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LOAN NUMBER 9566- IN

# Program Agreement

(Himachal Pradesh Power Sector Development Program)

between

INTERNATIONAL BANK

FOR

RECONSTRUCTION AND DEVELOPMENT

and

STATE OF HIMACHAL PRADESH  
HIMACHAL PRADESH POWER CORPORATION LIMITED (HPPCL),  
HIMACHAL PRADESH STATE ELECTRICITY BOARD LIMITED (HPSEBL),  
HIMACHAL PRADESH POWER TRANSMISSION CORPORATION LIMITED  
(HPPTCL),  
HIMACHAL PRADESH RENEWABLE ENERGY DEVELOPMENT AGENCY  
(HimUrja), and  
HIMACHAL PRADESH STATE LOAD DESPATCH CENTER (HPSLDC)

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**PROGRAM AGREEMENT**

AGREEMENT between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) on the one side and STATE OF HIMACHAL PRADESH (“Program Implementing Entity”), HIMACHAL PRADESH POWER CORPORATION LIMITED (HPPCL), HIMACHAL PRADESH STATE ELECTRICITY BOARD LIMITED (HPSEBL), HIMACHAL PRADESH POWER TRANSMISSION CORPORATION LIMITED (HPPTCL), HIMACHAL PRADESH ENERGY DEVELOPMENT AGENCY (HimUrja), and HIMACHAL PRADESH STATE LOAD DESPATCH CENTER (HPSLDC) ( each an “Implementing Agency” and collectively “Implementing Agencies”) on the other side (“Program Agreement”) in connection with the Loan Agreement (“Loan Agreement”) of the Signature Date between India (“Borrower”) and the Bank, concerning Loan No.9566-IN. The Bank, the Program Implementing Entity and the Implementing Agencies hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to the Loan 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 Loan Agreement or the General Conditions.

**ARTICLE II — PROGRAM**

- 2.01. The Program Implementing Entity and the Implementing Agencies declare their commitment to the objectives of the Program. To this end, the Program Implementing Entity shall and shall cause the Implementing Agencies to carry out the Program in accordance with the provisions of Article V of the General Conditions and the Schedule to this Agreement, and shall provide and/or cause the Implementing Agencies to provide, promptly as needed, the funds, facilities, services and other resources required for the Program.

**ARTICLE III — REPRESENTATIVE; ADDRESSES**

- 3.01. The Program Implementing Entity’s Representative is the Chief Secretary of the State of Himachal Pradesh.
- 3.02. The Implementing Agencies’ Representatives for the Respective Part of the Program:
  - (a) for HPPTCL, HPPCL and HPSEBL are their respective Managing Director(s);
  - (b) for Directorate of Energy, its Director;
  - (c) for HPSLDC, its Chief Engineer; and
  - (d) for HimUrja, its CEO.

- 3.03. For purposes of Section 10.01 of the General Conditions: (a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423(MCI) or 64145(MCI)	1-202-477-6391	wbindia@worldbank.org

- 3.04. For purposes of Section 10.01 of the General Conditions: (a) the Program Implementing Entity's address is:

State of Himachal Pradesh  
Shanti Bhawan, Phase 3, Sector 6,  
New Shimla, Shimla – 171009, and

(b) the Program Implementing Entity's Electronic Address is:

Telex:	Facsimile:	E-mail:
0177-2673551	0177- 2673553	ceenergy09@gmail.com

- 3.05. For purposes of Section 10.01 of the General Conditions:

(a) the Implementing Agency's address is:

Himachal Pradesh Power Corporation Limited (HPPCL)  
Himfed Building, BCS,  
New Shimla - 171009 (H.P.)

the Implementing Agency's Electronic Address is:

Telex:	Facsimile:	E-mail:
0177-2671821	0177- 2671821	md@hppcl.in

(b) the Implementing Agency's address is:

Himachal Pradesh State Electricity Board Limited (HPSEBL)  
Vidyut Bhawan, Shimla, Himachal Pradesh (India)-171004

the Implementing Agency's Electronic Address is:

Telex:	Facsimile:	E-mail:
0177-2801765	0177- 2658984	md@hpseb.in

(c) the Implementing Agency's address is:

Himachal Pradesh Power Transmission Corporation Limited (HPPTCL)  
Himfed Bhawan, New ISBT Road,  
Panjari (Below Old MLA Quarters), Shimla-171005

the Implementing Agency's Electronic Address is:

