



## GOVERNMENT OF KERALA

### Abstract

Planning and Economic Affairs (Development & Innovation) Department- Kerala Development and Innovation Strategic Council (K-DISC)-Kerala Knowledge Economy Mission (KKEM)-Work Near Home (WNH) Programme- Administrative Sanction for the Implementation of Operating Partner Initiated Model by Kerala State Information Technology Infrastructure Limited (KSITIL) as Special Purpose Vehicle (SPV) and In-Principle Administrative Sanction for Directly Driven Model by K-DISC as SPV with Modification to Existing Mode of Operation of the WNH Project - Accorded - Orders issued.

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### PLANNING AND ECONOMIC AFFAIRS (DEVELOPMENT & INNOVATION) DEPARTMENT

G.O.(Rt)No.87/2024/PLG&EA (DVPMT & INNOVATION)

Dated, Thiruvananthapuram, 01-09-2024

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- Read 1 G.O.(Rt)No.11/2021/PLG&EA(DVPMT&INNOVATION) dated 26.11.2021
2. Minutes of the 7<sup>th</sup> Meeting of the First EC of K-DISC dated 24.05.2023
  3. G.O.(Rt)No.57/2023/PLG&EA(DVPMT&INNOVATION) dated 13.06.2023
  4. G.O.(Rt)No.72/2023/PLG&EA(DVPMT&INNOVATION) dated 11.07.2023
  5. G.O.(Rt)No.142/2023/PLG&EA(DVPMT&INNOVATION)dated 20.12.2023
  6. Revised Proposal for WNH Project submitted by the KSITIL , June 2024
  7. D.O.No.2267/2024/KDISC dated 28.08.2024 of the Member Secretary, K-DISC

### ORDER

The Government of Kerala introduced the "Kerala Knowledge Economy Mission (KKEM)", which aims to provide jobs for at least 20lakh educated unemployed people by 2026 and the K-DISC has been entrusted with the implementing of the same. In the Government Order read as 1st above, the Government had approved the Strategy paper of the Kerala Knowledge Economy Mission. One of the interventions mentioned in the Strategy Paper of the KKEM is the setting up of a decentralized network of work spaces for promoting employment of the educated unemployed people.

2. In accordance with the Budget Speech for 2022-23 and 2023-24, the Executive Committee of Kerala Development and Innovation Strategic Council (K-DISC) chaired by the Finance Minister of Kerala, as per paper read as 2nd above, authorized the Member Secretary, K-DISC, to proceed with the implementation of the Work Near Home (WNH) project on a pilot basis in a few locations, with funding support from Kerala Infrastructure Investment Fund Board (KIIFB). Accordingly, the KKEM invited Expression of Interest (EoI) for empanelling of Operating Partners to prepare a Detailed Project Report (DPR) and for conducting a pilot study through ten Work near Home locations.

3. As per Government Order read as 3<sup>rd</sup> above, Administrative Sanction has been accorded to conduct Work Near Home Project by empanelling of two selected agencies for the preparation of Detailed Project Report (DPR) of the Work Near Home Project and the Operating Partners for conducting of the pilot study of ten work Near Home Centres.

4. Subsequently, as per the Government Order read as 4<sup>th</sup> above, sanction was accorded for the following:

(i) Administrative Sanction for undertaking the Work Near Home Programme by K-DISC under the Kerala Knowledge Economy Mission (KKEM).

(ii) Implementation of the Work Near Home Project by K-DISC with the financial Support of KIIFB.

(iii) Sanction to Kerala State Information Technology Infrastructure Limited (KSITIL) to act as the Special Purpose Vehicle (SPV) for the Government's Work Near Home project.

(iv) Sanction to establish a short term Infra Project Management Unit (Infra PMU) in KSITIL as part of SPV.

5. As per the Government Order read as 5<sup>th</sup> above, the Government have accorded sanction for entrusting the Managing Director, KSITIL to head the SPV for Work Near Home Project and lead activities of Work Near Home project, assigned roles and responsibilities of the Head of the SPV and establishing of a short term Infra Project Management Unit (Infra PMU) in KSITIL.



