other safeguard policies triggered by the project; namely OP/BP 4.04 (Natural Habitats), OP/BP 4.09 (Pest Management), OP/BP 4.11 (Physical Cultural Resources), and OP/BP 4.36 (Forests). The ESMF

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25 The scope of the environmental assessment includes the ‘area of influence’ of World Bank-financed activities, which may span an entire sector or region. ENCORE Phase 1 also employs disbursement-linked indicators (DLIs) and, as under a regular IPF, environmental and social requirements apply to all activities for which the World Bank support is sought by the borrower, whether financed by the World Bank or from another source. The World Bank standards further apply to ‘associated activities’, which are defined as activities and facilities that are not funded as part of the project but are ‘directly and significantly related’ to the project, carried out or planned to be carried out, contemporaneously with the project, and necessary for the project to be viable and would not have been constructed, expanded, or conducted if the project did not exist.
describes the screening process to decide the inclusion of proposed subprojects in the program and to categorize these based on defined criteria also following the World Bank safeguard policies and national regulations.

4. The ESMF describes the process for managing and mitigating anticipated impacts using (a) the integration of Strategic Environmental and Social Assessment approach into regional/sectoral programs/projects and plan preparation activities, including all ICZMPs/MSPs; (b) ESIAs and ESMPs for moderate- and high-risk individual investment activities; and (c) using generic Environmental and Social Management Plans for low-risk projects. In addition, a set of Environmental Codes of Practice is also included in the ESMF to guide integration of environmental aspects in planning and project-related activities. Further, the ESMF provides guidance on assessing, planning, and implementing mitigation measures and supervising/monitoring the impacts to natural habitats and forests and other impacts of temporary nature including (a) activities related to civil works which have potential to cause environmental pollution and pose risks to health and safety, (b) nature of coastal conservation/protection interventions which could have local impacts if the overall coastal dynamics are not considered, and (c) occupational and public safety risks for workers and the communities.

5. SICOM, the NPMU for the ENCORE Phase 1 Project, and at least three of the SPMUs (namely, Gujarat, Odisha, and West Bengal) are well experienced in integrating environmental aspects and safeguards in planning and implementation of subprojects. In addition, the subprojects would be supported by the NCSCM with expertise and scientific experience to provide guidance on sensitive coastal/marine regions, biodiversity, natural habitats, coastal sustainability, and CRZs. The ESMF also describes the improved institutional mechanism, capacity building, and cross learning of environmental actions at the national, state, and project levels; supervision and monitoring mechanisms; and budget for ESMF implementation.

6. SICOM, the NPMU for the ENCORE Program, has undertaken consultations on the ESMF and disclosed the same on their website26 and NCSCM website27 in June 2019. The hard copies of the document is also available at their offices for reference. SICOM has conducted consultations with the beneficiaries and PEAs and arranged detailed consultations at the state/UT level. The ESMF has been reviewed for clearance by the World Bank and has also been disclosed in the World Bank following applicable procedures on Aug 1, 2019.

7. Detailed location-specific plans/project reports are under preparation for project interventions (for the projects which would be implemented during the first two years) in three states where ICZMPs have been prepared under the ICZMP Project. In addition, location-specific plans and project details are also being prepared for the interventions in other states which would help them address the priority coastal issues and make them understand the integrated ICZM process. Safeguard instruments for these projects are also under preparation, following the ESMF procedures. Once DPRs and ESIAs are prepared and reviewed, clearance procedures will be followed for the ESIAs and these will be disclosed ‘in country’ and in World Bank IDU.

(ii) Social Safeguards

8. The project has triggered both OP 4.12 (Involuntary Resettlement) and OP 4.10 (Indigenous Peoples). The exact locations of the specific project investment activities are not known at this stage. Although project investments are expected to enhance and support coastal resources, minimize coastal pollution, and improve the

livelihoods of coastal communities, there could be some adverse impacts as well. Table 3.1 provides a summary of probable impacts.

