
LOAN NUMBER 9566-IN

Loan Agreement

(Himachal Pradesh Power Sector Development Program)

between

INDIA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between INDIA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of two hundred million Dollars, (\$200,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the program described in Schedule 1 to this Agreement (“Program”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Loan Account shall be deposited by the Bank into an account specified by the Borrower and acceptable to the Bank.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Variable Spread; or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates June 15 and December 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROGRAM

- 3.01. The Borrower declares its commitment to the objectives of the Program. To this end, the Borrower shall cause the Program to be carried out by the Program Implementing Entity in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Program Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following:

- (a) Any of the Implementing Agencies' Legal Framework has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability to perform any of their respective obligations under the Program Agreement.

4.02. The Additional Event of Acceleration consists of the following:

- (a) The event specified in paragraph (a) of Section 4.01 of this Agreement occurs and is continuing for a period of 30 days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower's Representative is any of the following officials acting severally: The Secretary, Additional Secretary, Joint Secretary, Director, Deputy Secretary, or Under Secretary of the Department of Economic Affairs of the Borrower's Ministry of Finance.

6.02. For purposes of Section 10.01 of the General Conditions: (a) the Borrower's address is:

Secretary
Department of Economic Affairs
Ministry of Finance
Government of India
North Block
New Delhi 110 001, India; and

(b) the Borrower's Electronic Address is:

Facsimile: E-mail:

+91-11-23094075 secy-dea@nic.in

6.03. 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 1-202-477-6391 wbindia@worldbank.org
64145(MCI)

AGREED as of the Signature Date.

INDIA

By



Authorized Representative

Name: K. Manicka Raj

Title: Joint Secretary, FB&ADB

Date: 06-Nov-2023

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By



Authorized Representative

Name: Auguste Tano Kouame

Title: Country Director

Date: 03-Nov-2023

SCHEDULE 1

Program Description

The objective of the Program is to increase renewable energy penetration and strengthen the power sector institutions in Himachal Pradesh.

The Program consists of the following activities:

Result Area 1: Developing a low carbon power sector in HP by enhancing flexibility and diversification of RE Sources

- (a) Support in developing and launching a ‘bundled’ RE product on a pilot basis and promote investments in non-hydro RE through the installation of at least 150 MW of new solar projects across the various land banks in Selected Districts.
- (b) Set up an independent single energy trading desk to address power demand management and the exposure to the power markets in a coordinated manner.
- (c) Support the development of the framework for IRP through measures such as piloting the demand response management system.

Result Area 2: Strengthening of the state’s power network to enhance its reliability and resilience

- (a) Support the augmenting and strengthening of select EHV transmission systems to better serve the state’s consumers.
- (b) Support the augmenting and strengthening of the distribution network along with SCADA and communication systems including optical fiber cables in the Selected Districts.
- (c) Support the upgradation and replacement of SCADA for the state’s load dispatch center and enable it to improve its grid operations functions within the state.

Results Area 3: Strengthening environmental, social, financial management, corporate governance, and procurement capabilities of the state power sector utilities and agencies

- (a) Support the select Implementing Agencies in the drafting and updating of finance and procurement manuals, strengthening the fiduciary systems including internal audit and contract management systems, developing standard bidding documents, and improving transparency and governance.
- (b) Support the identification of key policy gaps in environmental and social aspects to manage the risks and impacts and enhance opportunities for the communities, strengthen M&E systems, and take measures to encourage the recruitment of qualified women in the power sector.

- (c) Carry out training and re-skilling on technical, fiduciary, environmental and social and other soft skills for the officials of the Implementing Agencies relevant for the Program.

SCHEDULE 2

Program Execution

Section I. Implementation Arrangements

A. Program Institutions

1. To facilitate the carrying out of the Program by the Program Implementing Entity through the Implementing Agencies, the Borrower shall make the proceeds of the Loan available to the Program Implementing Entity in accordance with the Borrower's standard arrangements for developmental assistance to the states of India. Notwithstanding the foregoing, in the event that any provision of this Agreement, including the instructions that the Bank shall have specified by notice to the Borrower pursuant to Section 2.01(b) of the General Conditions (including the Disbursement and Financial Information Letter), were to be found inconsistent with the Borrower's standard arrangements for development assistance to the states of India, the provisions of this Agreement and aforesaid instructions shall govern.
2. The Borrower shall at all times protect its own interests and the interests of the Bank to accomplish the purposes of the Loan.