6. The Member Secretary, K-DISC, as per letter read as 7<sup>th</sup> above, has informed that MD, KSITIL has submitted a revised proposal as per reference 6<sup>th</sup> above, for restructuring of the WNH programme to ensure the financial viability of the project by adopting Operating Partner Initiated Model, based on the decisions taken in the meeting held on 20/05/2024 and 15/06/2024 under the chairmanship of the CEO, KIIFB. In the revised proposal, the empaneled Operating Partners will be eligible to receive 80% of the project cost as interest-free loan support from KIIFB, with one-year moratorium and a repayment period of 10 years, for the establishment of a WNH center anywhere in Kerala and the remaining 20% of the project cost is to be borne by the Operating Partner setting the CapEx Ratio as 80:20. It is further reported that the MD, KSITIL, has also requested to take necessary steps to modify the respective Government Orders issued in connection with the WNH programme and to grant permission to call for a new Expression of Interest to empanel Operating Partners for the Operating Partner Initiated Model.

7. The Member Secretary, K-DISC has also proposed to run two Work Near Home centres, among the 10 pilot centres proposed, at Kottarakkara and Perinthalmanna Municipalities, as directly managed models by K-DISC so that the learning of these pilots can effectively be incorporated into the business model of the Work Near Home Centre project.

8. In the circumstances, the Member Secretary, K-DISC as per letter cited as 7<sup>th</sup> above has requested to accord sanction for the following;

- i. KSITIL to implement the Operating Partner Initiated Model with following features by modifying the related Government Orders issued in this regard;

#### **Features of the Operating Partner Initiated Model**

(a) Operating Partner can avail interest free loan support up to 80% of the total project cost from KIIFB to setup Work Near Home Centres anywhere in the State. The project cost shall include DPR preparation cost, rent advance, marketing cost, project execution cost etc.

(b) The balance 20% of the project cost will be borne by the Operating partner.

(c) KSITIL has to ensure the completion of the each work Near Home Project within 120 days from the date of sanction of the project.

(d) Operating Partner has all freedom to select location to setup Work Near Home Center.

(e) The facility developed under this scheme should be in accordance with the standards set by KSITIL and should be used exclusively for the purposes mentioned under the Work Near Home Project. If, at any time the agreement is violated, the operating partner shall be bound to payback the loan to KSITIL at an interest rate of 18%.

(f) An agreement shall be executed between the Operating partner and KSITIL.

(g) KIIFB will advance the loan to KSITIL based on the milestone mutually set by KIIFB and KSITIL

(h) KSITIL will advance the loan to operating partner as per the milestone set by KSITIL based on progress of the work.

(i) There will be a one year moratorium for repayment of the loan. The moratorium will start from the next day of disbursement of last milestone payment.

(j) The operating partner shall repay the loan to KSITIL as Equal Quarterly Instalments for the next 10 years.

(k) KSITIL will pay back the loan to KIIFB as Equal Quarterly Instalments.

(l) The profit generated from the venture after all expenditure including the loan repayment shall be appropriated between the operating partner and KSITIL on a 90:10 ratio.

(m) The first right of denial after 11 years shall vest with the Operating Partner.

(n) The facility developed under the scheme shall be branded as the "Work Near Home Commune".



(o) The Detailed Project Report ( DPR) with respect to the pilot centres at Kottarakara & Perinthalmanna if prepared by the agency assigned by KSITIL already, the same shall be suitably modified and used for the new mode of implementation.

(p) Any dispute if arising with respect to the implementation of the Work Near Home programme shall be addressed by the Chief Secretary of the State .

ii) KSITIL to call for a new Expression of Interest to empanel Operating Partners for the Operating Partner initiated model.

iii) K-DISC as the SPV to adopt the Directly Driven Model for the implementation of Two Pilot WNH Centres at Kottarakara and Perinthalmanna Municipality, among the proposed 10 Pilot WNH centres and to engage one of empaneled agency of K-DISC to manage the said WNH centres subject to the following conditions;

a) The K-DISC shall submit a Proof of Concept (POC) to KIIFB on the implementation of pilot WNH centres at Kottarakara & Perinthalmanna Municipality

b ) The Administrative Sanction to K-DISC shall be issued separately, specifying the procedure for implementation of pilot WNH centres at Kottarakara & Perinthalmanna Municipality, fixing the roles and responsibilities etc.

9. The Government have examined the matter in detail and are pleased to accord sanction for the following:

I) Administrative Sanction to the KSITIL to implement the Operating Partner Initiated Model for 8 Pilot WNH Centres (Excluding Two Centres at Kottarakara and Perinthalmanna Municipalities) with the features as specified at para 8 (i) (a) to (p) of this order .

II) KSITIL to call for a new Expression of Interest to empanel Operating Partners for the Operating Partner Initiated Model.

