

LOAN NUMBER 8196-IN

Program Agreement

(Himachal Pradesh Development Policy Loan To Promote
Inclusive Green Growth and Sustainable Development)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

STATE OF HIMACHAL PRADESH

Dated *SEPTEMBER 29*, 2012

PROGRAM AGREEMENT

AGREEMENT dated *SEPTEMBER 29*, 2012, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and STATE OF HIMACHAL PRADESH ("Himachal Pradesh") ("Program Agreement") in connection with the Loan Agreement ("Loan Agreement") of same date between India ("Borrower") and the Bank. The Bank and Himachal Pradesh hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined and modified in the Appendix to the Loan Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Loan Agreement or the General Conditions.

ARTICLE II — PROGRAM

- 2.01. Himachal Pradesh declares its commitment to the objectives of the Program. To this end, Himachal Pradesh shall carry out the Program in accordance with the provisions of Article V of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Program.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Bank and Himachal Pradesh shall otherwise agree, Himachal Pradesh shall carry out the Program in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

- 3.01. Himachal Pradesh's Representative is the Chief Secretary to the Government of Himachal Pradesh or any other person or persons as he or she shall designate in writing.
- 3.02. The Bank's Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Facsimile:

1-202-477-6391

3.03. Himachal Pradesh's Address is:

H.P. Government Secretariat
"Ellerslie", Shimla 171002
Himachal Pradesh

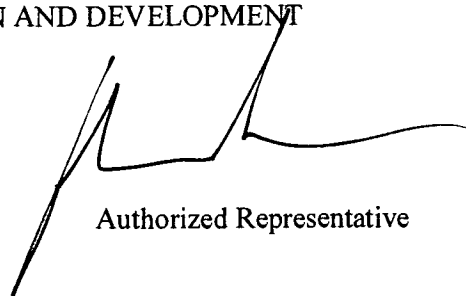
Facsimile:

91-17772621022

AGREED at **NEW DELHI**, India, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative

STATE OF HIMACHAL PRADESH

By



Authorized Representative

SCHEDULE

Program Actions

Section I. Actions Taken Under the Program

The actions taken by Himachal Pradesh under the Program include the following:

1. The GOHP's Cabinet has issued a Decision to enhance and operationalize the capacities in the Department of Environment and the Department of Energy for effective coordination, monitoring and evaluation.
2. The GOHP's Cabinet has approved and a public notification has been issued by GOHP's Department of Power regarding the requirement to undertake cumulative environmental impact assessment (CEIA) studies for the Sutlaj, Beas, Ravi, Yamuna and Chenab river basins in Himachal Pradesh, such studies to include the review of environmental flows.
3. The GOHP has initiated a CEIA for Sutlaj river basin.
4. The GOHP has: (a) approved an integrated catchment area treatment plan for the Sutlaj river basin, and has started its implementation; and (b) initiated the preparation of integrated CAT plans for the Chenab river basin.
5. The GOHP's Cabinet has approved and a public notification has been issued by GOHP's Department of Power regarding the amendment to Local Area Development Fund (2009) establishing a long-term benefit sharing policy requiring the provision of annuities to affected communities during the lifetime of hydropower projects in Himachal Pradesh.
6. The GOHP's Department of Rural Development has adopted the strengthened Integrated Watershed Management Program (IWMP) guidelines to specify an integrated community-led watershed development approach to planning by Gram Panchayats applicable in hilly terrains.
7. The GOHP's Cabinet has approved and issued the State Organic Farming Policy.
8. The GOHP's Cabinet has approved and GOHP's Department of Industries has publicly disclosed the amendment to Industrial Policy (2004) to promote sound environmental management, including: (i) promotion of cleaner production and environmental management systems; (ii) disincentives to industries on negative list; and (iii) promote public disclosure of pollution status at the unit and cluster level.

9. The GOHP has awarded the contract to prepare a basin-wide digital GIS based hydropower potential maps.
10. The GOHP has established the Aryabhata Geo-informatics and Space Application Center (AGISAC) to promote integrated GIS mapping and decision making.