



GOVERNMENT OF KERALA

Abstract

Health and Family Welfare Department - Implementation of 'Kerala Health Systems Improvement Program' with the assistance of World Bank - In Principle Sanction- Accorded - Orders issued

HEALTH AND FAMILY WELFARE (P) DEPARTMENT

G.O.(Ms)No.150/2023/H&FWD Dated,Thiruvananthapuram, 01-07-2023

Read G.O(Ms) No.101/2023/FIN dated 25.06.2023

ORDER

The state of Kerala, with the objective to improve the quality of healthcare and the efficiency of the healthcare delivery systems in the state and to support the people of Kerala to attain high quality and longer lives free of preventable disease, injury, and premature death has intended to implement the State Sector Project 'Kerala Health Systems Improvement Programme' with the assistance of World bank. The project envisages to build a resilient health systems to deliver value-based healthcare addressing the advanced demographic and epidemiological transition in Kerala. It will also enhance inter sectoral collaboration to effectively respond to emerging threats including climate change. It is intended to develop a comprehensive ecosystem to prevent and care for NCDs, prevent and respond to emerging health threats by strengthening systems and improved climate change strategies, strengthen emergency and trauma care services by creating a network of 24x7 urgent care facilities including ambulance and trauma registry, re-engineer health systems to address persisting challenges and new emerging issues especially in RMNCAH and elderly services through local self-government engagement, strengthening human resource; scaling up digital health applications and augmenting resource; scaling up digital health applications and augmenting public financing for health.

2) The proposed project "Kerala Health Systems Improvement program" is proposed to be implemented in all 14 districts of Kerala with a project duration of 5 years with the external assistance of World- bank-

IBRD. The total project estimate is Rs.3000 crores out of which Rs.2100 crores will be external assistance and 900 crores to be funded by State Government. The institutional structure for delivery is SPV/PMU.

The proposed year wise expenditure is as as follows

| 1st year (in crore) | 2nd year (in crore) | 3rd year (in crore) | 4th year (in crore) | 5th year (in crore) |
|------------------------|------------------------|------------------------|------------------------|------------------------|
| 562.5 | 750 | 750 | 750 | 187.5 |

3) Government have examined the matter in detail and are pleased to accord in-Principle sanction for implementing 'Kerala Health Systems Improvement Program' with a total project cost of Rs.3000 crores subject to the condition that the project should be accommodated within the overall normal plan allocation of Health Sector for the entire project implementation period as this has to be accommodated within the borrowing ceiling of each year. Of the total project amount, Rs.2100 crore will be met through financial assistance from World Bank and the balance Rs.900 crore as state share. The project is envisaged to be implemented in all 14 districts of Kerala with a project duration of 5 years.

4) The Preliminary Project proposal for the project 'Kerala Health Systems Improvement Program' as approved by Government is annexed to this order. The project proposal shall be uploaded through the DEA portal for the consideration and approval by Department of Economic Affairs, Government of India.

(By order of the Governor)
A P M MOHAMMED HANISH
PRINCIPAL SECRETARY

To:

The Director of Medical Education

The Director of Health Services

The Joint Secretary, Department of Economic Affairs, Ministry of Finance, Government of India(With C/L)

The Principal Accountant General, Audit) / (A&E), Kerala,
Thiruvananthapuram

The Finance Department (E-2366713):HLT-A1/32/2023-Fin dated
15.06.2023)

Information Officer, Web & New Media

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Forwarded /By order

Signed by

P K Sarin Section Officer

Date: 03-07-2023 10:22:09

Copy to:- PS to Hon'ble Minister for Health, Women and Child
Development

PS to Principal Secretary, Health Department

PS to Principal Secretary, Finance Department

PRELIMINARY PROJECT PROPOSAL REPORT FORMAT

| | | | |
|----|--|--|---|
| 1. | Name of the Project | Kerala Health Systems Improvement Program | |
| 2. | Sectoral Area (Indicate from the list at Annexure A) | Health and Nutrition | |
| 3. | Central Line Ministry or Department for the Project | Ministry of Health and Family Welfare | |
| 4. | State Line Department for the Project | Department of Health and Family Welfare, Government of Kerala | |
| 5. | Proposed Project Implementation Agency | Department of Health and Family Welfare, Government of Kerala | |
| 6. | Institutional Structure for Delivery (SPV/PMU/Any other) | SPV/PMU | |
| 7. | Basic Design of the Project | | |
| | Goals and Objectives (max 100 words) | <p>The overarching goal of this program is to support the people of Kerala to attain high-quality and longer lives free of preventable disease, injury, and premature death. It aims to build resilient health systems to deliver value-based healthcare addressing the advanced demographic and epidemiological transition in Kerala. It will also enhance intersectoral collaboration to effectively respond to emerging threats including climate change.</p> <p>The objective is to improve the quality of healthcare services and the efficiency of the healthcare delivery systems in the State of Kerala.</p> | |
| | | Activities Involved (max 100 words) | <p>(i) Develop a comprehensive ecosystem to prevent and care for NCDs by delivering value-based health care and demand side interventions including working with the private sector; (ii) Prevent and respond to emerging health threats by strengthening</p> |