Table 3.1. Summary of Probable Impacts

<table>
<thead>
<tr>
<th>Construction/Rehabilitation/Restoration Phase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Loss of private land</strong></td>
</tr>
<tr>
<td>Most of the project activities require little or no land. However, some construction/plantation/restoration and other interventions might have minimal land requirement for which only public land has been considered. In spite of the strict consideration that the project will not acquire any private land parcel, legislative procedure and support for compensation and resettlement have been explained in the RPF. In case of any loss of private land due to project intervention, a Resettlement Action Plan will be prepared in line with the agreed RPF.</td>
</tr>
</tbody>
</table>

| Relocation of structures                       |
| Structures, such as street vendor stalls, may need to be moved or relocated for implementation of projects such as restoration of built heritage or natural coastal resources (such as mangrove)/infrastructure (solid waste management and sewage)/ecotourism activities/ beach cleaning/ livelihood activities/protection of coastal structures/any other activities. The Resettlement Action Plan will be prepared in line with the agreed RPF in case of any adverse impact on the structures whether residential or commercial. |

| Removal/displacement                           |
| Displacement of vendor stalls/small businesses/small informal establishments such as fishermen huts/informal fish-landing sites may have adverse impacts with regard to security of the concerned people. This can especially have an impact on women vendors/small business owners/traditional small fishermen or traditional farmers. The Resettlement Action Plan will be prepared in line with the agreed RPF in case of any relocation of both titleholders and non-titleholders. |

| Loss of and/or access to public land or common property |
| Fences may need to be erected to protect coastal resources (sand dunes, turtle nesting sites, and others), or temporarily be erected for construction works (coastal protection structures), and they could block access to people’s lands or public spaces such as a part of a beach. Vendor stalls may need to be moved to be outside or inside the fence (which could reduce the customer base of the vendor). To the extent possible, access to common property will not be disturbed. In case of loss of access, the project will provide alternative access in consultation with the community to ensure there is no adverse impact on business of local community. |

| Inconvenience during construction               |
| There could be temporary impacts during construction activities including dust, noise and increased vehicle traffic, and lighting during night-time hours. Community will be informed beforehand of any intervention that may take place and time frame for its completion. |

| Loss of livelihood or sources of livelihood    |
| There may be negative economic impacts on small businesses/traditional and small-scale fishermen/farmers/individuals informally working in the structure/site/area to be rehabilitated. Vendors or small businesses removed or displaced from their original locations may be unable to return to these places once they have been rehabilitated, thus facing significant loss of income. The Resettlement Action Plan will have measures to restore livelihoods. |

| Impact on host community due to labor influx   |
| Because there are construction activities involved, there may be issues related to use of local resources by the migrant labor or interference with the local community leading to conflict with the community. Other issues could be securing labor rights related to minimum wage rate, safety at construction sites, and provision of basic facilities to laborers and their families during construction. A Labor Management Plan will be prepared for each subproject involving migrant laborers and will be monitored during the implementation stage. |

| Conflict with the community                    |
| During the implementation phase, there might be conflict with the local community despite having the consultation meetings. These can happen due to the apprehension of inconvenience, influx of workers, or fear of loss or inaccessibility to the common resources such as beach or mangrove. Community consultation will be an ongoing activity to avoid any kind of conflict with community. |
9. The proposed project mandate subsumes safeguards management as an integral part of the project objectives and implementation. With project investments expected to spread along India’s entire coast, including island territories, it is likely that some locations may have presence of indigenous population. To address any adverse social safeguard issues, the ESMF has been prepared based on the type of subprojects and activities which are expected and probable impacts considering the activities and project locations. It also considers the existing institutional setup for safeguards management and suggests improvements/additions required to follow the ESMF process. The ESMF outlines the process to be adopted during each stage in the project cycle, to ensure the preparation of adequate guidance for safeguards management based on the level of impacts and to agree and follow these during the implementation and operation and maintenance stages. The ESMF includes a framework for addressing issues related to resettlement, indigenous people, gender actions, and citizen engagement. The ESMF specifies the procedures, eligibility, grievance redressal, capacity building, M&E, and other measures to be followed in the event of any adverse impact. The ESMF is a ‘live document’ enabling revision, as and when necessary, to incorporate the changing project scenario.

10. A social accountability mechanism will be established for all the project. The key approaches for ensuring social accountability would be any or a combination of participatory processes guiding social audit and community scorecard to acquire feedback on the performance of the subprojects and record community’s recommendations for improvement. The social accountability mandate will be further strengthened through a strong grievance redress mechanism. To ensure that the potential for disruption to the normal life is minimized, and that the community is adequately consulted during the preparation stages and adequately informed during the implementation stages, the design of the project includes several mitigation measures which include mandatory consultations with the local community during the design and preparation stages of the subproject, adoption of better planning and construction practices to reduce the potential disruptions, and strong local-level communications and grievance redressal system to inform and respond to affected people.

