

AFD AGREEMENT N° CIN 1149 01

Disaster Risk Reduction and Preparedness Program in Himachal Pradesh

PROGRAM AGREEMENT

dated as of 10/01/2024

between

AGENCE FRANÇAISE DE DEVELOPPEMENT

The Lender

and

THE GOVERNMENT OF HIMACHAL PRADESH

The Final Beneficiary


Project Director
Project Management Unit
SDMF (Revenue-DM)



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PROGRAM AGREEMENT

BETWEEN:

THE GOVERNMENT OF HIMACHAL PRADESH, represented by Shri Nishant Thakur, , in his capacity as Additional Secretary and Project Director, PMU duly authorized to sign the Program Agreement,

(the “**Final Beneficiary**”);

AND

AGENCE FRANCAISE DE DEVELOPPEMENT, a French public entity governed by French law, with its registered office at 5, Rue Roland Barthes, 75598 Paris Cedex 12, France, registered with the Trade and Companies Register of Paris under number 775 665 599, represented by Camille SEVERAC, in her capacity as Deputy Country Director for India, duly authorised to sign this Agreement,

(“**AFD**” or the “**Lender**”);

(hereinafter jointly referred to as the “**Parties**” and each a “**Party**”).

WHEREAS:

- (A) The Republic of India (the “**Borrower**”) intends to support the Himachal Pradesh Disaster Risk Reduction and Preparedness Program (the “**Program**”), as described further in Schedule 2 (*Program Description*).
- (B) The Borrower has requested that Agence Francaise de Développement (the “**Lender**”) makes a facility available for the purposes of financing the Program in part.
- (C) The Lender, a public entity contributing to the implementation of the French State's development aid policy (in accordance with Article L. 515-13 of French Monetary and Financial Code), has expressed its interest to participate in the financing of the Program.
- (D) Pursuant to a resolution n° C20231089 of the Board of AFD dated 22nd November, 2023, the Lender has agreed to make the Facility available to the Borrower pursuant to the terms and conditions of the Credit Facility Agreement signed between the Borrower and the Lender on 4th December 2024.
- (E) The Program shall be implemented and co-financed by the by the Government of Himachal Pradesh (the “**Final Beneficiary**”), under the terms and conditions provided in this Program Agreement. As a result, the funds shall be made available by the Borrower to the Final Beneficiary in accordance with the arrangement agreed upon between the Government of India and Central sponsored Projects Implementing Agencies, in line with the Borrower’s standard procedures for special category States, as further described in Schedule 7 (*On-lending Procedures*).
- (F) In consideration for the Borrower on-lending the funds received under the Facility as further described in Schedule 7 (*On-lending Procedures*), the Final Beneficiary has agreed to undertake the obligations set forth in this Agreement.

THEREFORE, THE PARTIES HAVE AGREED AS FOLLOWS:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Capitalized words and expressions used in this Agreement (including those appearing in the recitals above and in the Schedules) shall have the meaning given to them in Schedule 1A (*Definitions*), except as otherwise provided in this Agreement.

1.2 Interpretation

Words and expressions used in this Agreement shall be construed pursuant to the provisions of Schedule 1B (*Construction*), unless the contrary intention appears.

2 EXECUTION OF THE PROGRAM

2.1 Program Objective

Through the Credit Facility Agreement, the Lender has made available to the Borrower a Facility in a maximum aggregate amount of eighty-one million nine hundred thousand million Euros (EUR 81 900 000).

The Final Beneficiary declares its commitment to the objective of the Program as set forth in Schedule 2 (*Program Description*).

2.2 Purpose

The Final Beneficiary shall apply all amounts received under this Facility exclusively towards financing the Program expenditures, as defined in the Expenditure Framework figuring in Schedule 3C (*Expenditure Framework*), in accordance with the Financing Plan described in Schedule 3A (*Financing Plan*) and the arrangements listed under Schedule 3B (*Disbursement arrangements*), and the Indicators Matrix described in Schedule 3D (*Disbursement Linked Indicators Matrix*) and Schedule 5 Form of Follow Up Report of the Project's Indicator).

2.3 Implementation of the Program

Without limitation upon the provisions of Clause 2.1 (*Program Objective*) and except as AFD shall otherwise agree, the Final Beneficiary shall carry out the Program with due diligence and efficiency and in conformity with appropriate administrative, legal, financial, social, environmental, and engineering practices, and shall provide, or cause to be provided, promptly as needed, the funds, facilities, services and other resources required for the Program.

The Final Beneficiary shall procure financing for all costs which are not financed from the Credit Facility Agreement according to the Financing Plan of the Program attached as Schedule 3 (*Financing Plan*), including but not limited to those resulting from all operation and maintenance costs, all taxes, levies and duties of any kind (accounted for on the basis of estimations), land acquisitions, civil servant salaries (in the form of "prorate" or otherwise), on-going priority measures; and any exchange rate fluctuation and program over-run (above the Program ceiling).

2.4 Monitoring

The Lender shall not be held responsible for the use of any amount borrowed, which is not in accordance with the provisions of this Agreement.

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3 DRAWDOWN OF FUNDS

3.1 Drawdowns Amounts

The Facility will be made available to the Borrower during the Availability Period, in two yearly Drawdowns, provided that the number of Drawdowns should not exceed Thirty (30).

The amount of the first Drawdown shall be a minimum of one hundred thousand Euros (EUR 100 000) and of three million Euros (EUR 3 000 000) for all other subsequent Drawdowns or an amount equal to the Available Facility if such amount is less than three million Euros (EUR 3 000 000).

3.2 Drawdown Request

Provided that the conditions set out in Clause 2.4(b) (*Conditions Precedent*) of the Credit Facility Agreement are satisfied, the Borrower may draw on the Facility by delivery to the Lender of a duly completed Drawdown Request (as defined in the Credit Facility Agreement Clause 3.3 (*Payment Completion*)). Each Drawdown Request shall be delivered by the Borrower to the AFD office Director at the address specified in Clause 16.1 (*In writing and Addresses*) of the Credit Facility Agreement.

Each Drawdown Request is irrevocable and will be regarded as having been duly completed if:

- (1) the Drawdown Request is substantially in the form set out in Schedule 5A (*Form of Drawdown Request*) of the Credit Facility Agreement;
- (2) the Drawdown Request is received by the Lender at the latest fifteen (15) Business Days prior to the Deadline for Drawdown of Funds;
- (3) the proposed Drawdown Date is a Business Day falling within the Availability Period;
- (4) the amount of the Drawdown complies with Clause 3.1 (*Drawdown amounts*); and
- (5) all of the documents set out in Part III of Schedule 4 (*Conditions Precedent*) of the Credit Facility Agreement or the purposes of the Drawdown are attached to the Drawdown Request, comply with the abovementioned Schedule and with the requirements of Clause 3.4 (*Payment Mechanics*) of the Credit Facility Agreement, and are in form and substance satisfactory to the Lender.

3.3 Payment Completion

Subject to Clause 14.7 (*Payment Systems Disruption*) of the Credit Facility Agreement, if each of the conditions set out in Clause 2.4(b) (*Conditions Precedent*) of the Credit Facility Agreement has been met, the Lender shall make the requested Drawdown available to the Borrower not later than the Drawdown Date.

The Lender shall provide the Borrower and the Final Beneficiary with a letter of Drawdown confirmation substantially in the form set out in Schedule 5B (*Form of Confirmation of Drawdown and Rate*) of the Credit Facility Agreement.

3.4 Payment Mechanics

The Facility shall be made available in accordance with the following terms.

3.4.1. Refinancing of Eligible Expenses Paid by the Final Beneficiary

The funds shall be paid directly to the Borrower in accordance with the terms and conditions of the Credit Facility Agreement provided that evidence of payment of the Eligible Expenses by the Final Beneficiary referred to in the Drawdown Request has been delivered to the Lender in form and substance satisfactory to the Lender. The Borrower shall attach to each Drawdown Request the documents set out in Schedule 4 (*Conditions Precedent*) of the Credit Facility Agreement, as the case may be.