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| | | <p>systems and improved climate change strategies; (iii) Strengthen emergency and trauma care services by creating a network of 24x7 urgent care facilities including ambulance and trauma registry; and (iv) Reengineer health systems to address persisting challenges and new emerging issues especially in RMNCAH and elderly services through local self-government engagement; strengthening human resource; scaling up digital health applications and augmenting public financing for health.</p> |
| <p>Outputs of the Project (max 100 words)</p> | <ul style="list-style-type: none"> • Improved delivery of high quality NCD care at primary and secondary levels including home-based geriatric, and mental health care. • Increased compliance of private sector with NCD clinical decision support protocols. • Early diagnosis and response through One Health coordination and strengthened surveillance. • Increase in districts implementing the District Climate Mitigation and Adaptation plans. • Improved timeliness and quality of emergency care and through effective pre-hospital and in-hospital Emergency Medical Services. • Increase in districts with full-time public health professionals and improved availability of specialists | |

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| | <p>in underserved districts.</p> <ul style="list-style-type: none"> • Increased use of real-time data and dashboards for decision making. • Enhanced Tele Medicine for populations in remote areas. |
| Outcome of the Project (max 100 words) | <ul style="list-style-type: none"> • Improved management of NCD care at primary and secondary levels through high quality care including private sector engagement. • Panchayats implementing comprehensive approaches for prevention and care of NCDs. • Early diagnosis and response through One Health coordination and strengthened surveillance. • Districts implementing the District Climate Mitigation and Adaptation plans. • Improved timeliness and quality of emergency care and through effective pre-hospital and in-hospital Emergency Medical Services. • Increase in districts with full-time public health professionals and improved availability of specialists in underserved districts. • Increased use of real-time data for decision making including telemedicine for underserved populations. |
| 8. Finance Plus Element | |
| Systemic and Transformational Impact (max 100 words) | The proposed program aims to build a value-based health care by better enabling: (a) the individual to undertake primary and secondary prevention for NCDs; (b) the community to manage the health of its people focusing on the vulnerable especially mothers, children and elderly, (c) the health care system to ensure high quality care and satisfying experience leveraging on integrated health teams and technology; and (d) ensuring governance and management systems to promote the multisectoral and whole of society underpinnings of health. |
| Innovations and Piloting of New Approaches (max 100 words) | Innovations include: (i) building on the states AARDRAM mission which promotes people centered integrated care the proposed program will use a predictive analysis to risk profile the population and create individualized care package; (ii) strategic purchase of advanced NCD care through Karunya Arogya Suraksha Padhati (KASP) including incentives for improved preventive care behavior; (iv) create an integrated One Health surveillance system, leveraging on community and LSGIs; (v) establish a state-wide, coordinated emergency care system; and (vi) create a public health cadre to support public health action. |
| Innovations in Financing Leveraging (max 100 words) | (a) establishing partnerships with the private sector including pharmacies to improve access to NCD treatments; (b) strategic purchase of advanced NCD care through KASP including incentives for improved prevention care by private insurers; (c) leverage on allocations under the Fifteenth Finance Commission by |

