

Project Summary Information

Date of Document Preparation/Update: March 16, 2022	
Project Name	The Resilient Kerala Program
Project Number	PD000463-IND
AIB member	Republic of India
Sector/Subsector	Water/Water Disaster Resilience
Status of Financing	Approved
Project Description	<p>This Program is being cofinanced with the World Bank (WB) and Agence Française De Développement (AFD), and has been designed in accordance with the WB's Policy on Program for Results (PforR)¹. The Program will support implementation of the two key government programs – the Rebuild Kerala Development Program and the State Health Mission. The Program will specifically support two Results Areas: (i) Strengthening transversal systems for resilience; and (ii) embedding resilience in key economic sectors. As a subset of the government programs, the boundaries of the PforR have been defined to include the following high priority sectors - Health, Road, Urban, Water Resources Management, Agriculture, Disaster Risk Financing & Insurance, Disaster Risk Management (DRM) and Fiscal & Governance. The adoption of PforR design will facilitate delivering of the resilience agenda through linking policy and institutional shifts at the policy level with real expenditures and verifiable results on the ground. Activities financed by the project will include:</p> <ol style="list-style-type: none"> 1) Strengthening financial protection against disasters through sustainable fiscal and debt management as well as a comprehensive disaster risk finance and social protection system; 2) Enhancing disaster preparedness through mainstreaming climate and disaster risk informed urban and DRM planning; 3) Strengthening public health systems against disease outbreaks and natural hazards; 4) Implementing integrated water resources management to mitigate water risks against floods and other natural disasters; 5) Achieving sustainable and resilient food systems through agroecological farming; 6) Strengthening resilient core road network (CRN)².

¹ <https://policies.worldbank.org/en/policies/all/ppfdetail/f9e36a3b-72e0-4edb-9fdc-96bf555c7208>

² CRN refers to an identified 7,000 km of State road network that carries 70-80% of the total traffic on the state roads.

Objective	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.
Expected Results	<p>Expected results of the Program include:</p> <ul style="list-style-type: none"> (i) Population benefiting from local DRM plans and One Health Community Surveillance systems in the Pamba Basin districts (Number, Gender disaggregated); (ii) Population benefiting from flood early warning services and flood protection measures in the Pamba Basin districts (Number, Gender disaggregated).
Environmental and Social Category	WB Category “Substantial”, (similar to AIIB’s Category B if AIIB’s ESP were applicable).
Environmental and Social Information	<p>This Program will be co-financed with the WB as lead co-financier, and its environmental and social (ES) risks and impacts have been assessed in accordance with the WB’s PforR Policy. AIIB’s Environmental and Social Policy (ESP) was designed to apply to investment projects and has no provisions for its application to PforR operations. The WB’s PforR Policy will therefore apply to this operation in lieu of AIIB’s ESP.</p> <p>The WB has categorized the ES risks of this program as “Substantial”, which is similar to Category B if AIIB’s ESP were applicable. As required under the WB’s PforR Policy, the Program excludes activities that are likely to have significant adverse ES impacts that are sensitive, irreversible, or unprecedented (similar to Category A if AIIB’s ESP were applicable). As required under the WB’s PforR program, an Environmental and Social Systems Assessment (ESSA) has been prepared. The ESSA has been complemented by a Program Action Plan at the operational level, comprising capacity strengthening and management measures as needed to manage the project risks. Link to the ES documents have been disclosed by World Bank (https://projects.worldbank.org/en/projects-operations/document-detail/P174778) and AIIB (https://www.aiib.org/en/projects/details/2021/proposed/India-Resilient-Kerala-Program-for-Results.html).</p> <p>The ESSA has included provisions for identifying the environmental risks of this Program, including physical risks, contextual risks, institutional capacity risks and political and reputational risk. These are expected to have only minor, reversible impacts.</p> <p>The Program is likely to have overall positive social impacts, especially in the areas where interventions are planned. Key social risks arise due to the possibility of exclusion of a set of vulnerable groups, such as: (i) small and marginal farmers, as they have limited resources for farm innovations (or insurance) and less access to water compared to those owning larger</p>

	<p>lands; (ii) tribal and women farmers, who are mostly landless tenants or agricultural laborers and are denied agricultural incentives that usually go to landowners; (iii) poor and socially marginalized from Urban Local Body-led development or DRM plans that fail to recognize their peculiar vulnerabilities; and (iv) tribal communities, whose habitations are remote and upland and are usually the last to receive road access. However, none of these are irreversible risks that cannot be mitigated using effective social management practices of participation, community engagement, accountability, and transparency.</p> <p>The Program intends to adopt a ‘basin-wide approach’ along the Pamba river basin, which is home to several indigenous communities, In the roads sector, there is substantial risk of physical and economic displacement of squatters, encroachers and vendors. The Program will exclude (i) any town/city to be selected, if the spatial planning is likely to adversely impact existing settlements or resources accessed by indigenous communities residing within or near municipal limits and (ii) any road repair and maintenance works requiring resettlement and removal of structures (on a single alignment/ package) impacting more than 50 persons.</p> <p>Grievance management mechanisms relevant to the Program have been considered for their appropriateness across various agencies. A Program level Grievance Redress Mechanism will be established to complement and strengthen existing ones, and to make them more transparent and responsive. AIIB team will work closely with the WB team and monitor the status of the implementation through biannual implementation support missions.</p>
Cost and Financing Plan	<p>Total Program is proposed for USD530 million.</p> <p>Financing Plan:</p> <ul style="list-style-type: none"> - AIIB Loan: USD125 million; - WB’s International Bank for Reconstruction and Development (IBRD) Loan: USD125 million; - AFD Loan: EUR100 million (USD120 million equivalent); - Government of Kerala: USD160 million.
Borrower	Republic of India
Project Implementation Entity	Government of Kerala
Implementation Period	July 2021 to June 2026

Estimated date of loan closing	December 31, 2026				
Contact Points:	AiIB	WB	AFD	Borrower	Implementation Organization
Name	Ankur Agrawal	Elif Ayhan and Balakrishna Menon Parameswaran	Vidal de la Blache Clemence	Prasanna V. Salian	Mr. Rajesh Kumar Singh
Title	Investment Operations Specialist - Urban	Co-Task Team Leaders	Deputy Director, AFD India	Deputy Secretary, Department of Economic Affairs, Ministry of Finance	Additional Chief Secretary, Finance Department, Government of Kerala
Email Address	ankur.agrawal@aiib.org	eayhan@worldbank.org , bmenonparameswar@worldbank.org	vidaldelablachec@afd.fr	pv.salian@nic.in	acs.finance@kerala.gov.in
Date of Concept Decision	January 15, 2021				
Date of Appraisal Decision	April 2021				
Date of Financing Approval	July 15, 2021				
Independent Accountability Mechanism	<p>AiIB's Policy on the Project-affected People's Mechanism (PPM) addresses issues raised under the AiIB's ESP, which does not apply to this operation. Submissions to the PPM under the program would, therefore, not be eligible for consideration by the PPM. The WB's independent accountability mechanism addresses issues raised by persons adversely affected by a WB-financed operation and allows them to report alleged non-compliance with the WB's operational policies and procedures, including its PforR Policy.</p>				