If the Borrower requests repayment of any Eligible Expenses which it has paid in a currency other than Euro, the Borrower shall convert the amount of such Eligible Expenses into an equivalent amount in Euros by applying the exchange rate for the relevant currency applied by the European Central Bank, or failing that, by the central bank of the country of the relevant currency as at the date of the Drawdown Request.

The Lender may request that the Borrower provides such other evidence showing that works or services corresponding to the relevant Eligible Expenses have been implemented.

3.4. 2. Payment mechanics for the Contingent Emergency Response Component:

In the case of activation of the Contingency for Early Recovery Component (CERC), the funds can be disbursed either through:

- i. the refinancing of expenses mechanism mentioned in 3.4.1, or;
- ii. as an advance, provided that these expenses are subject to audit and correspond to eligible budget lines defined in the expenditure framework.

The detailed procedures for activating the CERC Component are specified in the Program Operations Manual.

3.5 Deadline for the First Drawdown

The first Drawdown shall occur at the latest on the expiry date of a six (6) month period after the signing date of the Credit Facility Agreement.

If the first Drawdown does not occur in the above-mentioned period, the Lender may cancel the Facility in accordance with Clause 8.4(b) (*Cancellation by the Lender*) of the Credit Facility Agreement.

The Deadline for the First Drawdown may not be postponed without the prior consent of the Lender.

Any postponement of the Deadline for the First Drawdown will be (i) subject to new financial conditions and (ii) formalized in writing between the Parties.

3.6 Deadline for Drawdown of the Funds

The full drawdown of the Facility shall occur at the latest on the Deadline for Drawdown of Funds.

If the full drawdown does not occur by the above-mentioned date, the Lender may cancel the Facility in accordance with Clause 8.4 (*Cancellation by the Lender*) of the Credit Facility Agreement.

The Deadline for Drawdown of Funds may not be postponed without the prior consent of the Lender.

Any postponement of the Deadline for Drawdown of Funds will be (i) subject to new financial conditions and (ii) formalized in writing between the Parties.


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4 REPRESENTATIONS AND WARRANTIES

All the representations and warranties set out in this Clause 4 (*Representations and warranties*) are made by the Final Beneficiary for the benefit of the Lender on the Signing Date.

4.1 Power and Authority

The Final Beneficiary has the power to enter, perform and deliver this Agreement and Program Documents and to perform all contemplated obligations.

The Final Beneficiary has taken all necessary action to authorise its entry into, performance and delivery of this Agreement and Program Documents and the transactions contemplated by this Agreement and Program Documents. The Final Beneficiary is duly authorized, including without limitation, under the Constitution of India to avail the credit and to perform its obligations under the Program Document.

4.2 Validity and Admissibility in Evidence

All authorisations required:

- (a) to enable the Final Beneficiary to lawfully enter, and exercise its rights and comply with its obligations under this Agreement and Program Documents; and
- (b) to make this Agreement and the Program Documents admissible in evidence in the courts of the jurisdiction of the Final Beneficiary or in arbitration proceedings as defined under Clause 9 (*Governing Law, Enforcement and Choice of Domicile*) of this Agreement have been obtained and are in full force and effect, and no circumstances exist which could result in the revocation, non-renewal or modification, in whole or in part, of any such Authorisations.

4.3 Binding Obligations

The obligations expressed to be assumed by the Final Beneficiary under this Agreement and the Program Documents comply with all laws and regulations applicable to the Final Beneficiary in its jurisdiction and are legal, valid, binding and enforceable obligations which are effective in accordance with their written terms.

4.4 No Filing or Stamp Taxes

Under the laws of the jurisdiction of incorporation of the Final Beneficiary, it is not necessary that this Agreement be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar taxes or fees be paid on or in relation to this Agreement or the transactions contemplated therein.

4.5 No Conflict with Other Obligations

The entry into and performance by the Final Beneficiary of, and the transactions contemplated by, this Agreement and the Program Documents do not conflict with any domestic or foreign law or regulation applicable to it, its constitutional documents (or any similar documents) or any agreement or instrument binding upon the Final Beneficiary or affecting any of its assets.

4.6 Governing Law and Enforcement

- (a) The choice of French law as the governing law of this Agreement will be recognised and enforced by the courts and arbitration tribunals in the jurisdiction of the Final Beneficiary.
- (b) Any judgment obtained in relation to this Agreement in a French court or any award by an arbitration tribunal will be recognised and enforced in the jurisdiction of incorporation of the Final Beneficiary.


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4.7 No Default

No Event of Default is continuing or is reasonably likely to occur.

No breach of the Final Beneficiary is continuing in relation to any other agreement binding upon it, or affecting any of its assets, which has, or is reasonably likely to have, a Material Adverse Effect.

4.8 No Misleading Information

All information and documents supplied by the Final Beneficiary to the Lender were true, accurate and up-to-date as at the date they were provided or, if appropriate, as at the date at which they are stated to be given and have not been varied, revoked, cancelled or renewed on revised terms, and are not misleading in any material respect as a result of an omission, the occurrence of new circumstances or the disclosure or non-disclosure of any information.

4.9 Program Documents

The Program Documents represent the entire agreement relating to the Program Component and are valid, binding and enforceable against third parties. The Program Documents have not been amended, terminated or suspended without the prior approval of the Lender since the date on which they were delivered to the Lender and there is no current dispute in connection with the validity of the Program Documents.

4.10 Program Authorisations

All Program Authorisations have been obtained or effected and are in full force and effect and there are no circumstances which may result in any Program Authorisation being revoked, cancelled, not renewed or varied in whole or in part.

4.11 Procurement

The Final Beneficiary confirms that the procurement, award and performance of all contracts entered into for the purposes of implementing the Program or any part thereof, comply with the provisions of the applicable laws and regulations, supplemented by elements of the Program Operations Manual, including such contracts entered into, and/or for which the procurement process has started, prior to the Signing Date and that are retroactively financed by AFD.

4.12 Licit Origin of the Funds and Prohibited Practices

The Final beneficiary represents and warrants that:

- (a) the funds which are or will be invested in the Program, if any, other than those of the Facility are entirely from the State's budget Program;
- (b) the Program has not given rise to any Prohibited Practices;
- (c) it has not committed or participated in any act contrary to any Anti-Money Laundering and Counter-Terrorist Financing applicable law.

4.13 No Material Adverse Effect

The Final Beneficiary represents and warrants that no event or circumstance which is likely to have a Material Adverse Effect has occurred or is likely to occur.


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5 UNDERTAKINGS

The undertakings in this Clause 5 (*Undertakings*) take effect on the Signing Date and remain in full force and effect for as long as any amount is outstanding under this Agreement.

5.1 Compliance with Laws, Regulations and Obligations

The Final Beneficiary shall comply:

- (a) in all respects with all laws and regulations to which it and/or the Program is subject, particularly in relation to all applicable environmental protection, safety and labour laws; and prevention and fight against Prohibited Practices; and
- (b) with all of its obligations under this Agreement and the Program Documents.

5.2 Authorisations

The Final Beneficiary shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect any Authorisation required under any applicable law or regulation to enable it to perform its obligations under this Agreement and the Program Documents and to ensure the legality, validity, enforceability and admissibility in evidence.

5.3 Program Documents

The Final Beneficiary shall provide the Lender for no-objection or information, as the case may be, with a copy of any Program Documents or amendment thereto and shall not (and shall not agree to) make any material amendment to any Program Document without obtaining the Lender's prior no-objection.

5.4 Implementation and Preservation of the Program

The Final Beneficiary shall:

- (a) implement the Program in accordance with the generally accepted safety principles and in accordance with technical standards in force; and
- (b) maintain the Program assets in accordance with all applicable laws and regulations and in good operating and maintenance conditions, and use such assets in compliance with their purpose and all applicable laws and regulations.