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| | building on the lessons from Kerala's experience in decentralization of powers and functions to local governments; and (d) introduce an initiative to provide immediate financial protection to accident and trauma victims. |
| International Best Practices Proposed to be Adopted (max 100 words) | The project builds on the global and in-country learnings in value-based healthcare value. Implementation lessons from countries including Israel, Poland and China where similar demographic and epidemiological shifts have underpinned health system transformation have been prioritized. Further global best practices in promoting One Health approaches and Anti Microbial Resistance programming have been a key driver. Digital technologies from countries that have created integrated health information systems (Estonia and South Korea) have helped as guideposts. Learnings have also been incorporated from building up of the Trauma Care System in the state of Tamil Nadu. |
| 9. Other Elements (if any) | |
| Private Sector Engagement (Financing, Supply Side Involvement, Provision Of Services) (max 100 words) | Given the high level of dependance of Kerala on the private sector, effectively regulating private healthcare facilities by ensuring that they are all registered and provide quality care and costs are rational is key. The program will support: (a) the implementation of the Kerala Clinical Establishment Act, 2018; (b) establish innovative partnerships with private sector including pharmacies to improve access to NCD treatments; and (c) support strategic purchase of advanced NCD care through KASP including incentives for improved preventive care behavior by private insurers. |
| Climate Mitigation / Adaptation (max 100 words) | A state policy on one health and climate change will be developed building on a comprehensive vulnerability assessment at district and local levels. It will support to make healthcare facilities and communities climate resilient by developing mitigation and adaptation plans (including for green buildings, energy audits, air quality monitors at district etc) and for climate resilient infrastructure and equipment including optimal solar systems. It will support data analytics, including big data analysis for zoonotic and climate disease surveillance and air quality to mitigate the increased risks to public health due to climate change. |
| Beneficiary Engagement / Community Involvement / Community Monitoring (max 100 words) | Almost 40% of the state resources are managed through local self-governments. During COVID-19 communities engaged in government sensitization campaigns, <i>Jagritha Samithis</i> and other forums to deliver innovative community-level approaches and control measures. Recognizing that effective health care relies on action on social and environmental determinants, community engagement, ownership and social accountability mechanisms will be strengthened with involvement of PRIs, front line workers, women |

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| | | SHGs like Kudumbashree especially for the care of women, children and elderly and pandemic preparedness activities. For the implementation of 15 FC grants, PRIs will be involved through capacity building for participation in existing platforms. | | |
| | Mainstreaming of Gender (max 100 words) | The program will ensure health system provides opportunity to ensure girls and women especially elderly women have access to preventive, promotive and curative care to care not just to reproductive health services, but also for the newer elements focusing on non-communicable diseases including hypertension, diabetes, cancers and mental illnesses. Teleconsultation services shall reduce access barriers for women and will facilitate gender equity. Further investments will be made in the female health workforce both at the primary and secondary health care level. | | |
| 10 | Name / Names of the State / States Involved | Kerala | | |
| 11 | Name / Names of the District / Districts Involved | All 14 districts in Kerala | | |
| 12 | Proposed Project Duration | From | 2024 | |
| | | To | 2029 | |
| | | Years | 5 | |
| | | Months | | |
| 13 | Type of Project (Please tick) | Central Sector | | |
| | | State Sector | State | |
| 14 | Category of State (Please tick) | General | General | |
| | | Special Category | | |
| | | Both | | |
| 15 | Counterpart Funding by the Centre or State or Both (Specify %) | Central Sector (min 50%) | | |
| | | State Sector (min 30%) for General Category | √ | |
| | | State Sector (min 20%) for Special Category | | |
| | | Other | | |

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|---------|----------------------------------|---|---|--------------------|--------|--------------------|
| 16 | Financial Arrangement | | Fill details below (both in INR crores and USD million) | | | |
| Tranche | Total External Assistance Sought | Counterpart funding being made available by | | | | Total Project Cost |
| | | Implementing Agency | State Government | Central Government | Others | |

| | | | | nt | nt | if any | | |
|---|--|-----|-----|-----|-----------------------|--------|------|-------|
| IN INR | | | | | | | | |
| Tranche 1 | | | | | | | | |
| Tranche 2 | | | | | | | | |
| Tranche 3 | | | | | | | | |
| TOTAL | 2100 | | | 900 | | | 3000 | |
| IN USD (One USD = 75 INR) as on (Date) | | | | | | | | |
| Tranche 1 | | | | | | | | |
| Tranche 2 | | | | | | | | |
| Tranche 3 | | | | | | | | |
| TOTAL | 280 | | | 120 | | | 400 | |
| 17. | Year wise financial projections of fund utilisation | | | | | | | |
| Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | TOTAL |
| INR | 562.5 | 750 | 750 | 750 | 187.5 | | | 3000 |
| USD | 75 | 100 | 100 | 100 | 25 | | | 400 |
| 18. | Name of the Multilateral Development Bank (MDB)/ International Financial Institution (IFI) (Indicate from the list at Annexure B) from which External Assistance is sought | | | | World-Bank-IBRD | | | |
| 19. | Details of Clearances / Comments / Observations about the project (Please enclose copies) | | | | | | | |
| Central | | | | | | | | |
| | NITI Aayog | | | | NA | | | |
| | Central Line Ministry/Department (for Central PSU-Executed Projects) | | | | NA | | | |
| | Ministry of Home Affairs (MHA), Gol (for all UTs without State Legislature) | | | | NA | | | |
| State (Excluding North Eastern States) | | | | | | | | |
| | NITI Aayog | | | | Yes, if required | | | |
| | Proposed Central Line Ministry or Department for the Project | | | | Yes, if required | | | |
| | Debt - Sustainability Self-Certification by State Finance Department | | | | Proposed for Approval | | | |

