



GOVERNMENT OF KERALA

Abstract

Agriculture Department – "Kerala Climate Resilient Agri Value Chain Modernisation (KERA)" Project - being implemented with World Bank Assistance under Investment Project Financing (IPF) - Constitution of High Level Steering Committee (HLSC), Project Executive Committee and Formation of Project Management Unit (PMU) - Sanction accorded – Orders issued

AGRICULTURE (PPM CELL) DEPARTMENT

G.O.(Ms)No.104/2023/AGRI Dated,Thiruvananthapuram, 03-11-2023

- Read 1 Minutes of the 133 rd Meeting of Screening Committee Chaired by the Additional Secretary, Ministry of Finance Department of Economic affairs (MBC Division) under Government of India held on 28/10/2022 for the consideration of the proposals seeking financing from Multilateral Development Bank/Bilateral Agencies
- 2 GO(MS) 07/2023/Agri dated 20/01/2023
 - 3 GO(Rt) 121/2023/Agri dated 05/02/2023
 - 4 GO(Rt)244/2023/Agri. dated 13/03/2023
 - 5 GO(Rt) 321/2023/Agri. dated 30/03/2023

ORDER

Government of India has approved the project proposal for the "Kerala Climate Resilient Agri Value Chain Modernisation (KERA)" project from the Government of Kerala in October 2022. KERA, the World Bank assisted project is to be implemented in the Agriculture Sector of Kerala to enhance resilience against the impact of climate change and natural disasters, including disease outbreak, pandemics and to develop and modernize the ecosystem for the agro based value chain system to ensure seamless transition between various sectors of the agro economy. Total outlay of the

project is 285 million US\$, out of which World Bank Loan comprises of an estimated 200 million US\$ and with the estimated State share of 85 million US\$.

2. The overall development objective of the KERA project is to promote resilient commercialization of Kerala's food and agriculture sector for smallholder farmers, agri-food-based MSMEs and agri Startups. The project will support the piloting and scaling up of innovations and investments in a) the upgradation of agriculture supply chains and value chains b) empowerment of agri-food based MSMEs, Agri Startups and FPOs/FPCs market infrastructure and services; and c) promotion of climate resilient agriculture to revive natural ecosystems, biodiversity, soil health. The project will boost the local economies through investments in agriculture and allied sectors, adopting climate-smart agriculture practices, increased land and labour profitability, financially sustainable MSMEs, reduced Green House Gases (GHG) emissions (from Paddy), increased employment opportunities and an increase in climate resilience. KERA will also enhance agricultural service delivery through a robust ICT-based platform and modernize Krishi Bhavans for easier farmer access.

3. KERA is an externally aided project implemented by the Agriculture Department for a period of five years. Appropriate institutional arrangements and a well-defined project management unit is necessary for the hassle-free execution of the Project. Planning and decision making at an informed and time bound manner is very crucial for the attainment of the project development objectives. This project will work on fixed timelines and requires a full-fledged Project Management Unit (PMU) under the Agriculture Department.

4. Government have examined the matter in detail and are pleased to accord sanction for the Constitution of High Level Steering Committee (HLSC), Project Executive Committee (PEC) and Formation of Project Management Unit (PMU) under Agriculture Department, for the World Bank assisted "Kerala Climate Resilient Agri Value Chain Modernisation (KERA)" project as detailed below.

a. High-Level Steering Committee (HLSC)

- The Chief Secretary, Government of Kerala - Chairperson
- Agricultural Production Commissioner – Member
- Principal Secretary, Finance Department - Member
- Principal Secretary, Industries Department - Member
- Principal Secretary, Water Resources Department - Member
- Secretary, Law Department - Member
- Secretary, Electronics and Information Technology Department – Member
- Vice Chancellor, Kerala Agriculture University - Member
- Project Director – KERA Project Management Unit (Convenor)

The HLSC meeting shall be convened once in six months. The Committee shall accord approval for all policy matters and for all operational matters in the project which comes above the powers of the Project Executive Committee.

b. Project Executive Committee (PEC) constituted under the High-Level Steering Committee