5.5 Procurement

In relation to the procurement, award and performance of contracts entered into for the purposes of implementing the Program or any part thereof, and financed by the Facility, the Final Beneficiary shall comply with, and implement, the provisions of applicable laws and regulations supplemented by elements of the Program Operations Manual, which shall come into force following a no-objection certificate from the Lender.

In particular, a duly signed AFD's Statement of Integrity (set out in Schedule 9) shall: (i) be required from any applicant, bidder, or consultant participating in the procurement of, and (ii) be included to form a part of, any such contract. In cases of non-competitive procurement processes, the signed AFD's Statement of Integrity shall be annexed to the signed contract.

In the event of non-compliance by the Borrower and/or Final Beneficiary with the Program Operations Manual, the Lender may declare the related costs ineligible under this Agreement. The Borrower shall return or cause the Final Beneficiary to return to the Lender the funds from the Facility used to pay such ineligible costs.

5.6 Implementation Arrangements

The Final Beneficiary shall:

- (a) Maintain, throughout the implementation of the Program, a Steering Committee including all relevant stakeholders to the operation to (i) provide strategic orientation and monitoring of the Program, and (ii) coordinate the Program's implementation in coherence with the Program documents.
- (b) Maintain, through the Himachal Pradesh Department of Revenue, a Program Management Unit (PMU), within the Himachal Pradesh State Disaster Management Authority, and contract consultants for the Program, as may be required, under terms acceptable to the Lender.
- (c) Adopt no later than by the first drawdown and thereafter, a Program Operations Manual, containing detailed arrangements and procedures for the implementation of the Program, including: (i) disbursement and flow of funds arrangements, (ii) institutional arrangements, financial management, governance and procurement systems, (iv) steering committee arrangements and responsibilities, (v) environmental and social management systems, (vi) monitoring and evaluation reporting and communication, (vii) detailed arrangements for the verification of disbursements linked indicators (including verification protocols) and (viii) such other administrative, financial, technical and organizational arrangements and procedures as shall be required of the Program.
- (d) Ensure appropriate staffing of the Implementing Agency (the Himachal Pradesh State Disaster Management Authority).
- (e) Abstain from making any material amendment to the Program Operations Manual without obtaining the Lender's no objection certificate.

5.7 Environmental and Social Responsibility

5.7.1. Implementation of Environmental and Social Measures

In order to promote sustainable development, the Parties agree that it is necessary to promote compliance with internationally recognised environmental and labour standards, including fundamental conventions of the International Labour Organization ("ILO") and the international environmental laws and regulations applicable in the Borrower's jurisdiction. For such purpose, the Final Beneficiary shall:

with respect to its business activities:

- (a) comply with international standards for the protection of the environment and labour laws, particularly the fundamental conventions of the ILO and the international environmental conventions, in accordance with the applicable laws and regulations of the country in which the Program is being implemented.

with respect to the Program:

- (b) include in the procurement contracts, and, as the case may be, in the bidding documents, a clause whereby the contracting parties agree, and agree to procure that their sub-contractors (if any) agree, to comply with such standards in accordance with the applicable laws and regulations of the country where the Program is being implemented. The Lender will be entitled to request that the Final beneficiary delivers a report on environmental and social conditions of implementation of the Program;

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- (c) put in place appropriate mitigation measures specific to the Program as defined within the context of the environmental and social risk management policy of the Program and described in the Environmental and Social Commitment Plan (ESCP) attached as Schedule 4.
- (d) require that the contractors appointed for implementation of the Program, apply the mitigation measures set out in paragraph (c) above and procure that their subcontractors (if any) comply with all such measures and take all appropriate steps in the event of a failure to put in place such mitigation measures.
- (e) provide the Lender with semi-annual follow-up reports in relation to the ESCP.

5.7.2. Environmental and Social Grievance Management

- a) The Final Beneficiary (i) confirms that it has received a copy of the ES Grievance Management Mechanism's Rules of Procedure and has acknowledged its terms, in particular with respect to actions that may be taken by the Lender in the event that a third party lodges a grievance, and (ii) acknowledges that these ES Grievance Management Mechanism's Rules of Procedure have, as between the Borrower and the Lender, the same contractually binding effect as this Agreement.
- b) The Final Beneficiary expressly authorises the Lender to disclose to the experts (as defined in the ES Complaints-Management Mechanism's Rules of Procedure) and to parties involved in the compliance audit and/or dispute resolution procedure, the Program documents concerning environmental and social matters necessary for processing the environmental and social grievance (as defined in the ES Grievance Management Procedures), including, without limitation, those listed in Schedule 10 (*Non-exhaustive list of environmental and social documents which the Borrower permits to be disclosed in connection with ES Grievance-management mechanism's rules of procedure*).

5.8 Additional Financing

The Final Beneficiary shall not amend or alter the Financing Plan without obtaining the Lender's prior written consent and shall finance any additional costs not anticipated in the Financing Plan on terms which ensure that the Facility will be repaid.

5.9 Inspections

The Final Beneficiary hereby authorizes the Lender and its representatives to carry out inspections the purpose of which will be to assess the Program implementation and operations as well as the impact and the achievement of the Program objectives.

The Final Beneficiary shall co-operate and provide all reasonable assistance and information to the Lender and its representatives when carrying out such inspections, the timing and format of which shall be determined by the Lender following consultation with the Borrower.

The Borrower shall reimburse the Lender, including through the funds of the Program for any costs incurred by the Lender.

The Final Beneficiary retains and makes available for inspection by the Lender, all documents relating to the Eligible Expenses for a period of ten (10) years from the date of the last Drawdown under the Facility.

5.10 Program Evaluation

The Final Beneficiary acknowledges that the Lender may carry out, or procure that a third party carries out on its behalf, an evaluation of the Program. Feedback from this evaluation will be used to produce a summary containing information on the Program, such as: total amount and duration of the funding,

objectives of the Program, expected and achieved quantified outputs of the Program, assessment of the relevance, effectiveness, impact and viability/sustainability of the Program, main conclusions and recommendations.

The main objective of the evaluation will be the articulation of credible and independent judgement on the key issues of relevance, implementation (efficiency) and effects (effectiveness, impact and sustainability).

Evaluators will need to take into account in a balanced way the different legitimate points of view that may be expressed and conduct the evaluation impartially.

The Final Beneficiary will be involved as closely as possible in the evaluation, from the drafting of the Terms of Reference to the delivery of the final report.

The Final Beneficiary agrees to the publication of this summary, in particular on the Lender's website.

5.11 Financial Sanctions Lists and Embargo

The Final Beneficiary undertake(s):

- (a) that no funds or economic resources of the Program are made available, directly or indirectly, to or for the benefit of persons, groups or entities listed on any Financial Sanctions Lists;
- (b) not finance, acquire or provide any supplies or intervene in sectors which are subject to an Embargo by the United Nations, the European Union or France.

5.12 Licit Origin, Absence of Prohibited Practices

The Final Beneficiary undertakes:

- (a) to use the funds of the Facility in accordance with the AFD Group's policy to prevent and combat Prohibited Practices as available on its Website;
- (b) to ensure that the funds, other than those of State origin, invested in the Program will not be of an Illicit Origin;
- (c) to ensure that the Program (in particular during the negotiation, entry into and performance of the contracts funded out of the Facility) shall not give rise to any Prohibited Practice;
- (d) as soon as it becomes aware of, or suspects, any Prohibited Practice, to inform the Lender without any delay;
- (e) in the event referred to in paragraph (e) above, or at the Lender's request if the Lender suspects any Prohibited Practice has occurred, take all necessary actions to remedy the situation in a manner satisfactory to the Lender and within the time period determined by the Lender; and
- (f) to notify the Lender without delay if it has knowledge of any information which leads it to suspect any Illicit Origin of any funds used for the implementation of the Program.

