

 Early Warning System

WB-P177980

THE RESILIENT KERALA PROGRAM ADDITIONAL FINANCING



Quick Facts

Countries	India
Specific Location	Kerala- Alappuzha, Idukki, Kottayam, and Pathanamthitta
Financial Institutions	Asian Infrastructure Investment Bank (AIIB), World Bank (WB)
Status	Approved
Bank Risk Rating	A
Voting Date	2022-05-04
Borrower	India
Sectors	Climate and Environment
Investment Type(s)	Loan
Investment Amount (USD)	\$ 150.00 million
Loan Amount (USD)	\$ 150.00 million
Project Cost (USD)	\$ 745.00 million



Project Description

According to World Bank, the objective of the project is to "enhance Kerala's resilience against the impacts of climate change and natural disasters, including disease outbreaks and pandemics."

State of Kerala is highly vulnerable to natural disasters such as cyclone, monsoon storm surge, coastal erosion, sea level rise, tsunami, flood, drought, landslides/ land subsidence and earthquakes and changing climatic dynamics given its location between the western coast and steep slopes of the Western Ghats. In last 4 years the state has seen several such adverse events one after the other, starting with Cyclone Ockhi in 2017, floods and landslides in 2018, 2019 and 2020, Nipah virus in 2019 and present COVID-19 pandemic. The 2018 floods led to widespread loss of life, property, and habitats, affecting several millions and leading to economic losses of nearly US\$3.74 billion (Rs. 26,720 crores). These events and their impacts highlighted the level of under-preparedness of the State to deal with these natural disasters and climate change shocks.

In order to support GoK, World Bank initiated a strategic engagement to build multidimensional resilience in Kerala through First Resilient Kerala Development Policy Operation (DPO 1, US\$250 million- June 2019) by extending support to the Government's Rebuild Kerala Development Programme (RKDP) — the state's strategic roadmap for recovery, rebuilding and resilience. This partnership has improved state's capacity to respond to disasters and improved resilience of the community and treat resilience and disaster risk management as cross-cutting and important concerns in policy formulation and implementation. It has also led the way towards deepening and broad-basing this partnership by looking at additional sectors crucial for building the resilience of the state and citizens to shocks of climate change, natural disasters and disease outbreaks.

Building on the foundations of policy and institutional reforms initiated under Resilient Kerala DPO 1, the World Bank supported a Program for Results (PforR), which forms a part of the overall Government program. The PforR's development objective was to enhance the State Government of Kerala's (GoK) resilience against the impacts of climate change, natural disasters and disease outbreaks. The PforR will support the two Results Areas (RAs) that contribute to the outcomes of RKDP - first through support for state- wide systems and institutions development for managing shocks from climate change, natural disasters and disease outbreaks, and second for piloting sectoral investments in four districts along the Pamba river basin- Alappuzha, Idukki, Kottayam, and Pathanamthitta. The duration of the PforR is 2021–2026, and the sectoral coverage is as follows: RA 1: Fiscal, Disaster Risk Financing and Insurance, Social Protection, Urban, and Disaster Risk Management and RA 2: HealGeetika Hora Page 2 4/25/22th, Agriculture, Water Resource Management, and Roads. The Program cost is US\$ 530 million.

ENVIRONMENTAL AND SOCIAL INFORMATION

This risk is rated as 'Substantial' as there are investment activities – coastal resilience and WRM – that will require environmental management attention during implementation. Through the ESSA, it was confirmed that all the proposed interventions in line with what is permissible under a PforR and that environmental impacts can be addressed through adequate management. These will not result in any major environmental impacts. None of these interventions will be in eco-sensitive areas. The scale of environmental impacts is limited and restricted to the vicinity of the minor works. In the construction phase, the type of impacts include (i) air and noise pollution due to civil works and movement of vehicles; (ii) increase in turbidity in the coastal waters; (iii) construction/labor camp impacts such as incidental fuel, oil and lubricant spillages; (iv) waste and debris storage, management and disposal; and (v) worker and community health & safety impacts particularly in densely populated areas. All these impacts are temporary and reversible. Proper environmental, health, and safety (EHS) management measures will be required during construction. In the operational phase, the interventions could aggravate shoreline erosion if not properly designed. To ensure design appropriateness, GoK has streamlined the use of expert institutions such as the NCCR and IIT Madras to provide the required technical advisory support.



Investment Description

- Asian Infrastructure Investment Bank (AIIB)
- World Bank (WB)

The cost of the Government Reform Program for the activities under the AF for FY 2022-2026 is estimated at US\$260 million, of which US\$150 million will be financed by IBRD. The government reform program converges with the broad umbrella of GoK's ongoing RKDP. The cost of the parent program for Resilient Kerala PforR is US\$ 530.02 million out of which the World Bank finances US\$125 million, representing 24 percent of the Program cost. Further, AIIB supports the Program with a financing of US\$125 million, equal share to Bank financing, and AFD provides Euro 100 million (US\$120 million equivalent). The remaining US\$ 160.02 million which is 30 percent of the Program will be financed by GoK. With the proposed the AF, the total program cost including additional \$ 65 million GoK financing for the AF will increase to US\$ 745 million. Under the AF, US\$90 million will be allocated to the coastal resilience activities, US\$50 million to WRM in the Pamba Basin, and US\$10 million to Climate Budgeting. The PforR Program will be complemented by a strong technical assistance program financed by the GoK, the KfW and the World Bank.



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ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: <https://www.worldbank.org/en/access-to-information/request-submission>



Bank Documents

- [Environmental and Social Systems Assessment Addendum Report](#) [Original Source]
- [Environmental and Social Systems Assessment Report \(Malayalam\)](#) [Original Source]
- [Project Information Document](#) [Original Source]



Other Related Projects

- WB-P174778 The Resilient Kerala Program for Results
- AIIB-000463 India: Resilient Kerala Program for Results