- Agriculture Production Commissioner/Secretary, Agriculture Department, Government of Kerala - Chairperson
- Secretary, Finance Expenditure, Government of Kerala - Member
- Director, Industries Department, Government of Kerala - Member
- Chief Engineer Irrigation, Government of Kerala - Member
- Director, Plantation, Industries Department - Member
- Director, Department of Agriculture - Member
- Project Director -- KERA Project Management Unit (Convenor)
- Additional Project Director, KERA, Project Management Unit - Member

The Project Executive Committee meeting shall be convened at least every 3 months and shall accord approval for all operational matters coming above the powers of the Project Director. The Committee shall have overall responsibility for the implementation of the project. It shall ensure that the project is prepared, implemented, operated and maintained in conformity with

sound financial and technical practices in compliance with the Environmental and Social standards and sustainability. It shall also make sure that the project is implemented in accordance with the project conception agreed upon among Government of Kerala, Department of Economic Affairs, Government of India and the World Bank. The Project Executive Committee (PEC) shall ensure the KERA-PMU's continued existence and responsibility during the entire project period. The PEC shall issue Standard Operating Procedure (SOP) stipulating roles and responsibilities of KERA PMU. Decision making process and thresholds with the aim to reduce delays in the implementation shall be defined in the SOP.

c. Project Management Unit (PMU)

- Project Director (A Senior officer from All India Services/ Central Civil Services) - The Project Management Unit (PMU) is headed by a Project Director (PD). The roles, responsibilities and powers of the Project Director is attached as Annexure-I. Organisation chart of the Project Management Unit, KERA is attached as Annexure-II
- Additional Project Director

Functional Head

- Finance Officer
- Procurement Officer
- Administrative Officer
- Plantation Specialist
- Industries Specialist

Functional Staff

- Agromet Officer /Project Officer-1
- Productive Alliance Officer/Project Officer-2
- Agri Business Officer/Project Officer-3
- Assistant Procurement Officer/Project Officer-4

Professional Staff

- Finance Manager
- Procurement expert
- Social Safeguard Expert
- Environmental Expert
- Media management Cell
- Grievance redressal cell
- Data Base Administrator (DBA)
- Accounts Executive -1 (CA Inter)
- Accounts Executive -2 (CA Inter)

Support Staff

- Driver
- Office Attendant
- Cleaning Staff

The Project Management Unit will manage & co-ordinate the activities related to the project at the state level. The PMU will be in charge of the day-to-day management, procurement of the project besides monitoring of all physical and financial progress of the project. Co-ordination of the agencies involved in the project implementation and the achievement of the overall objectives of the project shall also be monitored by the PMU.

5. Professional and supporting staff shall be deployed in the PMU as and when needed. Separate orders shall be issued for constituting a Tender Evaluation Committee and a Tender Approval Committee under the PMU.

(By order of the Governor)
JESSY GEORGE
ADDITIONAL SECRETARY

To:

Chief Secretary, Kerala

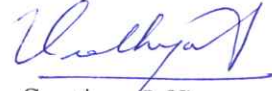
Agricultural Production Commissioner & Principal Secretary, Agriculture Department

Principal Secretary, Finance Department

Principal Secretary, Industries Department

Principal Secretary, Water Resources Department
Secretary, Law Department
Secretary, Electronics and Information Technology Department
Vice Chancellor, Kerala Agriculture University
Director of Agriculture, Thiruvananthapuram
Director, Industries Department
Director of Plantation
Chief Engineer, Irrigation Department
The Team Leader, KERA Project Preparation Team
Stock File/ Office Copy

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Section Officer

Copy to:

Private Secretary to Minister for Agriculture

ANNEXURE-I

Functions, role, responsibilities and powers of the Project Director, KERA PMU

Function of PMU

Overall leadership, control, monitoring, and supervision of the project activities and staff.