B. Program Action Plan

The Borrower shall cause the Program Implementing Entity to implement the Program Action Plan through the Implementing Agencies, in accordance with the provisions of Section I.C of the Schedule to the Program Agreement.

C. Fiduciary, Environmental and Social Systems for the Program

1. Without limitation on the provisions of Article V of the General Conditions, the Borrower shall cause the Program Implementing Entity to carry out the Program through the Implementing Agencies in accordance with financial management, procurement, and environmental and social management systems acceptable to the Bank, including those set out in the ESSA, the Program Operations Manual, and the Program Action Plan, which are designed to ensure that:
 - (a) the Loan proceeds are used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability; and
 - (b) 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.

Section II. Excluded Activities

The Borrower shall ensure that the Program excludes 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

The Borrower shall cause the Program Implementing Entity to furnish to the Bank each Program Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

B. Verification Protocol

The Borrower shall cause the Program Implementing Entity to:

- (a) appoint within 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 4 to this 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.

Section IV. Withdrawal of Loan Proceeds

A. General

- 1. Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to:(a) finance Program Expenditures (inclusive of Taxes), on the basis of the results (“Disbursement Linked Results” or “DLRs”) achieved by the Program Implementing Entity and/or Implementing Agencies, as applicable, as measured against specific indicators (“Disbursement Linked Indicators” or “DLIs”); and

- (b) pay: (i) the Front-end Fee; and (ii) pay each Interest Rate Cap or Interest Rate Collar premium; all as set forth in the table in paragraph 2 of this Part A and Schedule 4 to this Agreement.
2. The following table specifies each category of withdrawal of the proceeds of the Loan (including the Disbursement Linked Indicators as applicable) (“Category”), and the allocation of the amounts of the Loan to each Category; provided that for the purpose of Categories (1) to (8) of the table below, the actual amount authorized for disbursement (“Allocated Amount”) based on the formula for its determination upon the achievement of an individual DLR for any given DLI financed under such Category, shall be calculated as set forth in Schedule 4 to this Agreement:

Category (including Disbursement Linked Indicator as applicable)	Amount of the Loan Allocated (expressed in USD)
(1) DLI #1: Promotion of Integrated Resource Plan (IRP) for demand response management	19,500,000
(2) DLI #2: Enhanced utilization of existing hydropower project(s) to promote renewable energy by HPPCL	40,000,000
(3) DLI #3: Single Energy Trading Desk functional at DoE	20,000,000
(4) DLI #4: Increase in New Solar Generation (MW)	31,000,000
(5) DLI #5: Increase in transformation capacity by HPPTCL (MVA)	23,000,000
(6) DLI #6: Improvements in availability of reliable power supply (MVA)	30,000,000
(7) DLI #7: Strengthening fiduciary systems of the power sector utilities in Himachal Pradesh	16,000,000
(8) DLI #8: Strengthening systems for M&E of environmental and social policies across the power sector of the state	20,000,000
(9) Front-end Fee to be paid pursuant to Section 2.03 of this Agreement in accordance with Section 2.05 (b) of the General Conditions	500,000
(10) Interest Rate Cap or Interest Rate Collar premium to be paid pursuant to Section 4.05 (c) of the General Conditions	0
TOTAL AMOUNT	200,000,000

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
- (a) under Categories (1) to (8) on the basis of DLRs achieved prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$35,000,000 may be made on the basis of DLRs achieved under Categories (1) to (8) prior to this date but on or after July 29, 2021; or/and

- (b) under Categories (1) to (8) for any DLR, until and unless the Borrower has furnished evidence satisfactory to the Bank that said DLR has been achieved; and
- 2. Notwithstanding the provisions of Part B.1(b) of this Section, if any of the DLRs under Category (1) to (8) has not been achieved by the date by which the said DLR is set to be achieved (or such later date as the Bank has established by notice to the Borrower), the Bank may, by notice to the Borrower: (a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Loan then allocated to said Category which, in the opinion of the Bank, corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the formula set out in out in Schedule 4 to this Agreement; (b) reallocate all or a portion of the proceeds of the Loan then allocated to said DLR to any other DLR ; and/or (c) cancel all or a portion of the proceeds of the Loan then allocated to said DLR; and/or (d) authorize the withdrawal of such portion of the Allocated Amount which has not been disbursed by the expected date pursuant to paragraph (a) immediately above, at a later than the expected date for the DLR(s) achieved after such initially expected date.
- 4. The Closing Date is March 31, 2028.

SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”).

Principal Payment Date	Installment Share
On each June 15 and December 15 Beginning June 15, 2028 through December 15, 2037	5%

SCHEDULE 4

Disbursement-Linked Indicators, Disbursement-Linked Results and Allocated Amount(s) Applicable to the Program*

Disbursement Linked Results (DLRs)							
Disbursement Linked Indicator (DLI)	Financial Allocation	Prior Results	DLRs Expected to be Achieved in Year 1 ending March 31, 2024	DLRs Expected to be Achieved in Year 2 ending March 31, 2025	DLRs Expected to be Achieved in Year 3 ending March 31, 2026	DLRs Expected to be Achieved in Year 4 ending March 31, 2027	DLRs Expected to be Achieved in Year 5 ending March 31, 2028
DLI 1: Promotion of Integrated Resource Plan (IRP) for demand response management	Total Allocated Amount: \$19,500,000		Framework for IRP approved by Director, DoE		(i) Implementation plan for pilot on demand response management system approved by MD of HPSEBL; (ii) Digitization plans for HPPCL and HPPTCL approved by the respective MD.		Pilot for demand response system management completed by HPSEBL
		Allocated Amount: Not Applicable	Allocated Amount: 4,000,000		Allocated Amount: 5,500,000	Allocated Amount: Not Applicable	Allocated Amount: 10,000,000
			Scalability: No		Scalability: (i) No- \$4,500,000 (ii) Yes, \$500,000 for each approved digitization plan for HPPCL and HPSEBL		Scalability: No

DLI 2: Enhanced utilization of existing hydropower project(s) to promote renewable energy by HPPCL	Total Allocated Amount: \$40,000,000	Existing hydropower capacity for its bundling with non-hydro renewable energy identified		Agreement signed by HPPCL with power trader for bundling of the identified hydropower capacity with non-hydro capacity.		Roadmap based on the impact evaluation of the bundled RE product completed and accepted by HPPCL and approved by MD, HPPCL.	
		Allocated Amount: \$5,000,000		Allocated Amount: \$20,000,000		Allocated Amount: \$15,000,000	
				Scalability: No		Scalability: No	
DLI 3: Single Energy Trading Desk functional at DoE	Total Allocated Amount: \$20,000,000		Strategy for Single Energy Trading Desk approved by Director, DoE.		Deployment of Information Technology (IT) infrastructure for implementing single energy trading desk completed by DoE.	Single Energy Trading Desk functional at DoE	
		Allocated Amount: Not Applicable	Allocated Amount: 1,000,000		Allocated Amount: 9,000,000	Allocated Amount: 10,000,000	
			Scalability: No		Scalability: No	Scalability: No	
DLI 4: Increase in New Solar Generation (Megawatt)	Total Allocated		Techno-commercial evaluation for	Supply completed equivalent to	Supply completed equivalent to	50 MW of cumulative capacity of new	150 MW of cumulative capacity of new

	Amount: \$31,000,000		up to 150 MW of solar installation approved by CEO, HimUrja	cumulative 30% of total award cost	cumulative 70% of total award cost	solar commissioned by HPPCL and/or HimUrja	solar commissioned by HPPCL and/or HimUrja
		Allocated Amount: Not Applicable	Allocated Amount: 3,500,000 Scalability: Yes Formula: \$23,333.34 per MW of DPR completed	Allocated Amount: 5,500,000 Scalability: Yes Formula: \$183,333.34 for every 1% of the supply achieved by HPPCL and/or HimUrja after completing supply equivalent to at least cumulative 15% of total award cost	Allocated Amount: 7,000,000 Scalability: Yes Formula: \$175,000 for every 1% of the supply achieved by HPPCL and /or HimUrja after completing supply equivalent to at least cumulative 50% of total award cost	Allocated Amount: 5,000,000 Scalability: Yes Formula: \$100,000 per MW of solar capacity commissioned by HPPCL and/or by HimUrja after completing at least 35 MW	Allocated Amount: 10,000,000 Scalability: Yes Formula: \$100,000 per MW of solar capacity commissioned by HPPCL and/or by HimUrja
DLI 5: Increase in transformation capacity by HPPTCL (MVA)	Total Allocated Amount: \$23,000,000	Techno-Commercial Evaluation of the identified schemes approved by MD, HPPTCL		Supply and Installation (S&I) completed equivalent to cumulative 20 % of total award cost	Supply and Installation completed equivalent to cumulative 50 % of total award cost	Supply and Installation completed equivalent to cumulative 80 % of total award cost	300 MVA of transformation capacity commissioned
		Allocated Amount: 4,000,000		Allocated Amount: 4,000,000 Scalability: Yes Formula: \$200,000 for	Allocated Amount: 4,000,000 Scalability: Yes Formula: \$133,333.34 for	Allocated Amount: 5,000,000 Scalability: Yes Formula: \$166,666.67 for	Allocated Amount: 6,000,000 Scalability: No

