GOVERNMENT OF KERALA

Abstract

Planning and Economic Affairs (RKI) Department- Availing financial assistance from Kreditanstalt für Wiederaufbau (KfW) as Climate Loan Kerala under Kerala Climate Resilience Proqramme under RKDP- Approved- Additional Chief Secretary & Chief Executive Officer, Rebuild Kerala Initiative authorized to pursue further steps, including signing the Separate Agreement with KfW- Orders issued.

PLANNING & ECONOMIC AFFAIRS (RKI) DEPARTMENT

G.O.(Ms)No.30/2020/P&EA Dated,Thiruvananthapuram, 04/12/2020

Read: 1. G.O. (P) No. 16/2018/P&EA dated 09/11/2018.

2. G.O. (P) No. 19/2019/P&EA dated 23/05/2019.

3. Minutes of the 107th Screening Committee Meeting of the Department of Economic Affairs, Government of Inida held on 11/06/2020.

4. D.O. Letter No. 2/12/2020-G&F dated 11/11/2020 of Shri. Sanjay Kumar, Under Secretary, Department of Economic Affairs, Government of India.

ORDER

In the aftermath of the flood, the Government, as per G.O. read as 1st paper above, have entrusted the task of planning and implementing a rebuilding strategy for the state with the Rebuild Kerala Initiative (RKI). As per the G.O. read as 2nd paper above, Government had approved the Rebuild Kerala Development Programme (RKDP) which constitutes the State’s strategic road map for a Green and Resilient Kerala. It encompasses cross-cutting and sector-based recommendations on policy, regulatory and institutional actions as well as priority investment programmes that are critical for resilient and sustainable recovery and rebuilding of the state.

2. The operational guidelines of RKI envisage that the funds necessary for implementing the project may be raised from multiple sources such as:

- State Budget – including assistance from Multilateral Agencies (World Bank, ADB etc.), Bilateral Agencies like JICA, KfW

- Additional allocations under Centrally Sponsored Funds
- Deployment of Flexi-Fund under Central Government Schemes
- Crowd funding
- Mobilization through CMDRF
- NABARD Funding through NIDA
- HUDCO and other Loans

3. Accordingly the RKI prepared Preliminary Project Reports (PPRs) for a loan of EURO 100 million AND for a grant of EURO 2 million for Accompanying Measures under Kerala Climate Resilience Proqramme RKDP from the German development bank, Kreditanstalt für Wiederaufbau (KfW), as a cofinancing component of the earlier proposed follow up program loan from the World Bank (which was to be called DPO-II). Subsequently, however,in the backdrop of the COVID-19 outbreak, the Scope, objectives etc. of the PPR documents were revised to accommodate various economic & social relief measures related to mitigating the effects of the pandemic. The approved PPRs were submitted to the Department of Economic Affairs (DEA), Government of India.

4. However, as per the reference cited 3rd above, Government of India observed that State level program loans (DPOs) from the World Bank were not being considered due to constraints arising from India's single borrower limit vis a vis the World Bank since national level DPOs were being given priority to deal with covid crisis so as to benefit all the States and UTs. It was further advised to explore some other instrument such as Investment Programme Financing (IPF) or Program for Reforms (PforR) if the State is keen on getting assistance from multilateral agencies like the World Bank.

5. Accordingly, a mutually agreeable solution that allows Kerala to take a KfW program loan of EURO 100 million (Rs.870 crore approximately) as a co-financing component of the World Bank's already disbursed DPO-I was worked out and fresh PPRs in these lines were prepared and submitted to the DEA. The Government of India, as per letter read as paper 4 above, has conveyed its approval for the proposal to avail a loan of EURO 100 million AND a grant of EURO 2 million for Accompanying Measures. Now, as part of the procedure, the State, being the executing agency of the project, have to execute a Separate Agreement with the KfW.

6. The Government, after having considered the matter in detail, are pleased to grant permission for availing assistance from the KfW (for a loan of EURO 100 million AND a grant of EURO 2 million for Accompanying Measures) as Climate Loan Kerala under Kerala Climate Resilience Proqramme under RKDP, and to authorize the Additional Chief Secretary & Chief Executive Officer, Rebuild Kerala Initiative to pursue further steps towards availing the assistance, including signing the Separate Agreement with the KfW.

(By order of the Governor)
RAJESH KUMAR SINGH IAS
ADDITIONAL CHIEF SECRETARY

To:

Additional Chief Secretary & CEO, Rebuild Kerala Initiative.
The Principal Accountant General (A&E/Audit), Thiruvananthapuram.
General Administration (SC) Department [vide item no: 4371 of the meeting of the Council of Ministers held on 02/12/2020].
Finance Department.
Information & Public Relations (Web & New Media) Department (for publishing in Government website).
Stock File/Office Copy *[F.No.RKI1/63/2019-PLGEA].*

Forwarded /By order

Section Officer

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Special Secretary to Chief Secretary.