1. Ensuring implementation of Govt. orders and to make fund available to the field units/functionaries for meeting the project timeline/targets.
2. Ensuring timely submission of the procurement and financial monitoring reports to GoI, GoK and World Bank
3. Ensuring deployment of field staff, resource agencies, service providers and other functionaries co-ordination with line departments at state level
4. Ensuring consolidation of the annual work plan and budget of various units for submission to the state for sanction of the budget.
5. Ensuring approval of annual work plan and budget by Project Executive Committee
6. To receive the funds from additional sources/counterpart funding for integration of various project activities.
7. Ensuring timely distribution of the funds to various field units and service providers as per the physical and financial targets and required deliverables
8. To prepare and submit reimbursement claims and consolidated statement of expenditure (SOE) to the World Bank for reimbursement of Claims.
9. To prepare the annual financial statements, other documents for the internal audit and the audit of accountant general
10. To monitor the activities and financial progress of works in project.
11. To provide necessary guidance and coordination and ensure proper implementation of the Project.
12. To ensure transparency and accountability by forming a Public Information Cell (PIC) and public disclosure policy.
13. To Develop and maintain a Grievance Redressal Management (GRM) system.
14. To ensure Environmental and Social Framework (ESF) in accordance with the World Bank guidelines

Role, responsibilities and powers of Project Director, KERA PMU.

1. Setting up of KERA PMU, as a part of the institutional arrangement for the implementation of the World Bank aided Project “**Kerala Climate Resilient Agri Value Chain Modernisation (KERA)**”.
2. Arrangement for staffing as per the organisation structure forming part of this Government Order.
3. Ensure all procurement of Goods, Works and services, as per the procurement guidelines latest applicable version issued by the World Bank, and as per the applicable amendments from time to time. PD is responsible for carrying out procurement activities financed by the Bank in accordance with these Procurement Regulations issued by the World Bank, which includes planning, strategizing in regard to project procurement. Standard and prior agreed Bid documents, contract, RFP and evaluation formats shall be used. The Borrower shall retain all Procurement

Documents and records of procurements financed by the Bank, as required in the Legal Agreement.

4. Facilitate and co-ordinate all statutory, regulatory and legal requirement from the PMU, administrative Department, and Government of Kerala.
5. The budget heads have been sanctioned by the GoK for the external assistance and the state share. The procedure and timeline for preparation of budget at each level has been defined to ensure that adequate funds are available to carry out various activities and for the timely implementation of the project components.
6. Flow of funds shall be ensured through treasury and dedicated SNA account attached to the Public Finance Management System (PFMS)
7. Ensure financial management systems and procedures and accounting there of relating to planning, implementation and operation of various components of the project. The roles and responsibilities at each level of project implementation have to be defined, adequate provision has to be made for accounting staff at each level to carry out the accounts and finance related works.
8. Accounting policies as per the Finance management manual have also been defined for the accounting of the project expenses. Accounting records and their formats to be kept at each accounting centre have been identified. A list of periodic financial reports to be given by each accounting centre along with their formats have also been defined.
9. The project has internal controls to ensure that the management will achieve their operating, financial reporting, and compliance objectives. The internal control framework is provided for efficient management of the project. The mechanism for payments and release of subsidies to individual beneficiaries, agrobased MSME and FPC/FPO has been defined.
10. Periodic audit of accounts is a very important step towards ensuring financial and administrative discipline. The main objective of audit is to provide an independent assessment to the stakeholders on the accuracy of Financial Statements of the project and compliance with the financial agreements. Therefore, the provision of external audit and internal audit has been made for the project. The external audit of the project will be conducted by CAG through State Principal Accountant General for all accounting centres in the project. The internal audit of the project shall be carried out by a firm of chartered accountants.
11. Finalisation and timely submission of physical monitoring reports (PMR), Financial monitoring reports (FMR, quarterly financial reports, annual audited financial statements, and submission of reimbursement claims etc.
12. Financial powers include the procurement of goods up to Rs. 2.00 Crores and services up to Rs. 4.00 Crores. Above this financial limited approval from the Project Executive committee/Project Steering Committee need to be obtained.
13. Financial Powers for incurring of expenditure for establishment, salaries and allowances and suppliers, contractors and Consultants and payment to various Project implementation units.

ANNEXURE – II