				every 1% of S&I achieved, after completing S&I equivalent to at least cumulative 15% of the total award cost	every 1% of S&I achieved, after completing S&I equivalent to at least cumulative 40% of the total award cost	every 1% of S&I achieved, after completing S&I equivalent to at least cumulative 70% of the total award cost	
DLI 6: Improvements in availability of reliable power supply (MVA)	Total Allocated Amount: \$30,000,000	Techno-Commercial Evaluation for the identified distribution schemes approved by MD, HPSEBL	(i) Approval of engineering drawings for SCADA upgradation by the Chief Engineer, HPSLDC (ii) Approval of the database for SCADA by the Chief Engineer, HPSLDC	Supply and Installation(S&I) completed equivalent to cumulative 20% of total award cost	Supply and Installation completed equivalent to cumulative 50% of total award cost	Supply and Installation completed equivalent to cumulative 80% of total award cost	300 MVA cumulative capacity in substations and in distribution transformers commissioned
		Allocated Amount: 4,000,000	Allocated Amount: 5,000,000 Scalability: Yes Formula: \$2,500,000 each on achievement of (i) and (ii)	Allocated Amount: 4,000,000 Scalability: Yes Formula: \$200,000 for every 1% of S&I achieved, after completing S&I equivalent to at least cumulative 15% of the total award cost	Allocated Amount: 4,000,000 Scalability: Yes Formula: \$133,333.34 for every 1% of S&I achieved, after completing S&I equivalent to at least cumulative 40% of the total award cost	Allocated Amount: 5,000,000 Scalability: Yes Formula: \$166,666.67 for every 1% of S&I achieved, after completing S&I equivalent to at least cumulative 70 % of the total award cost	Allocated Amount: 8,000,000 Scalability: No

<p>DLI 7: Strengthening fiduciary systems of the power sector utilities in HP</p>			<p>DoE has notified for adoption and implementation, by the Implementing Agencies, the updated Standard Bidding Documents (SBDs) for Supply-cum-Installation (S&I), Civil Works, Goods and Consultancy Services</p>	<p>HPSEBL and HPPCL have notified for implementation of the updated Finance and Procurement Manuals approved by their respective Board of Directors</p>	<p>Information on 90 % of all the contracts awarded, each of more than INR 10 million, during the previous two quarters, are publicly disclosed on the website by HPSEBL</p>	<p>HPSEBL, HPPTCL, and HPPCL have completed one pilot each on risk based internal audit</p>	<p>HPSEBL, HPPTCL and HPPCL have implemented (Go Live), a Project/Contract Management System.</p>
	<p>Total Allocated Amount: \$16,000,000</p>		<p>Allocated Amount: 4,000,000</p> <p>Scalability: Yes Formula: \$1,000,000 for each of the SBD notified and published</p>	<p>Allocated Amount: 4,000,000</p> <p>Scalability: Yes Formula: \$1,000,000 for each manual notified</p>	<p>Allocated Amount: 2,000,000</p> <p>Scalability: Yes Formula: \$1,000,000 for disclosure up to 50% of the contracts and \$250,000 for each additional 10% achieved</p>	<p>Allocated Amount: 3,000,000</p> <p>Scalability: Yes Formula: \$1,000,000 for each pilot completed</p>	<p>Allocated Amount: 3,000,000</p> <p>Scalability: Yes Formula: \$1,000,000 for each of the agencies that have implemented the Project/Contract Management Systems as evidenced by Go-live</p>