Telex:	Facsimile:	E-mail:
0177-2633283	0177- 2633283	md@hpptcl.in

(d) the Implementing Agency's address is:

Himachal Pradesh Energy Development Agency  
Himurja, SDA Complex,  
Kasumpti, Shimla – 171009

the Implementing Agency's Electronic Address is:

Telex:	Facsimile:	E-mail:
0177-2620365	0177- 2620365	himurja-hp@nic.in

(e) the Implementing Agency's address is:

Himachal Pradesh State Load Despatch Center (HPSLDC)  
Himachal Pradesh SLDC Complex TOTU, Shimla  
Himachal Pradesh-171011

the Implementing Agency's Electronic Address is:

Telex:	E-mail:
0177-2838666	mdhpsldc@gmail.com

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

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

**By**

*Auguste Tano Kouame*

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**Authorized Representative**

**Name:** Auguste Tano Kouame

**Title:** Country Director

**Date:** 03-Nov-2023

**STATE OF HIMACHAL PRADESH**

**By**

*[Signature]*

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**Authorized Representative**

**Name:** Harikesh Meena

**Title:** Director (Energy), GoHP

**Date:** 04-Nov-2023

**HIMACHAL PRADESH POWER CORPORATION LIMITED (HPPCL)**

**By**

*[Signature]*

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**Authorized Representative**

**Name:** Harikesh Meena

**Title:** Managing Director, HPPCL

**Date:** 04-Nov-2023

**HIMACHAL PRADESH STATE ELECTRICITY BOARD LIMITED (HPSEBL)**

By



**Authorized Representative**

Name: Harikesh Meena

Title: MANAGING DIRECTOR ,HPSEBL

Date: 04-Nov-2023

**HIMACHAL PRADESH POWER TRANSMISSION CORPORATION LIMITED (HPPTCL)**

By



**Authorized Representative**

Name: Yunus

Title: MANAGING DIRECTOR, HPPTCL

Date: 04-Nov-2023

**HIMACHAL PRADESH RENEWABLE ENERGY DEVELOPMENT AGENCY (HimUrja)**

By



**Authorized Representative**

Name: Shubh Karan Singh

Title: CHIEF EXECUTIVE OFFICER, HIMURJA

Date: 04-Nov-2023

**HIMACHAL PRADESH STATE LOAD DESPATCH CENTER (HPSLDC)**

**By**



**Authorized Representative**

**Name:** Er. Pratap Chand

**Title:** Chief Engineer

**Date:** 04-Nov-2023

## SCHEDULE

### Program Execution

#### Section I. Implementation Arrangements

##### A. Program Fiduciary, Environmental and Social Systems

Without limitation on the provisions of Article V of the General Conditions, the Program Implementing Entity shall carry out and cause the Implementing Agencies to carry out their Respective Part of the Program in accordance with financial management, procurement, and environmental and social management systems acceptable to the Bank, including those set out in ESSA, the Program Operations Manual, and Program Action Plan, which are designed to ensure that:

1. the Loan proceeds are used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability; and
2. the actual and potential adverse environmental and social impacts of the Program are identified, avoided, minimized, or mitigated, as the case may be, all through an informed decision-making process.

##### B. Other Program Institutional and Implementation Arrangements

###### Implementing Agencies

1. Without limitation on the generality of Part A of this Section I, the Program Implementing Entity shall vest the overall responsibility for management of the coordination, implementation, and monitoring and evaluation of the Program in its Directorate of Energy (DoE) as the main Implementing Agency, with the assistance of the other Implementing Agencies, all as set forth in the Program Operations Manual (POM).

###### Program Monitoring Unit

2. The Program Implementing Entity shall maintain throughout the period of implementation of the Program, a program monitoring unit (“PMU”), within the DoE, headed by a Program Director, assisted by multi-disciplinary and competent staff, all with experience and qualifications, in numbers and under terms of reference agreed with the Bank; which unit shall be provided with such powers, financial resources, functions and competencies, agreed with the Bank, as shall be required for them to carry out the day-to-day implementation of the activities under the Program, including compliance with the ESSA, , the Program Action Plan, compiling data on results and evidence on achievement of DLRs for submission to the Independent Verification Agent and monitoring and evaluation requirements, all as set forth in the Program Operations Manual.
3. The Program Implementing Entity shall ensure each of the Implementing Agencies designates a nodal officer, to facilitate the coordination of the Program activities



implemented under its authority to be maintained and who shall be part of the PMU, through the period of implementation of the Program.

