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**Project Preparation Advance Number IDA V501-NP**

# **Implementation Agreement**

**(Preparation of the Proposed Upper Arun Hydroelectric Project)**

**among**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**NEPAL ELECTRICITY AUTHORITY**

**and**

**UPPER ARUN HYDRO-ELECTRIC LIMITED**

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## **IMPLEMENTATION AGREEMENT**

AGREEMENT among INTERNATIONAL DEVELOPMENT ASSOCIATION (“Bank”) and NEPAL ELECTRICITY AUTHORITY and UPPER ARUN HYDRO-ELECTRIC LIMITED (“Implementing Entities”) (“Implementation Agreement”) in connection with the Advance Agreement (“Advance Agreement”) dated as of its countersignature date between Nepal (“Recipient”) and the Bank, concerning Project Preparation Advance Number IDA V501-NP. The Bank and the Implementing Entities hereby agree as follows:

### **ARTICLE I — STANDARD CONDITIONS; DEFINITIONS**

- 1.01. The Standard Conditions (as defined in the Appendix to the Advance Agreement) apply to and form 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 Advance Agreement or the Standard Conditions.

### **ARTICLE II — ACTIVITIES**

- 2.01. The Implementing Entities declare their commitment to the objectives of the Activities. To this end, the Implementing Entities shall carry out the Activities in accordance with the provisions of Article II of the Standard Conditions and the Schedule to this Agreement.

### **ARTICLE III — REPRESENTATIVE; ADDRESSES**

- 3.01. The Nepal Electricity Authority’s Representative is the Managing Director, and the Upper Arun Hydro-electric Limited’s Representative is the Managing Director.
- 3.02. For purposes of Section 9.01 of the Standard Conditions:


- (a) the Bank’s address is:

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America; and




AGREED as of the later of the three dates written below.


INTERNATIONAL DEVELOPMENT ASSOCIATION

By   
\_\_\_\_\_  
Authorized Representative  
Name: Faris H. Hadad-Zervos  
Title: Country Director  
Date: 17-Mar-2024

NEPAL ELECTRICITY AUTHORITY

By   
\_\_\_\_\_  
Authorized Representative  
Name: Kul Man Ghising  
Title: Managing Director, NEA  
Date: 21-Mar-2024

UPPER ARUN HYDRO-ELECTRIC LIMITED

By   
\_\_\_\_\_  
Authorized Representative  
Name: Fanendra Joshi  
Title: Managing Director  
Date: 19-Mar-2024

## SCHEDULE

### Execution of the Activities

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements.

The Recipient shall vest the overall responsibility for the implementation of the Activities in the Implementing Entities. To that end, NEA shall have the overall responsibility for oversight and guidance and UAHEL shall be responsible for the day-to-day implementation of the Activities, and shall maintain, at all times during the implementation of the Activities, staff and resources for such purpose, including the PIU, satisfactory to the Bank.

##### B. Environmental and Social Standards.

1. The UAHEL shall ensure that the Activities are carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the UAHEL shall ensure that the Activities are implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the UAHEL shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The UAHEL shall ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP;

- (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Activities which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The UAHEL shall establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Activities-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

**Section II. Activities Monitoring, Reporting and Evaluation**

The Implementing Entities shall monitor and evaluate the progress of the Activities and prepare Activity Reports in accordance with the provisions of Section 2.08 of the Standard Conditions and on the basis of indicators acceptable to the Bank. Each such Activity Report shall cover the period of one calendar quarter, and shall be furnished to the Recipient not later than forty-five (45) days after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Bank of the overall Activity Report.