



GOVERNMENT OF KERALA

Abstract

Local Self Government Department - World Bank Assistance for strengthening Local Self Government Institutions - Negotiation with World Bank - permission granted - Orders issued.

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LOCAL SELF GOVERNMENT (DA) DEPARTMENT  
G.O.(MS)No. 29/2010/LSGD Dated, Thiruvananthapuram, 17/02/2010.

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ORDER

In the year 2003, Government of Kerala had approached Government of India for seeking World Bank assistance for strengthening Local Government and at the end of 2006, Government of India agreed to recommend it to World Bank. At that point of time Local Self Government Department was asked to conduct preliminary negotiations and come back to Government for policy clearance once the contours of the project are clear. Accordingly discussions were held with the Department of Economic Affairs and then with different Missions of the World Bank.

2) In the meanwhile the Jalanidhi Project implemented by the Water Resources Department came to an end and a follow-on project was independently forwarded to the World Bank through Government of India.

During the World Bank Mission which visited the state in October 2009 it was suggested that since Local Governments, especially Village Panchayats are the focus of both the Projects, it would be better to combine them, considering the synergies of such an integrated project.

3) Government have considered the question in detail and are pleased to decide that the two projects would be separate and would be negotiated with the World Bank Separately.

4) Local self government Department would negotiate with the World Bank on the Project for strengthening Local self Government which would include the components shown below: -

A: Block grants to GramaPanchayats and Municipalities (estimated assistance US \$ 235 million).

The total I DA amount for Local Self Governments under the Project is US \$ 235 million, which will be distributed over the five year life of the Project of this total, US \$ 210 million will finance the Block grant. An additional US \$ 25 million is ear marked as an incentive grant that will reward additional revenue mobilisation by GramaPanchayats and Municipalities.

B: Technical Assistance and Capacity Support (estimated assistance US \$ 30 million).

The capacity building component will aim at expanding and deepening capacity development for decentralisation and service delivery in Kerala.

The major sub - components are:-

(i) Transforming KILA/SIRD into a Centre of Excellence.

(ii) Setting up of a Fiscal Analysis Cell preferably in the Gulati

Institute of Finance and Taxation (GIET).

(iii) Supporting a rural window into the Kerala Local Government Development Fund.

(iv) Strengthening capacity of accountability institutions.

(v) Preparing Watershed Management and Water and Sanitation Plans for all Local Governments.

4) The quantum of assistance indicated is tentative and the actual quantum would be finalized in consultation with Government of India.

By Order of the Governor,  
S.M. VIJAYANAND  
Principal Secretary

The Principal Secretary, Local Self Government Department

The Secretary, Local Self Government Department

The Secretary, Finance (Expenditure/Resources) Department

The Secretary, Water Resources Department.

The Secretary, Planning and Economic Affairs

Member Secretary, State Planning Board, Thiruvananthapuram.

State Performance Audit Officer, Thiruvananthapuram.

The Accountant General (A&E)/Audit, Thiruvananthapuram.

✓ The Executive Mission Director, IKM

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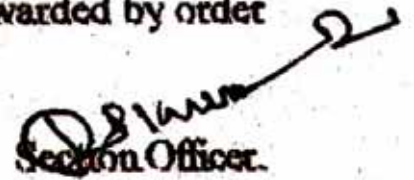
Copy to : Office of the Minister, Local Self Government Department

Office of the Minister, Finance Department

Office of the Minister, Water Resources Department

Office of the Chief Secretary

Forwarded by order

  
Section Officer.

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