




First Resilient Kerala Program

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The Government of India, the Government of Kerala and the World Bank have signed a Loan Agreement of USD 250 million for the **First Resilient Kerala Program** to enhance the State's resilience against the impacts of natural disasters and climate change.

- The Resilient Kerala Program will focus on strengthening the State's institutional and financial capacity to protect the assets and livelihoods of poor and vulnerable groups through an inclusive and participatory approach.

Development Policy Operation
Resilience to natural disasters, climate change

<p>Development Policy Loan \$250 million</p> <p>Centre, State, World Bank ink pact</p> <hr/> <p>Interest less than 1.5% \$160 million REPAYMENT PERIOD 30 years</p> <hr/> <p>4% Interest \$90 million REPAYMENT PERIOD 20 years, plus 'grace period', or moratorium of 5 years</p>	 <p>Programme features</p> <ul style="list-style-type: none">• Improved river basin planning, water infra operations management, water supply, sanitation services• Resilient and sustainable farming, enhanced agri risk insurance• Improved resilience of core road network• Unified and up-to-date land records in high-risk areas• Risk-based urban planning• Strengthened fiscal and public financial management capacity
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- The New Program is part of the Government of India's support to Kerala's '**Rebuild Kerala Development Programme**' aimed at building a green and resilient Kerala. This partnership will identify key areas of policy and institutional strengthening to maximize development impact.

- It is the first of two **Development Policy Operations** aiming to mainstream disaster and climate resilience into critical infrastructure and services.
State partnership is a key pillar of the Bank's new **Country Partnership Framework** for India. Through such partnerships, the Bank will support select States striving to bring about systemic improvements in the way development initiatives are planned and executed.

Objectives of the Program

- It aims to support the State with:
 - Improved river basin planning and water infrastructure operations management, water supply and sanitation services
 - Resilient and sustainable agriculture, enhanced agriculture risk insurance
 - Improved resilience of the core road network
 - Unified and more up-to-date land records in high-risk areas
 - Risk-based urban planning and strengthened expenditure planning by urban local bodies
 - Strengthened fiscal and public financial management capacity of the state.
- **Other initiatives:** The World Bank has been supporting the State through engagements such as the Second Kerala State Transport Project, Dam Rehabilitation and Improvement Project, National Hydrology Project, National Cyclone Risk Mitigation Project Phase 2 and the Kerala Local Government and Service Delivery Project.

Development Policy Financing (DPF)

- It is an initiative of World Bank that aims to help the borrowers to achieve **sustainable poverty reduction** through a program of policy and institutional actions, for example, **strengthening public financial management, improving the investment climate, addressing bottlenecks to improve service delivery, and diversifying the economy.**
- This represents a shift away from short-term macroeconomic stabilization and trade liberalization reforms of the 1980s-90s towards more medium-term institutional reforms.
- **This could be a loan, grant or credit** which provides rapidly-disbursing financing to help a borrower address the actual or anticipated development financing requirements and promote policy reform.