



GOVERNMENT OF KERALA

Abstract

Agriculture (PPM Cell) Department - Establishment of the KERA Project Preparation Team (PPT) and PMU and streamlining of the activities of VAAM and KABCO - Working Guidelines - Orders Issued.

AGRICULTURE (PPM CELL) DEPARTMENT

GO (MS) No.7/2023/Agri

Date, Thiruvananthapuram, 20-01-2023

- Read:-
1. GO (MS) 123/2017/AD dated 09.10.2017
 2. Minutes of the 133rd Meeting of the screening committee chaired by Sri. Rajat Kumar Mishra, Additional Secretary (MBC), DEA held on October 28, 2022 for the consideration of the proposals seeking financing from Multilateral Development Banks/Bilateral Agencies.
 3. GO (Rt) No 68/2022/AD dated 01.08.2022
 4. GO (Rt) No 70/2022/AD dated 05.08.2022
 5. GO (P) No 29/2022/Agri dated 24.09.2022
 6. GO (Rt) No 5403/2022/GAD dated 13-12-2022
 7. Observations of WB Mission from 30.11.2022 to 15.12.2022 Project Identification Mission
 8. Note No CA/183/Secy/Agri/2023 dated 16.01.2023

ORDER

The State Government is to launch the 280 USD KERA Project in the State with the following key objectives in the Financial Year 2023-24.

1. To modernize Kerala's food & nutritional security through:
 - i. Agro-ecology based climate-resilient farming systems
 - ii. Create green jobs via disruptive technology innovations
 - iii. Establish B2C & B2B in agriculture service delivery via MSMEs
 - iv. Increase financial resilience from repeated natural disasters
 - v. Establish self-sustaining backward & forward linkages & skill development through Knowledge Economy Mission
 - vi. Modernize B2C & B2B supply chain management
 - vii. Increase MSME participation in Agri value chains
2. The Government of India (Department of Economic Affairs) vide reference 2nd cited have approved the PPRID- 11565 of KERA, the Project concept document for identification and appraisal by the World Bank. An identification Mission has conducted in-depth consultation with State Government and State Planning Board/Sector Officials and various stakeholders and Hon'ble Minister (Agriculture) from 30.11.2022 to 15.12.2022. The Mission has, in anticipation of its aide memoir recommended early constitution of a Project Preparation Team comprising of Departmental

Personnel who are specialised in Agriculture Value Addition, Processing and Management, supplemented by specialist consultants (such as for environment and other safeguards) to prepare the Project Implementation Document (PID) by mid-2023 and start preparation and appraisal for commencing financing by the end of 2023. In order to commence the project activities by 01.01.2024, immediate administrative measures need to be positioned to arrive at an implementable project action plan and commence the project. World Bank has in its debriefing observed that the formation of a capacitated PMU having technical and managerial positions with clear mandate and autonomy is crucial for the success of the project.

3. From the shortlisted Officers appointed in the Department of Agriculture and Soil Survey and Soil Conservation Department and regular employees of Public Sector Units who possess Masters in Agriculture or Management (Preferably MBA) and PhD, an aptitude exercise shall be conducted and those found suitable would be positioned initially on working arrangement to the Project Preparation Team (PPT) which will be converted as a Project Management Unit (PMU) upon completion of appraisal.

4. The Kerala Agri Business Company (KABCO), resolved to be formed in the State under incorporation vide Government Order read as first paper above shall be the Special Purpose Vehicle (SPV) for KERA project and shall host the PPT/PMU reporting to the Department of Agriculture, Government of Kerala for administrative and accountability purpose.

5. The PPT will be housed in the space to be vacant in the building of Kerala Transport Development Finance Corporation wef 1st March 2023 (about 5000 Sq. feet) based on the proposal received on mutually acceptable terms and with the present furnishing and fixtures of tenant (ASAP) valued and taken over at a negotiated rate.

6. In addition to Departmental Personnel placed on working arrangement in the PPT, professional consultants are required to be retained for the preparation of the project implementation document. Their procurement shall be taken up immediately on the approval of the scope of work by the competent authority and the expenditure shall be defrayed as estimated.

7. For meeting the expenditure of the Project Preparation Teams effort outlined above, the Director of Agriculture shall transfer an amount Rs 2 crores from the market authority fund available in the two markets as follows;

- a) Agricultural Urban Wholesale Market, Maradu, Ernakulam - Rs. 60 Lakhs
- b) Agricultural Urban Wholesale Market, Anayara, Thiruvananthapuram-Rs.40 Lakhs and another Rs.1 crore from the Head of Account 2435-01-800-99 Plan earmarked for the component "Contingency fund for availing expert service for infrastructure development" under the scheme Market Development during 2022-23 to a new Bank Account to be

opened for KERA project preparation by the Managing Director, Kerala Agro Industries Corporation, the present Special Purpose Vehicle for formation of KABCO. The Bank Account shall be opened in a Nationalized Bank by the Managing Director, Kerala Agro Industries Corporation and Principal Secretary Agriculture or Nominee as signatories. The expenditure on the account shall be accounted separately by Managing Director, Kerala Agro Industries Corporation and audited by the present statutory auditors of Kerala Agro Industries Corporation and the same shall be transferred to KABCO with its Director Finance and Managing Director KABCO as signatories when the company is incorporated. The expenditure incurred for the project implementation document of KERA project shall be proposed for reimbursement as part of the project financing with the World Bank.

8. All procurement effected for the project preparation shall follow World Bank guidelines. Department of Agriculture shall take early steps to finalise incorporation of KABCO within 31st March 2023. Administrative delegations pursuant to the above shall be issued separately.

(By order of the Governor)

Dr B. ASHOK IAS
Principal Secretary

To

1. The Director of Agriculture, Thiruvananthapuram
2. The Managing Director, Kerala Agro Industries Corporation
3. The Executive Director, Value Added Agriculture Mission
4. The Managing Director, Kerala Transport Development Finance Corporation

Forwarded/By order



Section Officer

Copy to:

1. Private Secretary to Chief Minister
2. Private Secretary to Minister for Agriculture
3. CA to the Principal Secretary & Agriculture Production Commissioner
4. CA to the Principal Secretary, Agriculture Department