5.13 Investigations

The Final Beneficiary undertakes, to allow the Lender or any third party mandated by the Lender, to carry out an investigation in the event of an allegation of Prohibited Practice. To this end, and after informing the Final Beneficiary, the Lender or any third party mandated by it is authorized to:

- (a) interview anyone who may have information about an alleged Prohibited Practice;

- (b) conduct audits and controls, both documentary and on-site, as the Lender may deem appropriate, including access to the accounting books and records or any other documentation relating to the Program held by the Borrower, or any person or entity connected with the Program;
- (c) carry out visits of the sites, facilities and works related to the Program; and
- (d) achieve all the steps and actions necessary for these investigations.

The Final Beneficiary undertakes, to ensure that the tender documents, contracts and sub-contracts financed through the Facility allow the implementation of this Clause.

Non-compliance with this Clause by the Final Beneficiary could, at the discretion of the Lender, constitute a Non-Cooperative Practice.

5.14 Visibility and Communication

The Final Beneficiary shall implement visibility and communication actions related to the implementation of the Program in accordance with the terms of the Visibility and Communication Guide and acknowledges having fully read and understood the aforementioned guide.

According to the Visibility and Communication Guide, the Program is subject to communication and visibility obligations of LEVEL 1.

5.15 Program Agreement

The Final Beneficiary shall:

- (a) procure that the Program Agreement provides for, inter alia, all the undertakings that the Final Beneficiary has made under this Agreement including, but not limited to, the undertakings set out in Clauses 5 (*Undertakings*) and 6 (*Information Undertakings*) of the General Conditions;
- (b) systematically collect and make available to the Lender, the details of any person (identity, citizenship, domicile) and/or any legal entity (corporate name, place of incorporation, registered office, identity of shareholders) benefiting from the passed-through funds;
- (c) provide the Lender with any information in relation to the passing-through (including the repayment status of the on-passed-through funds) which shall be recorded in the accounting books of the Final Beneficiary;
- (d) fulfil its obligations under the Program Agreement and shall use the passed-through funds exclusively for financing of the Project in accordance with the terms and conditions of the Finance Documents;
- (e) insure the assets financed by the Facility against the primary risks that may materialise during the implementation and operation of the Program Components.

6 INFORMATION UNDERTAKINGS

The undertakings in this Clause 6 (*Information Undertakings*) take effect on the Signing Date and remain in full force and effect for as long as any amount is outstanding under this Agreement.

6.1 Financial Information

The Final Beneficiary shall supply to the Lender any information that the Lender may reasonably require in relation to the Final Beneficiary's foreign and domestic debt as well as the status of any guaranteed loans.

6.2 Program Implementation

The Final Beneficiary shall, supply to the Lender, promptly upon the Lender's request, any information or supporting document regarding the Program implementation.

6.3 Progress Report

- (a) Until the Technical Completion Date, the Final Beneficiary shall supply to the Lender on a half-yearly basis, and within 45 days after the end of each calendar semester, a technical and financial progress report in relation to the implementation of the Program and an annual follow-up report of the Program's indicators in the form set out in Schedule 5 (*Form of Follow-up Report of the Program's Indicators*).
- (b) Within three (3) months after the Technical Completion Date, the Final Beneficiary shall supply to the Lender a general progress report including a follow-up report with respect to the Program's indicators in the form set out in Schedule 5 (*Form of Follow-up Report of the Program's Indicators*).

6.4 Information – Miscellaneous

The Final Beneficiary shall supply to the Lender:

- (a) promptly upon becoming aware of them, details of any event or circumstance which is or may be an Event of Default or which has or may have a Material Adverse Effect, the nature of such an event and all the actions taken or to be taken to remedy it (if any);
- (b) promptly upon becoming aware of them, details of any incident or accident directly related to the implementation of the Program which might have a significant impact on the Program site, the working conditions of its employees or Providers' employees, the nature of such incident or accident, together with details of any action taken or proposed to be taken, as applicable, by the Final Beneficiary to remedy it;
- (c) promptly, details of any decision or event which might affect the organisation, completion or operation of the Program;
- (d) promptly but in any event within five (5) Business Days after becoming aware of them, details of any notification of default, termination, dispute or material claim made against it under a Program Document or affecting the Program, together with details of any action taken or proposed to be taken by the Final Beneficiary to remedy it;
- (e) during the completion of services (including but not limited to services related to studies and monitoring where the Program involves the provision of such services), the interim and final reports drafted by any service provider, and after full completion of such services an overall execution report;

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- (f) promptly, any further information regarding its financial condition, assets and operations or any documents or other communications given or received by it under any Program Document that the Lender may reasonably request.

6.5 Information Relating to the Final Beneficiary

The Final Beneficiary shall take all necessary actions during the implementation and operation of the Program to ensure to supply the Lender with:

- a) as soon as they are approved, its annual financial statements or budgetary documents, as well as any details that the Lender may reasonably require in relation to its financial condition;
- b) on a yearly basis, details regarding the utilisation of human resources within the State Disaster Management Authority, as well as any details that the Lender may reasonably request in relation to its human resources.


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7 MISCELLANEOUS

7.1 Language

The language of this Agreement is English. If this Agreement is translated into another language, the English version shall prevail in the event of any conflicting interpretation or in the event of a dispute between the Parties.

All notices given or documents provided under, or in connection with, this Agreement shall be in English.

The Lender may request that a notice or document provided under, or in connection with, this Agreement which is not in English is accompanied by a certified English translation, in which case, the English translation shall prevail unless the document is a statutory document of a company, legal text or other official document.

7.2 Certifications and Determinations

In any litigation or arbitration arising out of or in connection with this Agreement, entries made in the accounts maintained by the Lender are *prima facie* evidence of the matters to which they relate.

Any certification or determination by the Lender of a rate or amount under this Agreement will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

7.3 Partial Invalidity

If, at any time, a term of this Agreement is or becomes illegal, invalid or unenforceable, neither the validity, legality or enforceability of the remaining provisions of this Agreement will in any way be affected or impaired.

7.4 No Waiver

Failure to exercise, or a delay in exercising, on the part of the Lender of any right under the Agreement shall not operate as a waiver of that right.

Partial exercise of any right shall not prevent any further exercise of such right or the exercise of any other right or remedy under the applicable law.

The rights and remedies of the Lender under this Agreement are cumulative and not exclusive of any rights and remedies under the applicable law.

7.5 Assignment

The Final Beneficiary may not assign or transfer, in any manner whatsoever, all or any of its rights and obligations under this Agreement without the prior written consent of the Lender.

The Lender may assign or transfer any of its rights or obligations under this Agreement to any other third party and may enter into any sub-participation agreement relating thereto.

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Legal Effect

The Schedules annexed hereto, and the recitals hereof form part of this Agreement and have the same legal effect.

7.7 Entire Agreement

As of the Signing Date, this Agreement represents the entire agreement between the Parties in relation to the matters set out herein, and supersedes and replaces all previous documents, agreements or understandings which may have been exchanged or communicated as part of the negotiations in connection with this Agreement.

7.8 Amendments

No amendment may be made to this Agreement unless expressly agreed in writing between the Parties.

7.9 Confidentiality - Disclosure of information

- (a) Each Party shall not disclose the content of this Agreement to any third party without the prior consent of the other Party, except to:
 - a. any person to whom it has a disclosure obligation under any applicable law, regulation or judicial ruling; or
 - b. the Borrower for the purposes of the Program.
- (b) Notwithstanding any existing confidentiality agreement, the Lender may disclose any information or documents in relation to the Program to: (i) its auditors, experts, rating agencies, legal advisers or supervisory bodies such as the European Anti-fraud Office (OLAF); (ii) any person or entity to whom the Lender may assign or transfer all or part of its rights or obligations under the Agreement; and (iii) any person or entity for the purpose of taking any protective measures or preserving the rights of the Lender under the Agreement.
- (c) Furthermore, the Borrower hereby expressly authorizes the Lender:
 - a. to exchange with the French Republic for publication on the French government website pursuant to any request from International Aid Transparency Initiative; and
 - b. to communicate and to disclose on the Lender's Website information relating to the Program and its financing as listed in Schedule 6 (*Information that and the Lender is authorized expressly to disclose on the Lender's Website (in particular on its open data platform)*).