<p>DLI 8: Strengthening systems for monitoring & evaluation (M&E) of environmental and social policies across the power sector of the state</p>		<p>(i) Scope of work to undertake a detailed E&S baseline assessment based on the gap analysis of CEIA study of Beas basin approved by MD, HPPCL (ii) Scope of work for uniform Environmental Social Policy Procedures (ESPP) approved by the respective MD of HPPCL, HPPTCL, and HPSEBL, and by CEO, HimUrja</p>	<p>Action Plan developed to update their respective ESPP (HPPCL, HPPTCL, HPSEBL, HimUrja)</p>	<p>E&S baseline assessment of Beas basin with recommendation and protocols completed and approved by MD, HPPCL</p>	<p>(i) Updated and uniform ESPP approved by the respective MD of HPPCL, HPPTCL, and HPSEBL, and CEO of HimUrja (ii) Review and finalization of key E&S sustainability protocols for adoption at the state level by Director, DoE.</p>	<p>(i) Government Order issued for state level adoption of basin wide E&S protocols (ii) Benchmarking of hydro projects on Beas Basin (against the E&S baseline assessment) implemented by HPPCL</p>	<p>Adopt web-based Monitoring and Evaluation (M&E) systems to monitor implementation of ESPP for all implementing agencies (including E&S protocols by DoE and HPPCL).</p>
	<p>Total Allocated Amount: \$20,000,000</p>	<p>Allocated Amount: 4,500,000 Scalability: Yes Formula: \$900,000 for approval of each of the scope of work</p>	<p>Allocated Amount: 4,500,000 Scalability: Yes Formula: \$1,125,000 for each action plan developed by each entity</p>	<p>Allocated Amount: 2,000,000 Scalability: No</p>	<p>Allocated Amount: 4,500,000 Scalability: Yes Formula:(i) \$1,000,000 for each approved ESPP (ii) \$500,000 for</p>	<p>Allocated Amount: 2,500,000 Scalability: Yes Formula: \$1,250,000 each on achievement of (i) and (ii)</p>	<p>Allocated Amount: 2,000,000 Scalability: No</p>

					finalization of recommendations for state level E&S protocols by DoE		

*The periods (Fiscal Years) in which DLRs are expected to be achieved as per this Schedule are for indicative purposes except when otherwise specified. Achievement of DLRs (except in the case of time-bound DLRs) can be obtained earlier or later than said periods up and until the Closing Date; provided that if any DLR is met prior to the period in which such DLR is indicated for, the Borrower may, with prior agreement of the Bank, withdraw the amount corresponding to the extent of achievement of said DLR prior to that Fiscal Year indicated in this Schedule.

APPENDIX

Section I. Definitions

1. “Allocated Amount” means the amount allocated to each individual DLR, or determined for each DLR pursuant to the formula detailed in the table in Schedule 4 to this Agreement, as such amount might be increased, reallocated and/or cancelled (whether partially or in its entirety) by the Bank, from time to time, as the case may be, in accordance with the provisions of Section IV.B.3 of Schedule 2 to this Agreement.
2. “Anti-corruption Guidelines” means, for purposes of paragraph 6 of the Appendix to the General Conditions, the Bank’s “Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing,” dated February 1, 2012, and revised July 10, 2015.
3. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
4. “Disbursement Linked Indicator” or “DLI” means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
5. “Disbursement Linked Result” or “DLR” means in respect of a given Category, the result under said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement, on the basis of the achievement of which, the amount of the Loan allocated to said result may be withdrawn in accordance with the provisions of said Section IV.
6. “DoE” means the Program Implementing Entity’s Directorate of Energy under its Department of Power or any successor thereto.
7. “DPR” means detailed project report.
8. “EHV” means extra high voltage.
9. “ESPP” means Environmental and Social Policies and Procedures, being the set of policies and procedures to be adopted by the Implementing Agencies comprising of HPPCL, HPPTCL, and HPSEBL, and HimUrja respectively.
10. “ESSA” means the Environmental and Social Systems Assessment, disclosed on August 3, 2022, setting forth the description of the Program’s activities, assessing the Program Implementing Entity’s environmental and social management systems, detailing the Program’s environmental and social benefits, risks and impacts, and recommending remedial measures to strengthen the social and environmental systems performance.
11. “Fiscal Year” or “FY” means the Borrower’s fiscal year, which begins on April 1 of each calendar year and ends on March 31 of the next calendar year.
12. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Program-for-Results Financing”, dated