| State (North Eastern States) | | |
|-------------------------------------|--|----|
| | NITI Aayog | NA |
| | Proposed Central Line Ministry or Department for the Project, GOI | NA |
| | Ministry of External Affairs, GOI | NA |
| | Ministry of Home Affairs, GOI | NA |
| | Ministry of Development of North Eastern Region, GOI | NA |
| | Debt - Sustainability Self-Certification by State Finance Department | NA |
| 20. | Whether Feasibility Study for the project is available? | No |
| 21. | Whether Detailed Project Report (DPR) or Detailed Engineering Design for the project is available? | No |

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| 22. | Whether following clearances are involved in the Project | |
| | Environment | No |
| | Coastal Regulation Zone | No |
| | Forest | No |
| | Heritage | No |
| | Any other (Please specify) | No |
| 23. | Current status of clearances mentioned in Point 22 | Not Applicable |

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|-----|---|----------------|
| | Environment(max 100 words) | |
| | Coastal regulation Zone(max 100 words) | |
| | Forest(max 100 words) | |
| | Heritage(max 100 words) | |
| | Any other (Please specify)(max 100 words) | |
| 24. | Whether any court or tribunal proceedings are pending that could impact the project? | No |
| 25. | Current Status of court or tribunal proceedings if pending (max 100 words) | Not Applicable |
| 26. | Whether Land pooling / land acquisition / Resettlement and Rehabilitation is involved in the project? | |
| | Land Pooling | No |
| | Land Acquisition | No |
| | Resettlement & Rehabilitation | No |

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| | Any Other (Please specify) | |
| 27. | Current Status of Land pooling / land acquisition / Resettlement and Rehabilitation involved in the project | Not Applicable |
| | Land Pooling (max 100 words) | |
| | Land acquisition (max 100 words) | |
| | Resettlement & Rehabilitation (max 100 words) | |
| | Any Other (Please specify) (max 100 words) | |
| 28 | Whether External Assistance has been availed in the past for similar project (i.e., earlier phase etc.)? If yes, | Yes |
| | Name of the Project: | Resilient Kerala Program for Results - Results 2.1: Resilient Public Health Systems |
| | Project period: | 5 years |
| | Start Date | 24 June 2021 |
| | Completion Date: | 30 June 2026 |
| | Loan/Credit Amount (in INR crores and USD million): | 35 million |
| 29. | Details of externally aided projects (completed / ongoing /pipeline / posed / under examination) since 01.04.2008 undertaken by the proposed borrowing Agency (Central line Ministry / Department / Central PSU/ State Government) | |
| | Not Applicable | |

| Name of the sector | Name of the MDB/ IFI which provided Loan assistance | Name of the Ministry/ Dept. | Name of the project | Start date | Close date | | Project cost | | Expenditure Incurred (in INR crores and USD million) |
|---|---|-----------------------------|---|----------------------------|----------------------------|----------------------------|-----------------------|-----------------------|---|
| | | | | | Original | Revised | Original | Revised | |
| DM- Disaster Management | ADB-Asian Development Bank | KL-Kerala | Kerala Sustainable Urban Development Project (KSUD) | 8/12/2006 | 30/06/2012 | 30/06/2012 | 221.2 | 123.4 | 767.89 Rs 113.88 USD |
| Rural Water Supply | WB-World Bank-IBRD | KL-Kerala | Kerala Rural Water Supply and Environmental Sanita | 7/11/2000 | 31/12/2006 | 30/09/2008 | 65.5 | 61.5 | 418.2 Cr 61.5 USD |
| Rural Water Supply | WB-World Bank-IBRD | KL-Kerala | Second Kerala Rural Water Supply and Environmental Sanita | 15/12/2011 | 30/06/2017 | 28/06/2019 | 155.3 | 155.3 | 810.832 Cr 119.24 USD |
| TL- Transport and Logistics | WB-World Bank-IBRD | KL-Kerala | Second Kerala State Transport Project | 14/05/2013 | 30/04/2019 | 30/04/2019 | 445.0 | 445.0 | 2925.329 Cr 400.73 USD |
| DM- Disaster | WB-World Bank-IBRD | KL-Kerala | National Cyclo | 28/05/2015 | 15/03/2021 | 15/03/2021 | 22.5 | 22.5 | 0.2183 Cr 0.0295 USD |

