

## India : The Resilient Kerala Program

### 1. Project Information

Project ID:	P000463	Instrument ID:	L0463A
Member:	India	Region:	Southern Asia
Sector:	Water	Sub-sector:	Water disaster resilience
Instrument type:	<input checked="" type="checkbox"/> Loan:125.00 US Dollar million <input type="checkbox"/> Guarantee	Lead Co-financier(s):	World Bank
ES category:	B	Borrowing Entity:	Ministry of Finance, India
Implementing Entity:	Not Applicable		
Project Team Leader:	Yuka Terada		
Responsible DG:	Rajat Misra		
Responsible Department:	INF1		
Project Team Members:	Bernardita Saez, Project Counsel; Aditi Khosla, Alternate Counsel; Yogesh Malla, OSD - Financial Management Specialist; Jingrong He, OSD - Procurement Specialist; Rahul Srivastava, OSD - Environment & Social Development Specialist; Yuka Terada, Back-up PTL; Jinghui Li, Project admin		
Completed Site Visits by AIIB:	Sep, 2021 Virtual Kick off mission Feb, 2022 Implementation support mission, Dec, 2022 Joint mission with AFD, KWF, WB Participated virtually Jan, 2023 13th-20th Joint mission with AFD, KWF, WB		
Planned Site Visits by AIIB:	Aug, 2023 Joint mission with AFD, KFW and WB		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2022/12		

### 2. Project Summary and Objectives

The Program objective is to enhance the State of Kerala's resilience against the impacts of climate change and natural disasters, including disease outbreaks and pandemics.

The Program for Results (PforR) supports the implementation of the two key government programs – the Rebuild Kerala Development Program (RKDP) and the State Health Mission (SHM) – by adopting an integrated framework to enhance Government of Kerala (GoK)'s fiscal and institutional resilience against the impacts of climate change and natural disasters including disease outbreaks. The Program operates at two levels: across the State and in the

districts adjoining the Pamba River. While system improvements, establishment of rules and norms, and institutional building activities will apply to the entire State, activities that aim to demonstrate an integrated multi-dimensional resilience approach will focus on the Pamba River Basin and the districts along the river. The Program also supports the SHM, which aims to improve availability of and access to quality health care by people, especially for those residing in rural areas, the poor, women and children.

As a subset of the government programs covering the broad resilience agenda, the boundaries of the PforR have been defined to include the following high priority sectors under AIIB financing - Health, Road, Urban, Water Resources Management (WRM), Agriculture, Disaster Risk Management (DRM) and Fiscal & Governance. The PforR is supporting two Results Areas (RAs) that contribute to the overall outcomes of the government programs - RA1: Strengthening transversal systems for resilience; and RA2: embedding resilience in key economic sectors.

### 3. Key Dates

Approval:	Jul. 15, 2021	Signing:	Aug. 10, 2021
Effective:	Dec. 17, 2021	Restructured (if any):	
Orig. Closing:	Dec. 31, 2026	Rev. Closing (if any):	

### 4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	14.26	Most recent disbursement (amount/date):	2.60/Oct. 31, 2022
Undisbursed:	110.74	Disbursement Ratio (%) <sup>1</sup> :	11.41

### 5. Project Implementation Update

As the Program is based on the PforR instrument, the Program funds will be disbursed by the WB/AIIB and AFD to Government of India (GoI) on the satisfactory achievement of the Disbursement-Linked Results (DLRs), which are the yearly targets of Disbursement-linked Indicators (DLIs), as verified by an Independent Verification Agent (IVA), following the agreed verification protocols. The Program includes following DLIs: DLI 1: Fiscal sustainability of GoK to cope with disease outbreaks and natural disasters is strengthened; DLI 2: Disaster-related adaptive safety net system of GoK is strengthened; DLI 3: Disaster risk financing and insurance capacity of GoK and vulnerable households in Kerala are improved; DLI 4: Urban local bodies developed and sanctioned risk-informed urban master plans and priority action plans; DLI 5: Climate risk information integrated into local body Disaster Risk Management (DRM) plans; DLI 6: Capacity to track and respond to zoonotic disease outbreaks of human importance in a timely manner; DLI 7: Integrated river basin management plan is developed for Pamba Basin, and implementation commenced; DLI 8: Farmer producer organizations have increased access to new and organized markets; and DLI 9: Core Road Network (CRN) is rehabilitated and/or maintained to meet resilient service standards in the Pamba Basin. AIIB finances DLI 1, 4,5,6,7,8,9, and except for DLI 1, all the year-one targets have been achieved. The DLI 1 year one target faced the issue of data limitation, and thus, analysis for