- December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022), with the modifications set forth in Section II of this Appendix.
13. “Himachal Pradesh” or “HP” means the Borrower’s State of Himachal Pradesh.
 14. “HimUrja” means Himachal Pradesh Energy Development Agency, a state agency set up vide notification No : STV (S&T)F(10)1/87 Dated 30-1-1989 issued by Program Implementing Entity’s Department of Science, Technology and Environment responsible for promotion and sustainable development of renewable energy within HP.
 15. “HPPCL” means Himachal Pradesh Power Corporation Limited, a state-owned power generation company/utility, registered under the Borrower’s Companies Act 2013, pursuant to Certificate of Incorporation No.U40101HP2006SGC030591, having its registered offices at Himfed Building, BCS, New Shimla, Shimla HP 171009, India.
 16. “HPPTCL” means Himachal Pradesh Power Transmission Corporation Limited, a state-owned power transmission utility, registered under the Borrower’s Companies Act 2013, pursuant to Certificate of Incorporation No. U40101HP2008SGC030950, having its registered offices at Himfed Bhawan, Below Old MLAs' Quarters, Tutikandi (Panjri), Bye-Pass Road, Shimla HP 171005, India.
 17. “HPSEBL” means Himachal Pradesh State Electricity Board Limited, a state-owned power distribution utility, registered under the Borrower’s Companies Act 2013 pursuant to Certificate of Incorporation No. U40109HP2009SGC031255, having its registered offices at Vidyut Bhawan, HPSEB, Shimla, Himachal Pradesh, INDIA-171004, India.
 18. “HPSLDC” means Himachal Pradesh State Load Despatch Center, the apex body, set up at the direction of the Program Implementing Entity vide Order No. MPP-B (13)-2/2010 dated 8.11.2010 to ensure integrated operation of the power system in HP.
 19. “Implementing Agencies” shall mean collectively, DoE, HPPTCL, HPPCL, HPSEBL, HPSLDC and HimUrja, and “Implementing Agency” shall mean any one of them, or their respective successors.
 20. “Implementing Agency(ies) Legal Framework” means the constituent documents of each Implementing Agency, being the Memorandum and Articles of Association or the Bye-laws (other than DoE), as applicable, as amended to the date of this Agreement.
 21. “Independent Verification Agent” means the independent entity (or entities) to be engaged by the Program Implementing Entity for the purposes of certifying the achievement of the DLRs as referred to in Section III.B of Schedule 2 to this Agreement.
 22. “M&E” means monitoring and evaluation.
 23. “MVA” means mega volt amperes.
 24. “MW” means megawatt.
 25. “Program Action Plan” means the Program Implementing Entity’s plan dated May 27, 2023 and referred to in Section 1.B of Schedule 2 to this Agreement and Section I.C of the

Schedule to the Program Agreement, as may be amended from time to time with the agreement of the Bank.

26. “Program Implementing Entity” means the Borrower’s State of Himachal Pradesh.
27. “Program Monitoring Unit” or “PMU” means the unit referred to in Section I.B.1 of the Schedule 1 to the Program Agreement.
28. “Program Operations Manual” or “POM” means the manual to be prepared by the Program Implementing Entity through the DoE and adopted by the Implementing Agencies in a manner and substance satisfactory to the Bank for the purposes of carrying out the Program, which manual shall comprise of, *inter alia*: (i) the scope of the Program activities and the Program expenditures; (b) the Program implementation arrangements including fiduciary and safeguards; (c) the Program’s monitoring and evaluation, and reporting requirements and the Verification Protocol; and (d) actions required in order to operationalize the implementation of the Anti-corruption Guidelines, as such manual may be amended from time to time with the prior written concurrence of the Bank.
29. “RE” means renewable energy.
30. “Respective Part of the Program” means the part of the Program for which each Implementing Agency is responsible, as set forth in the POM.
31. “S&I” means supply and installation.
32. “SBD” means standard bidding documents.
33. “SCADA” means the Supervisory Control and Data Acquisition system.
34. “Selected Districts” means the districts of Bilaspur, Chamba, Hamirpur, Kangra, Kullu, Mandi, Shimla, Sirmaur, Solan and Una.
35. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
36. “Verification Protocol” means the Program Implementing Entity’s protocol as set forth in the Program Operations Manual, acceptable to the Bank, setting forth the means by which the achievement of DLRs will be verified under the Program, as such Verification Protocol may be amended from time to time with the prior written agreement of the Bank.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Any reference to the “Program Implementing Entity” throughout the General Conditions shall be construed, for purposes of this Agreement and/or the Program Agreement, as a reference to the “Program Implementing Entity and the Implementing Agency.”

2. Any reference to the “Program Implementing Entity’s Representative” throughout the General Conditions shall be construed, for purposes of this Agreement and/or the Program Agreement, a reference to the “Implementing Agency’s Representative.”