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|---|--|------------------|---|-------------------|-------------------|-------------------|----------------|----------------|---|
| <u>Management</u> | | | <u>ne Risk Mitigation Project I</u> | | | | | | |
| <u>NR-Natural Resources</u> | <u>WB-World Bank-IBRD</u> | <u>KL-Kerala</u> | <u>Dam Rehabilitation and Improvement Project</u> | <u>29/06/2010</u> | <u>29/06/2020</u> | <u>29/06/2020</u> | <u>24.8</u> | <u>24.8</u> | <u>53.428 Cr</u> <u>7.22 USD</u> |
| <u>G-ISD-Governance (includes service delivery)</u> | <u>WB-World Bank-IBRD</u> | <u>KL-Kerala</u> | <u>Kerala Local Government And Service Delivery Project</u> | <u>29/03/2011</u> | <u>31/12/2015</u> | <u>29/12/2017</u> | <u>200.0</u> | <u>179.93</u> | <u>1257.926 Cr</u> <u>169.99 USD</u> |
| <u>ESD-Education and Skill Development</u> | <u>WB-World Bank-IBRD</u> | <u>KL-Kerala</u> | <u>Supporting Kerala Additional Skill Acquisition Project</u> | <u>1/07/2014</u> | <u>30/06/2019</u> | <u>30/06/2019</u> | <u>147.0</u> | <u>147.0</u> | <u>473.6 Cr</u> <u>64.0 USD</u> |
| <u>TL-Transport and Logistics</u> | <u>AFC-Alliance Francaise De Delhi</u> | <u>KL-Kerala</u> | <u>Kochi Metro Rail Project</u> | <u>2/08/2011</u> | <u>17/06/2017</u> | <u>3/10/2017</u> | <u>204.9</u> | <u>204.9</u> | <u>1387.3 Cr</u> <u>190.11 USD</u> |
| <u>TL-Transport and Logistics</u> | <u>GFC-Green Climate Fund</u> | <u>KL-Kerala</u> | <u>Kochi Water Metro Project</u> | <u>18/06/2016</u> | <u>30/06/2020</u> | <u>30/06/2020</u> | <u>85.0</u> | <u>85.0</u> | <u>3.33 Cr</u> <u>24.642 USD</u> |
| <u>DM-Disaster Management</u> | <u>WB-World Bank-IBRD</u> | <u>KL-Kerala</u> | <u>Resilient Kerala Development</u> | <u>1/04/2019</u> | <u>30/06/2021</u> | <u>30/06/2021</u> | <u>5137.34</u> | <u>5137.34</u> | <u>175.65</u> <u>1300</u> |

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| <u>geme</u> <u>nt</u> | | | <u>opme</u> <u>nt</u> <u>Progr</u> <u>amm</u> <u>e-l</u> | | | | | | |
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Annex A

Sectoral Area

1. Agriculture (including Crop Insurance) and Allied Sector (including Dairy, Fisheries, Poultry and Horticulture)
2. Disaster Management
3. Education & Skill Development
4. Energy (including Renewables)
5. Environment and Climate Change
6. Finance (includes Public Finance Management and Financial Institutions)
7. Governance (includes service delivery)
8. Health and Nutrition
9. Irrigation/Water Resources (including Rural Water and Watershed)
10. Rural Development (including rural roads and rural sanitation), Livelihoods and Panchayati Raj Institutions (PRI)
11. Tourism & Culture
12. Transport and Logistics (including Airports, Ports, Railways, Inland Waterways, Metros, Bus Service, National Highways, State Highways)
13. Urban Development (including Urban roads and Urban Water/Sanitation)
14. Social Safety Net programmes/Initiatives
15. Telecom, Media, Technology and Venture Capital
16. Manufacturing, Agribusiness and Services
17. Natural Resources
18. Others (Please Specify)

Annex B

Name of MDB/IFI from which external assistance is sought

1. World Bank - IBRD
2. World Bank - IFC
3. Asian Development Bank (ADB)
4. IFAD

5. NDB
6. Others (Please specify)