**C. Program Action Plan**

1. The Program Implementing Entity through its DoE, shall cause the Implementing Agencies to, and the Implementing Agencies shall:
  - (a) implement the Program Action Plan agreed with the Bank, in a manner and substance satisfactory to the Bank;
  - (b) refrain from amending, revising, waiving, voiding, suspending or abrogating, any provision of the Program Action Plan, whether in whole or in part, without the prior written concurrence of the Bank.
2. In the event of any inconsistency between the provisions of the Program Action Plan and those of this Agreement and/or the Loan Agreement, the provision of the latter agreements shall govern.

**D. Program Operations Manual**

1. The Program Implementing Entity through its DoE, shall cause the Implementing Agencies to, and the Implementing Agencies shall:
  - (a) no later than three (3) months after the Effective Date prepare and adopt the Project Operations Manual in form and substance satisfactory to the Bank;
  - (b) carry out the Program in accordance with the Program Operations Manual;
  - (c) implement the provisions set forth in the Program Operations Manual for the strengthening of the Program Fiduciary, Environmental and Social Systems, in a manner and substance satisfactory to the Bank; and
  - (d) refrain from materially and/or substantially amending, revising, waiving, voiding, suspending or abrogating, any provision of the Program Operations Manual, whether in whole or in part, without the prior written mutual agreement of the Bank.
2. In the event of any inconsistency between the provision of the Program Operations Manual and those of this Agreement and/or the Loan Agreement, the provision of the latter agreements shall govern.

**Section II. Excluded Activities**

The Program Implementing Entity shall ensure that the Program shall exclude any activities which:

- A. in the opinion of the Bank are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people and/or which risk having appreciable transboundary impact on other countries; or
- B. involve the procurement of: (1) works, estimated to cost seventy-five million Dollars (\$ 75,000,000) equivalent or more per contract; (2) goods, estimated to cost fifty million Dollars (\$ 50,000,000) equivalent or more per contract; (3) non-consulting services, estimated to cost fifty million Dollars (\$50,000,000) equivalent or more per contract; or (4) consulting services, estimated to cost twenty million Dollars ( \$20,000,000) equivalent or more per contract.

**Section III. Program Monitoring, Reporting and Evaluation**

**A. Program Reports**

- 1. The Program Implementing Entity shall cause DoE to, and DoE shall, with the inputs received from the Implementing Agencies, monitor, and evaluate the progress of the Program and prepare Program Reports in accordance with the provisions of Section 5.08 of the General Conditions. Each Program Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than 45 days after the end of the period covered by such report of the overall Program Report.
- 2. The Program Implementing Entity shall provide to the Borrower not later than the Closing Date, for incorporation in the report referred to in Section 5.08 (c) of the General Conditions all such information as the Borrower or the Bank shall reasonably request for the purposes of that Section.

**B. Verification Protocol**

The Program Implementing Entity shall:

- (a) appoint within three (3) months from the Effective Date and maintain, at all times during the implementation of the Program, an independent verification agent under terms of reference and qualifications acceptable to the Bank (“Independent Verification Agent”), to verify the evidence supporting the achievement of one or more DLRs and certify the fulfillment of such DLRs as set forth in Schedule 3 to the Loan Agreement; and
- (b) ensure that the Independent Verification Agent carries out verification processes in accordance with the Verification Protocols and furnish to the Bank the corresponding verification reports in form and substance satisfactory to the Bank prior to submission of any withdrawal application under Section IV.A.2 of Schedule 2 to the Loan Agreement.

**Section IV. Other Undertakings**

1. The Program Implementing Entity shall cause HPPCL and HimUrja to declare or in the event that the solar panels are supplied through suppliers, only select such suppliers which have declared in the tender documents that they or their suppliers:
  - (a) have not used or engaged forced labor in its workforce, in the procurement of solar panels;
  - (b) in the procurement of solar panels, are committed to not use or engage any forced labor when carrying out activities under the Program; and
  - (c) will require each of its primary suppliers of solar panels, or in the event the solar panels are supplied through its EPC contractors, will require each of its EPC contractors and their primary suppliers of solar panels, to: (A) confirm that such supplier/contractor has not used or engaged any forced labor in its own workforce in the procurement of solar panels; and (B) commit that such supplier/contractor will not use or engage forced labor when carrying out activities under the Program in the procurement of solar panels.