7.10 Limitation

The statute of limitations of any claims under this this Agreement shall be ten (10) years, except for any claim of interest due under this Agreement.

7.11 Hardship

Each Party hereby acknowledges that the provisions of article 1195 of the French Code civil shall not apply to it with respect to its obligations under the Agreement and it shall be not entitled to make any claim under article 1195 of the French Code civil.


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8 NOTICES

8.1 In Writing and Addresses

Any notice, request or other communication to be given or made under or in connection with this Agreement shall be given or made in writing and, unless otherwise stated, may be given or made by fax or by letter sent by the post office to the address and number of the relevant Party set out below:

For the Final Beneficiary:

GOVERNMENT OF HIMACHAL PRADESH

Address: Armsdale building, HP Secretariat, Shimla - 17002

Telephone: +91 0177 2622269

Attention: Additional Chief Secretary, Revenue to Government of HP

For the Lender:

AFD –INDIA Office

Address: 112 Malcha Marg Chanakyapuri, New Delhi – 021 011, India

Telephone: +91 11 42 79 37 00

Facsimile: +91 11 42 79 37 01

Attention: AFD Country Director

With a copy to:

AFD – PARIS HEAD OFFICE

Address: 5, rue Roland Barthes – 75598 Paris Cedex 12, France

Telephone: + 33 1 53 44 31 31

Facsimile: + 33 1 44 87 39 65

Attention: Director of Orient Department

8.2 Delivery

Any notice, request or communication made or any document sent by a Party to the other Party in connection with this Agreement will only be effective:

(a) if by fax, when received in a legible form; and

(b) if by letter sent through the post office, when delivered to the correct address,

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and, where a particular person or a department is specified as part of the address details provided under Clause 8.1 (*In writing and Addresses*), if such notice, request or communication has been addressed to that person or department.

8.3 Electronic Communications

- (a) Any communication made by one person to another under or in connection with this Agreement may be made by electronic mail or other electronic means if the Parties:
 - a. agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - b. notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - c. notify each other of any change to their address or any other such information supplied by them.
- (b) Any electronic communication made between the Parties will be effective only when actually received in a readable form.

9 GOVERNING LAW, ENFORCEMENT AND CHOICE OF DOMICILE

9.1 Governing Law

This Agreement is governed by French law.

9.2 Arbitration

Any dispute arising out of or in connection with this Agreement shall be referred to and finally settled by arbitration under the Rules of Conciliation and Arbitration of the International Chamber of Commerce applicable on the date of commencement of arbitration proceedings, by one or more arbitrators to be appointed in accordance with such Rules.

The seat of arbitration shall be Paris and the language of arbitration shall be English.

This arbitration clause shall remain in full force and effect if this Agreement is declared void or is terminated or cancelled and following expiry of this Agreement. The Parties' contractual obligations under this Agreement are not suspended if a Party initiates legal proceedings against the other Party.

The Parties expressly agree that, by signing this Agreement, the Borrower irrevocably waives all rights of immunity in respect of jurisdiction or execution on which it could otherwise rely.

9.3 Service of Process

Without prejudice to any applicable law, for the purposes of serving judicial and extrajudicial documents in connection with any action or proceedings referred to above, the Final Beneficiary irrevocably chooses its registered office as at the date of this Agreement at the address set out in Clause 16 (Notices) for service of process, and the Lender chooses the address "AFD SIEGE" set out in Clause 16 (Notices) for service of process.

10 DURATION

This Agreement comes into force on the Signing Date and remains in full force and effect for as long as any amount is outstanding under this Agreement.

Notwithstanding the above, the obligations under and 7.9 (*Confidentiality - Disclosure of information*) shall survive and remain in full force and effect for a period of five years after the last Payment Date; the provisions of Clause 5.7.2 (*Environmental and social (ES) Grievance Management*) shall continue to have effect whilst any grievance lodged under the ES Grievance Management Mechanism's Rules of Procedure is still being processed or monitored.

Executed in two (2) originals, in Shimla, on January 10th, 2025.

FINAL BENEFICIARY

THE GOVERNMENT OF HIMACHAL PRADESH

Represented by:

 10/1/25

Name: Shri Nishant Thakur

Capacity: Additional Secretary and Project Director, PMU

In the presence of Shri Balwan Chand, Additional Secretary (Revenue)

LENDER

AGENCE FRANÇAISE DE DÉVELOPPEMENT

Represented by :



Name: Camille Severac

Capacity: AFD Deputy Country Director for India



SCHEDULE 1A - DEFINITIONS

<p>Act of Corruption</p>	<p>means any of the following:</p> <p>(1) the act of promising, offering or giving, directly or indirectly, to a Public Official or to any person who directs or works, in any capacity, for a private sector entity, an undue advantage of any nature, for the relevant person himself or herself or for another person or entity, in order that this person acts or refrains from acting in breach of his or her legal, contractual or professional obligations and, having for effect to influence his or her own actions or those of another person or entity; or</p> <p>(a) the act of a Public Official or any person who directs or works, in any capacity, for a private sector entity, soliciting or accepting, directly or indirectly, an undue advantage of any nature, for the relevant person himself or herself or for another person or entity, in order that this person acts or refrains from acting in breach of his or her legal, contractual or professional obligations and, having for effect to influence his or her own actions or those of another person or entity.</p>
<p>Act(s) of Terrorism</p>	<p>means:</p> <p>(i) any act prohibited by the United Nations Conventions and Protocols related to the fight against terrorism (which may be consulted on the following website: https://legal.un.org/ola/Default.aspx);</p> <p>(ii) any of the offences referred to in articles 3 to 10 of Directive (EU) 2017/541 of the European Parliament of 15 March 2017 on combating terrorism; or</p> <p>(iii) any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organisation to do or abstain from doing any act.</p>
<p>Agreement</p>	<p>means this Program agreement, including its recitals, Schedules and, if applicable, any amendments made in writing thereto.</p>
<p>Anti-Competitive Practices</p>	<p>means:</p> <p>(a) any concerted or implicit action having as its object and/or as its effects to impede, restrict or</p>

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	<p>distort fair competition in a market, including without limitation when it tends to: (i) limit market access or the free exercise of competition by other companies; (ii) prevent price setting by the free play of markets by artificially favouring the increase or decrease of such prices; (iii) limit or control any production, markets, investment or technical progress; or (iv) share out markets or sources of supply;</p> <p>(b) any abuse by a company or group of companies of a dominant position within a domestic market or in a substantial part thereof; or</p> <p>(c) any bid or predatory pricing having as its object and/or its effect to eliminate from a market, or to prevent a company or one of its products from accessing the market.</p>
Authorisation(s)	means any authorisation, consent, approval, resolution, permit, licence, exemption, filing, notarisation or registration, or any exemptions in respect thereof, obtained from or provided by an Authority, whether granted by means of an act, or deemed granted if no answer is received within a defined time limit, as well as any approval and consent given by the Borrower's creditors.
Authority(ies)	means any government or statutory entity, department or commission exercising a public prerogative, or any administration, court, agency or State or any governmental, administrative, tax or judicial entity.
Availability Period	means the period from and including the Signing Date up to the Deadline for Drawdown of Funds.
Available Facility	<p>(i) means, at any given time, the maximum principal amount specified in Clause 2.1 (<i>Facility</i>) less:</p> <p>(ii) the aggregate amount of any Drawdowns drawn by the Borrower;</p> <p>(iii) the amount of any Drawdown to be made pursuant to any pending Drawdown Request; and</p> <p>(iv) any portion of the Facility which has been cancelled pursuant to Clauses 8.3 (<i>Cancellation by the Borrower</i>) and/or 8.4 (<i>Cancellation by the Lender</i>).</p>
Borrower	Means the President of India, represented by the Department of Economic Affairs.
Business Day	means a day (other than Saturday or Sunday) on which banks are open for the entire day for general business in