III) In -Principle Administrative Sanction to K-DISC to act as the SPV to adopt the Directly Driven Model for the implementation of Two Pilot WNH Centres at Kottarakara and Perinthalmanna Municipalities, among the proposed 10 Pilot WNH centres and to engage one of the empaneled agency of K-DISC to manage the said WNH Centres subject to

the following conditions;

a) The K-DISC shall submit a Proof of Concept (POC) to KIIFB on the implementation of pilot WNH centres at Kottarakara & Perinthalmanna Municipalities.

b) Administrative Sanction to K-DISC shall be issued separately, specifying the procedure for implementation of pilot WNH centres at Kottarakara & Perinthalmanna Municipality, fixing the roles and responsibilities etc.

IV) Modification to the following Government Orders towards the modus operandi of WNH project as detailed in the table below :

Sl No	G.O No.	Para no to be modified	Existing	Modified
1	G.O.(Rt)No. 57/2023/PLG&EA (DVPMT& INNOVATION) dated 13.06.2023	11	“..... to conduct Work Near Home project by emapanelling of two selected agencies as listed in Table-III above for the preparation of the Detailed Project Report (DPR) of Work Near Home (WNH) and the Operating Partners for conducting the pilot study of 10 Work Near Home Centres.....”	“ .....to conduct Work Near Home project by emapanelling of two selected agencies as listed in Table-III above for the preparation of the Detailed Project Report (DPR) of Work Near Home (WNH) and to function as the Operating Partners for conducting the pilot Work Near Home Centres along with the new Operating Partners as per the Operating Partner Initiated Model ....”
				“ Sanction to Kerala State

2	G.O.(Rt)No. 72/2023/PLG&EA(DVPMT& INNOVATION) dated 11.07.2023	10 (iii)	“ Sanction to Kerala State Information Technology Infrastructure Limited (KSITIL) to act as the Special Purpose Vehicle (SPV) for the Government’s Work Near Home Project”.	Information Technology Infrastructure Limited (KSITIL) to act as the Special Purpose Vehicle (SPV) for the Government’s Work Near Home Project except the Work Near Home Project that will be directly managed by K-DISC as the SPV.”
3.	G.O.(Rt)No. 142/2023/PLG&EA (DVPMT& INNOVATION) dated 20.12.2023	7(III) (i)	"Over all implementation and monitoring of Work Near Home Project."	"Over all implementation and monitoring of Work Near Home Project by KSITIL as SPV except the Work Near Home Project that will be directly managed by K-DISC as SPV"
		7(III) (iii)	"Identify suitable locations in consultation with the Local Self Government and Industry Associations for WNH centres"	" Identify suitable WNH Centres for WNH Programme with the support of Local Self Government Institutions, Industry Associations and other interested parties ”.
		7(III) (ix)	"Act as a facilitator for the loan disbursement to LSG institution and ensure the same is used for the project purpose only"	Omitted



		7(III) (x)	"Ensure that the repayment is made to KIIFB as per the schedule by LSGIs and Operating Partners"	Omitted
		7(V)	"The SPV has to onboard K-DISC empaneled agencies for building/refurbishment and operation for the ten pilot Work Near Home projects".	"The KSITIL as SPV has to onboard operating partners for building/refurbishment and operation for the eight pilot Work Near Home projects".

10) The Government Orders read as 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> above stand modified to the above extent.

11) The expenditure in this regard on the part of K-DISC will be met from the allocation for the component "Work Near Home" under the head of account "3451-00-092-87-Knowledge Economy Fund".

(By Order of the Governor)  
K M ABRAHAM  
EX-OFFICIO SECRETARY

To:

1. The Executive Vice Chairperson, K-DISC, Thiruvananthapuram
2. The Additional Chief Secretary, Planning & Economic Affairs Department
3. The Additional Chief Secretary, Finance Department
4. The Secretary, Electronic & IT Department
5. The Member Secretary, K-DISC, Thiruvananthapuram
6. The Member Secretary, State Planning Board, Thiruvananthapuram
7. The Chief Executive Officer, KIIFB, Thiruvananthapuram



8. The Managing Director, Kerala State Information Technology Infrastructure Ltd
9. The Principal Accountant General (Audit I & II) Kerala, Thiruvananthapuram
10. The Principal Accountant General (A & E) Kerala, Thiruvananthapuram
11. Planning & Economic Affairs [(A)/(D)] Department
12. Finance [Planning (B)/Expenditure (B)/Budget Wing – D] Department
13. I & PR (Web & New Media) Department (For publishing on the website)
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The Private Secretary to Minister for Finance, Government of Kerala