11. An Integrated Grievance Redress Mechanism (IGRM will be established for the project, with officers and systems in place at the local implementing agency, SPMU, and NPMU levels. Grievances or feedback of any kind may be submitted through various mediums (for example, a dedicated toll-free phone line, direct calls to concerned officials, online through a dedicated portal, and in written form) and will be addressed in a time-bound manner. The person in-charge will forward the same to the concerned official based on the nature of the complaint. A ticket or a unique number will be generated for all such complaints. The complainant will follow up based on that unique number. All calls and messages will be responded within two weeks. If the response is not received within 15 days, the complaint will be escalated to the project head. The project will also comply with the RTI Act of 2005 and, as mandated under Section 4 of the Act, will ensure proactive disclosure and sharing of information with key stakeholders, including communities and beneficiaries.

12. In addition, the project will also set up three tier GRM comprising

i. Tier 1: The community organizers at the village/project site, for each activity implemented at the village level, will be the first level contact for any aggrieved person. On a fixed date of every month, individuals/community can approach the community organizer to register their grievances. Wherever the nature of the project activity does not include a community organizer, the Nodal Officer of the PEA will assume the same responsibility;

ii. Tier 2: Any grievance of the community/individual addressed to the community organizer if remains unresolved will be passed on to the SPMU level. Grievance Committee of the SPMU will include the
Additional project Director, the Social Development Specialist of SPMU and the Communications Specialist of the SPMU. The mechanism at NPMU will be exactly the same; and

iii. Tier 3: In case grievance is not addressed at SPMU/NPMU, the aggrieved person can approach the State Coastal Zone Management Authority or the National Coastal Zone Management Authority, as the case may be. The SPMU/NPMU Social Development Specialist will be responsible to prepare all background documentation for the SCZMA/NCZMA to consider the case with all required information. The Communication Specialist in SPMU/NPMU will be responsible to inform the aggrieved person the process of contacting the SCZMA/NCZMA, and the date and time of the meeting of the SCZMA/NCZMA at least 3 days in advance of the meeting.

13. If an aggrieved person is not satisfied with the results of grievance redress by the SCZMA/NCZMA, such a person can approach the judiciary. To help citizens to access the legal recourse system, each state has an operational mechanism called the Legal Aid Centre. SPMUs in this project will establish partnerships with respective state’s Legal Aid Centre to provide such services to the aggrieved persons claiming impact from the project provided (1) that such aggrieved person(s) belong to any of the following vulnerable sections of the society - below poverty line families, scheduled castes, scheduled tribes; or is disabled, handicapped, orphaned or destitute person; and (2) such a person or persons have at least accesses both the second and third tier grievance redress mechanism offered by the project.

14. The project will have a communication strategy focusing on efficient and effective usage of print and electronic media, information boards, posters, and adoption of any other method suited to the local context, logistics, and human and financial resources available. The project’s communication plan includes dissemination of investment-specific information through suitable local media. Communities will be engaged through stakeholder consultations in planning and implementation of investments. The SPMU will have specific communications and outreach units. Since the launch of the project’s communications campaign, along with the local-level social intermediation for early investments, the World Bank team will ensure close and consistent support to the project to ensure their effective implementation.

15. Sustainability of the priority investments will depend substantially on the meaningful participation and support of key stakeholders, especially local communities. Their willingness to participate will be crucial for the long-term success of the project. Inclusion, participation of coastal communities, and issues and constraints faced will be integrated in the design of the investments. Each of the activities proposed by the state PEAs will be examined to ensure addressing these issues. These issues also formed the basis of stakeholder consultation at national, state, and village levels. Inclusion of poor, vulnerable groups living in coastal communities is a project priority. The investments target these groups, support their options for improved livelihood, and involve community-based organizations for implementation of these investments. The agenda on inclusion will be continued in the design of ICZMPs. Because the project is also designed to provide livelihood security to local communities, beneficiary selection will be guided by predetermined criteria that will include inclusion of vulnerable groups. To ensure transparency, the criteria used will be publicly disclosed. All major investments will have tailor-made interventions to engage with local communities and key stakeholders to ensure their inclusion and participation in the planning, implementation, and subsequent management of the investments. These interventions will include (a) information, education, and communications campaigns; (b) mobilization of local communities (particularly women and youth); (c) transparent consultations; (d) dissemination of project information; and (e) community oversight. Credible nongovernmental organization partners will be deployed to implement these investment-level social intermediation and outreach program.