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	Paris, and which is a TARGET Day in the event that a Drawdown has to be done on such day.
Certified	means for any copy, photocopy or other duplicate of an original document, the certification by any duly authorised person, as to the conformity of the copy, photocopy or duplicate with the original document.
Deadline for Drawdown of Funds	means December 2nd, 2029, after which no further Drawdown may occur.
Deadline for the First Drawdown	Means six (6) months after the Signing Date, hence June 3 rd , 2025.
Drawdown Date	means the date on which a Drawdown is made available by the Lender.
Drawdown	means a drawdown of all or part of the Facility made, or to be made, available by the Lender to the Borrower pursuant to the terms and conditions set out in Clause 3 (<i>Drawdown of Funds</i>) of the Credit Facility Agreement or the principal amount outstanding of such Drawdown which remains due and payable at a given time.
Drawdown Period	means the period starting on the first Drawdown Date up to and including the first of the following date: <ul style="list-style-type: none"> – the date on which the Available Facility is equal to zero; - the Deadline for Drawdown of Funds.
Drawdown Request	means a request substantially in the form set out in Schedule 5A (<i>Form of Drawdown Request</i>) of the Credit Facility Agreement;
Eligible Expense(s)	means the expense(s) relating to the Expenditure Framework as set out in Schedule 3A (<i>Financing Plan</i>) and Schedule 3C (<i>Expenditure Framework</i>).
Embargo	means any sanction of a commercial nature aiming at prohibiting any import and/or export (supply, sale or transfer) of one or several goods, products or services going to and/or coming from a country for a given period as published and amended from time to time by the United Nations, the European Union or France.
ES Grievance-Management Mechanism's Rules of Procedure	means the contractual terms contained in the Environmental and Social Grievance-Management

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	Mechanism's Rules of Procedure, which is available on the Website, as amended from time to time.
ESCP	means the environmental and social commitment plan attached hereafter as Schedule 4, setting out the Borrower's commitment to avoid, mitigate or compensate negative consequences of the Program, on human and natural environment and any planned monitoring, as well as the formal steps required in order to carry out such actions.
EURIBOR	means the inter-bank rate applicable to Euro for any deposits denominated in Euro for a period comparable to the relevant period, as determined by the European Money Markets Institute (EMMI), or any successor administrator, at 11:00 am Brussels time, two (2) Business Days before the first day of the Interest Period.
Euro(s) or EUR	means the single currency of the member states of the European Economic and Monetary Union, including France, and having legal tender in such Member States.
Event of Default	means any event or circumstance set out in Clause 13.1 (<i>Events of Default</i>).
Facility	means the credit facility made available by the Lender to the Borrower in accordance with this Agreement up to the maximum principal amount set out in Clause 2.1 (<i>Facility</i>).
Final Beneficiary	means the Government of Himachal Pradesh, in charge of implementing the Program on its own account as the owner of the investments financed by the Facility which is on-lent and on-granted, to it by the Borrower.
Financial Sanctions List	means the list(s) of persons, groups or entities which are subject to financial sanctions by the United Nations, the European Union and/or France. For information purposes only and for the convenience of the Borrower, who may rely on, the following references or website addresses: For the list maintained by the United Nations, the European Union and France , the following website may be consulted: https://gels-avoirs.dgtresor.gouv.fr/List .
Financing Plan	means the financing plan of the Program set out in Schedule 3A (<i>Financing Plan</i>).
Fraud	means any unfair practice (acts or omissions) deliberately intended to mislead others, to intentionally conceal elements there from, or to betray or vitiate his/her consent, to circumvent any legal or regulatory requirements and/or to violate internal rules and procedures of the Borrower or a third party in order to obtain an illegitimate benefit.



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Fraud against the Financial Interests of the European Community	means any intentional act or omission intended to damage the European Union budget and involving (i) the use or presentation of false, inaccurate or incomplete statements or documents, which has as effect the misappropriation or wrongful retention of funds or any illegal reduction in resources of the general budget of the European Union; (ii) the non-disclosure of information with the same effect; and (iii) misappropriation of such funds for purposes other than those for which such funds were originally granted.
Illicit Origin	means funds obtained through: <ul style="list-style-type: none"> (a) the commission of any predicate offence as designated in the FATF 40 recommendations Glossary under "<i>Designated categories of offences</i>" (https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf); (b) any Act of Corruption; or (c) any Fraud against the Financial Interests of the European Community, if or when applicable.
Implementing Agencies	Means : <ul style="list-style-type: none"> • the Himachal Pradesh State Disaster Management Authority as the nodal Implementing Agency, also responsible for global coordination and reporting, in charge of implementing the Program on behalf of the Final Beneficiary and duly appointed for such purpose. • All the other agencies listed in Schedule 2 – Program Description.
Material Adverse Effect	means a material and adverse effect on: <ul style="list-style-type: none"> (a) the Program Component, insofar as it would jeopardise the implementation and operation of the Program Component in accordance with the Finance Documents and the Program Documents; (b) the business, assets, financial condition of the Borrower or its ability to perform its obligations under the Finance Documents and the Program Documents; (c) the validity or enforceability of any Finance Document and any Program Documents; or (d) any right or remedy of the Lender under any Finance Document.
Misuse of AFD's Funds or Assets	means the non-compliant, inappropriate and/or abusive use of the resources, property or assets belonging to the Lender, made knowingly, recklessly or negligently.


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Money Laundering	<p>means:</p> <p>(i) the act of facilitating by any means, the false justification of the origin of the assets or proceeds of the perpetrator of a felony or a misdemeanour which brought him a direct or indirect benefit; or</p> <p>(ii) the act of assisting in investing, concealing or converting the direct or indirect proceeds of a felony or a misdemeanour.</p>
Non-Cooperative Practices	<p>means:</p> <p>(i) the act of destroying, falsifying, altering, concealing or unreasonably withholding evidence or any other information, documents or records sought to be disclosed in connection with an investigation by the Lender of an allegation of Prohibited Practices to materially obstruct the investigation; or the act of making false statements to materially obstruct the investigation of an allegation of Prohibited Practices; or</p> <p>(ii) the act of threatening, harassing or intimidating any party in order to prevent it from disclosing information relating to an investigation conducted by the Lender, or the continuation of the investigation; or</p> <p>(iii) any acts carried out in order to materially obstruct the Lender in exercising its contractual rights to audit, inspect or access to information in the context of an investigation based on an allegation of Prohibited Practices.</p>
Program	has the meaning given to that term in the recitals of the Credit Facility Agreement.
Program Agreement	means the present agreement, entered into between the Lender and the Final Beneficiary, which sets forth the terms and conditions of the implementation of the Program by the Final Beneficiary.
Program Authorisations	means the Authorisations necessary in order for the Final Beneficiary to implement the Program and execute the Agreement to which it is a party, and to exercise its rights and perform its obligations under the Agreement to which it is a party; and (ii) the Agreement to which the Final Beneficiary is a party, to be admissible as evidence before courts in the jurisdiction of the Final Beneficiary or before a competent arbitral tribunal.
Program Documents	<p>mean all documents, and in particular agreements, delivered or executed by the Borrower and/or the Final Beneficiary in relation to the implementation of the Program, i.e. :</p> <ul style="list-style-type: none"> - The Disbursement-linked Indicator (DLI) Matrix - The Multi-year Program Expenditure Framework