<sup>1</sup> Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

the Debt Management Plan by the Department of Finance (DoF) was delayed. However, the data issue has been resolved, and the target is expected to be achieved by the end of July 2023.

Components	Physical Progress	Environmental & Social Compliance	Procurement
DLI1: Sustainable Fiscal and Debt Management	Analysis and finalization of the debt management plan (DMP) by DoF is to be completed by end of July 2023	N/A	N/A
DLI4: Urban Local Bodies (ULBs) with sanctioned risk-informed Master Plans and Priority Action Plans	The year-one target has been achieved in June 2022, and the Independent Verification Agency (IVA) verification has been completed.	N/A	A Pre-Qualification (PQ) for Consultancy Services for Capacity Development for Risk-informed and Effective Urban Planning and Policy Formulation was issued by RKI in June 2022.
DLI5: Climate risk Information integrated into local Disaster Risk Management (DRM) plans	The year-one target has been achieved in July 2022, and the IVA verification has been completed.	N/A	N/A
DLI6: Capacity development of GoK to track and respond to zoonotic disease outbreaks of human importance in a timely manner through the One Health platform enhanced at the local level.	The year-one target has been achieved in March 2022, and the IVA verification has been completed.	N/A	N/A
DLI7: Integrated River Basin Management Plan for Pamba Basin developed, and implementation commenced	The year-one target has been achieved in March 2023, and the IVA verification has been completed.	N/A	N/A
DLI8: Farmer Producer Organization (FPOs) have	The year-one target has been achieved in March 2022, and the IVA verification has been	N/A	N/A

increased access to new and organized markets	completed.		
DLI9: Number of KMs of Core Road Network (CRN) rehabilitated and/or maintained to resilient standards in Pamba Basin	The year-one target has been achieved in September 2022, and the IVA verification has been completed.	N/A	N/A

**Financial Management:**

The Program's internal audit was supposed to be on board by March 31, 2023. The Program statutory audit for FY21/22 was due on March 31, 2023. Both are outstanding. AIIB will follow up with the WB on the latest updates. **Procurement** No procurement-related complaints have been received during this reporting period. RKI follows the Program Action Plan (PAP) requirements by: (i) sharing model bidding documents with the participating departments; and (ii) sharing a template of the procurement plan with the participating departments.

**6. Status of the Grievance Redress Mechanism (GRM)**

Kerala has an existing well-functioning central Grievance Redressal Mechanism.

The Standard Operating Procedure (SOP) of the Program specific GRM has been developed and reviewed by WB.

The system is expected to be launched during the next reporting period.

In addition, Kerala will work on the Program Management Information System, which includes a module on GRM to ensure all the complaints under the PforR to be recorded and reported in a consolidated manner.

**7. Results Monitoring (please refer to the full RMF, which can be found on the last page of this PIMR)**

The main body to coordinate the implementation is the Rebuild Kerala Initiative (RKI), established following the 2018 floods, to better prepare the State against future disasters and act as a vehicle to operationalize the RKDP. The RKI has been collaborating with and coordinating across state departments and technical agencies to implement the Program. Each DLI has a responsible department and technical agencies by whom local-level implementation has been closely followed up. The Program funds will be disbursed by the WB/AIIB as well as AFD to GoI on the satisfactory achievement of the DLRs, as verified by an IVA.

**Remarks:**