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	<ul style="list-style-type: none"> - The Program Operation Manual - The Environmental and Social Commitment Plan (ESCP) - The Gender Action Framework (GAF) - The Annual Procurement Plan.
Prohibited Practice(s)	means Anti-Competitive Practices, Acts of Corruption, Fraud, Fraud against the Financial Interests of the European Union, Non-Cooperative Practices, Misuse of AFD's Funds or Assets, as well as any breach of any applicable anti-Money Laundering and counter-Terrorist Financing laws.
Provider(s)	means a natural or legal person that has signed a contract with the the Implementing Agencies, which may include a supplier, a works company or a contractor, a consultant or a service provider.
Public Official	means any holder of legislative, executive, administrative or judicial office whether appointed or elected, serving on permanent basis or otherwise, paid or unpaid, regardless of rank, or any other person defined as a public official under the domestic law of the Borrower's jurisdiction of incorporation, and any other person exercising a public function, including for a public agency or organisation, or providing a public service.
Resettlement Action Plan / Livelihood Restoration Plan	means the resettlement action plan and/or livelihood restoration plan referred to in Schedule 4 (<i>Environmental and Social Commitment Plan</i>), which constitute an operational document setting out the mitigating or compensatory actions in relation to the temporary or permanent negative impacts of the Program on local populations.
Schedule(s)	means any schedule or schedules to the Credit Facility Agreement or to this Agreement, as the case may be.
Signing Date	means the date of execution of this Agreement by all the Parties.
Tax(es)	means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with a failure to pay or any delay in the payment of any such amounts).
Technical Completion Date	means the date for the technical completion of the Program, which is expected to be December 3rd, 2029, corresponding to a period of five (5) years following the signing of the Credit Financing Agreement (CFA).


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Terrorist Financing	means providing or collecting, directly or indirectly, funds or managing funds with the intention that they should be used, or in the knowledge that they are to be used, for the purpose of committing an Act of Terrorism.
Visibility and Communication Guide	means all contractual provisions binding on the Borrower relating to the communication and visibility of Programs financed by AFD and contained in the document entitled "Visibility guide for Programs supported by AFD - Level 1", a copy of which has been given to the Final Beneficiary before the signing.
Website	means the website of AFD (http://www.afd.fr/) or any other such replacement website.

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SCHEDULE 1B - CONSTRUCTION

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any reference to the “**Borrower**”, a “**Party**”, “**AFD**” or a “**Lender**” includes its successors in title, permitted assigns and permitted transferees;
- (c) any reference to a Finance Document or other document or security is a reference to such Finance Document or to such other document or security as amended, restated or supplemented and includes, if applicable, any document which replaces it through novation, in accordance with the Finance Documents;
- (d) a “**guarantee**” includes any *cautionnement*, *aval* and any *garantie* which is independent from the debt to which it relates;
- (e) “**indebtedness**” means any obligation of any person whatsoever (whether incurred as principal or as surety) for the payment or repayment of money, whether present, future, actual or contingent;
- (f) a “**person**” includes any person, company, corporation, partnership, trust, government, state or state agency or any association, or group of two or more of the foregoing (whether or not having separate legal personality);
- (g) a “**regulation**” includes any legislation, regulation, rule, decree, official directive, instruction, request, advice, recommendation, decision or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, supervisory authority, regulatory authority, independent administrative authority, agency, department or any division of any other authority or organisation (including any regulation issued by an industrial or commercial public entity) having an effect on any of the Finance Documents or on the rights and obligations of a Party;
- (h) a “**provision of law**” is a reference to that provision as amended;
- (i) unless otherwise provided, a time of day is a reference to Paris time;
- (j) the Section, Clause and Schedule headings are for ease of reference only and do not affect the interpretation of a Finance Document;
- (k) unless otherwise provided, words and expressions used in any other document relating to the Framework Agreement or in any notice given in connection with the Framework Agreement have the same meaning in that document or notice as in the Framework Agreement;
- (l) an Event of Default is “continuing” if it has not been remedied or if the Lender has not waived any of its rights relating thereto;
- (m) words importing the plural shall include the singular and vice-versa.

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SCHEDULE 2 - PROGRAM DESCRIPTION

The goal of the Program is to increase disaster and climate resilience among State systems and local communities in Himachal Pradesh, and the Program objective is to transition to a holistic disaster and climate risk reduction framework through resilient infrastructure and improved governance. The Program consists of the following components and activities:

Result Area/ Component 1: Enhancing disaster risk governance, through improved institutional capacities, risk understanding and knowledge management.

1.1: Strengthening of HPSDMA & DDMA, State EOC and District EOCs

1.2: Climate Change Vulnerability Assessment (CCVA) at Village Level for all river basins (hydro-meteorological hazards)

1.3: Strengthening of knowledge products related to climate change and dissemination. Developing extensive Information Education and Communication (IEC) & awareness material in local vernacular languages

1.4: Establishing Himalayan Institute for Disaster Management

Results-based Financing (RBF) Sub-component

1.5: Mainstreaming Climate Change and Disaster Risk Resilience in the State (DLI1)

1.6: Improvements to Disaster Risk Reduction (DRR) Framework in the State (DLI 2)

1.7: Mainstreaming Gender in Disaster Management (DLI3)

1.8: Improving disaster-responsiveness of the State's Public Finance Management (PFM) systems (DLI4)

1.9: Implementing technology solutions for effective disaster mitigation and response (DLI5)

Result Area/ Component 2: Strengthening disaster preparedness, through effective early warning systems and better emergency response capacities.

2.1: Developing Early Warning System (EWS) for landslide, flash floods, cloudbursts, Glacial Lake Outburst Flooding (GLOF) and dam safety, Improving networks for flood forecasting & Geographical Information System (GIS)-based Decision Support System

2.2: Developing climate/weather related forecast for agriculture and horticulture

2.3: Enhancing Implementation of forest fire mitigation measures

2.4: Creation of fire stations in unserved location for enhancing fire response with equipment and vehicles and strengthening of three existing fire stations for HAZMAT emergencies

2.5: Establishing SDRF 1 Unit (Kangra)

2.6: Creation of Helipads

2.7: Strengthening Training for Disaster Response

Result Area/ Component 3: Supporting mitigation measures, including eco-DRR and nature-based solutions.

3.1: Landslide mitigation and slope stabilization of vulnerable landslide sites

3.2: Developing area-specific bioengineering nurseries

3.3: Creating Climate Change & earthquake resistant Technology Demonstration Units (TDUs) at existing engineering institutes

3.4: Implementing hazard-resistant critical infrastructure

The Program shall be coordinated by the State Disaster Management Authority and implemented by various implementing agencies, as presented below by alphabetical order:

Nodal Implementing Agency	Activities
Civil Defence and Home Guards Department	2.7. Strengthening of existing Training Centres
Jal Shakti Vibhag, GoHP	2.1. Developing Early Warning System (EWS) for landslide, flash floods, cloudbursts, glacial lake outburst floods (GLOF) and dam safety, Improving networks for flood forecasting and Geographical Information System (GIS)-based Decision Support System (DSS)
Department of Environment, Science, Technology & Climate change (DEST&CC)	1.2. Climate Change Vulnerability Assessment (CCVA) at Village level 1.3. Strengthening of knowledge products related to climate change and dissemination
Department of Tourism and Civil Aviation	2.6. Establishment of helipads for emergency response
Fire Services Department	2.4. Establishment of Fire and Emergency Response cum Training Centres in unserved locations in the state
Himachal Pradesh Forest Department (HPFD)	2.3. Enhancing implementation of forest fire mitigation measures 3.2. Area-specific Bioengineering Nurseries and Interventions
Himachal Pradesh Public Works Department (HPPWD)	3.1. Mitigation and Slope Stabilization of Vulnerable Landslide Sites
Himachal Pradesh State Disaster Management Authority (HPSDMA) through the Disaster Management Cell (DMC) of Dept of Revenue & District Disaster Management Authorities (DDMAs)	1.1. Strengthening of HPSDMA & DDMA's, State Emergency Operation Centre (EOC) and District EOCs 1.4. Establishing State Institute for Disaster Management 3.3. Creating Climate Change & earthquake resistant Technology Demonstration Units (TDUs) at existing engineering institutes 3.4. Implementing Hazard resistant critical infrastructure
Indian Meteorological Department (IMD)	2.3. Developing climate/weather related forecast for agriculture and horticulture
Police (State Disaster Response Force-SDRF)	2.5. Establishing a State Disaster Response Force (SDRF) Unit

SCHEDULE 3A - FINANCING PLAN

PART 1 – FINANCING PLAN

The total cost of the Program is 100 MEUR, of which 18,1% is covered by the state resources of the Government of Himachal Pradesh and 81,9% by AFD through a sovereign loan (81,9 MEUR). The project will be implemented over 5 years.

SUMMARY OF PROGRAM COST	In EUR Million	%
Component 1	27,7	27,7
Component 2	45,9	45,9
Component 3	21,3	21,3
Contingency*	0	0
Program management	5,1	5,1
Total (including taxes)	100	100

*A Contingency Early Response (CER) Component has been included under the Program to cover reconstruction and rehabilitation costs in the event of a major disaster. The decision to activate the Contingency Early Response Component and reallocate expenditures, up to the limit of 10% of the expenditure framework, would lie with the Program Steering Committee (PSC) and is subject to the Lender's non-objection.

FINANCING PLAN	In EUR Million	%
AFD	81,9	81,9
Himachal Pradesh State	18,1	18,1
Total (including taxes)	100	100

PART 2 – ELIGIBLE EXPENSES

The Eligible Expenses of the Program are set in the Expenditure Framework available in Schedule 3C. They include in particular expenses on specific budget lines, achievements on Disbursement Linked Indicators and PMU-PMDC expenses.

The cut-off date set for Eligible Expenses is that the related contract has been signed post 23 November 2023, date of AFD Board approval for the Program.

Upon mutual agreement, the Parties may consider additional Eligible Expenses.


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SCHEDULE 3B – DISBURSEMENT ARRANGEMENTS

Program disbursement claims would follow a half-yearly cycle and shall be submitted to the Lender within 45 days of the end of each half-year, with the corresponding supporting documents as set out in the Conditions Precedent (*Schedule 4*) and the Program Operation Manual.

- (1) 85% of the Expenditure Framework shall fall under the Reimbursement track, in accordance with the multi-year Expenditure Framework available in Schedule 3C
- (2) 15% of the Expenditure Framework shall fall under the Result-Based-Financing track and be linked to achievement of annual targets as set out in the Indicator Maxtric (*Schedule 3D*),
- (3) If applicable, 10% of the Expenditure Framework shall be reallocated to the Contingency Early Response Component and fall under the Reimbursement track.

DISBURSEMENT TRAKS	Amount (EUR Million)	AFD Financing (EUR Million)	AFD Share of Funding (%)
Reimbursement	79,9	66,9	83,7
Result-Based Financing	15,0	15,0	100
Program Management	5,1	0	0
Total	100	81,9	81,7


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SCHEDULE 3C – EXPENDITURE FRAMEWORK

Program Components and Projects/Activities	Budget Line	Year Wise Allocation					Total Cost (EUR Mn)*	Total Cost (INR Cr)*	AFD Share of Funding	
		1	2	3	4	5			%	Amount
		<i>Component 1: Enhancing disaster risk governance, through institutional capacities, risk understanding and knowledge management/dissemination</i>								
1.1	Strengthening of HPSDMA & DDMA, state EOC and district EOCs	2245-07-101-xx	0.3	4.3	2.4	-	7.0	61.9		5.4
1.2	Climate Change Vulnerability Assessment (CCVA) at Village Level for all river basins (hydro-meteorological hazards)	2245-07-101-xx	0.7	0.4	0.4	-	1.5	13.4		1.2
1.3	Strengthening of knowledge products related to climate change and dissemination. Developing extensive Information Education and Communication (IEC) & awareness material in local vernacular languages	2245-07-101-xx	0.4	0.3	0.3	-	1.0	8.5	77.1%	0.7
1.4	Establishing the Himalayan Center for Disaster Risk Reduction	2245-80-101-xx	0.1	1.2	0.8	1.0	3.3	28.9		2.5
			1.5	6.2	3.8	1.0	12.7	112.7		9.8
RBF Sub-component of Component 1										
1.5	Mainstreaming Climate Change and Disaster Risk Resilience in HP (DLI1)	2245-80-800-xx	-	1.0	2.0	1.0	4.0	35.6		4.0
1.6	Improvements to DRR Framework in the State (DLI2)	2245-80-001-xx	-	0.5	0.5	1.0	2.5	22.3		2.5
1.7	Mainstreaming Gender in Disaster Risk Resilience in HP (DLI3)	2245-80-800-xx	0.5	0.5	-	0.5	2.0	17.8	100%	2.0
1.8	Disaster responsive PFM systems (DLI4)	2245-80-800-xx	0.5	1.0	-	1.0	2.5	22.3		2.5
1.9	IT solutions for effective disaster mitigation and response (DLI5)	2245-80-800-xx	-	1.0	0.5	0.5	4.0	35.6		4.0
			1.0	4.0	3.0	4.0	15.0	133.5		15.0
	Total for Component 1		2.5	10.2	6.8	5.0	27.7	246.2	89.5%	24.8

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Program Components and Projects/Activities	Budget Line	Year Wise Allocation					Total Cost (EUR Mn)*	Total Cost (INR Cr)*	AFD Share of Funding	
		1	2	3	4	5			%	Amount
Component 2: Strengthening disaster preparedness, through effective early warning system and better emergency response capacities										
2.1 Developing EWS for landslide, flash floods, cloudbursts, GLOFs and Dam safety, Improving networks for flood forecasting + GIS-based Decision Support System	2245-07-101-xx	2.4	3.6	3.6	2.7	1.1	13.5	120.2		10.4
2.2 Developing climate/weather related forecast for agriculture and horticulture	2245-07-101-xx	0.5	3.0	0.2	0.1	0.7	4.6	40.9		3.5
2.3 Enhancing Implementation of forest fire mitigation measures	2245-07-101-xx	1.4	1.6	0.7	0.7	0.5	4.9	43.2		3.7
2.4 Creation of fire stations in unserved location for enhancing fire response with equipment and vehicles and strengthening of three existing fire stations for HAZMAT emergencies	2245-07-101-xx	-	3.7	1.1	1.1	0.6	6.5	57.9	77.1%	5.0
2.5 Establishing SDRF 1 Unit (Kangra)	2245-07-101-xx	4.0	1.9	2.6	4.2	-	12.8	113.8		9.9
2.6 Creation of Helipads	2245-07-101-xx	1.6	0.6	0.2	0.1	0.1	2.5	22.3		1.9
2.7 Strengthening Training for Disaster Response	2245-80-101-xx	-	0.6	0.2	0.3	-	1.1	10.1		0.9
Total for Component 2		9.9	15.1	8.6	9.2	3.1	45.9	408.3		35.4
Component 3: Supporting mitigation measures, including eco-DRR and nature-based solutions										
3.1 Landslide mitigation and slope stabilization of vulnerable landslide sites	2245-07-101-xx	-	4.2	2.2	1.2	1.1	8.7	77.4		6.7
3.2 Developing area-specific bioengineering nurseries	2245-07-101-xx	0.3	1.0	0.8	0.8	0.5	3.4	30.1		2.6
3.3 Creating climate change & earthquake resistant Technology Demonstration Units (TDUs) at existing engineering institutes	2245-07-101-xx	0.1	1.8	1.8	0.7	0.3	4.7	41.8	77.1%	3.6
3.4 Implementing hazard resistant critical infrastructure	2245-07-101-xx	1.0	1.0	1.0	1.0	0.5	4.5	40.4		3.5
Total for Component 3		1.5	7.9	5.8	3.7	2.4	21.3	189.7		16.4
Total for three Components		13.9	33.1	21.3	17.9	8.7	94.9	844.2	86.3%	76.5

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Program Components and Projects/Activities	Budget Line	Year Wise Allocation					Total Cost (EUR Mn)*	Total Cost (INR Cr)*	AFD Share of Funding	
		1	2	3	4	5			%	Amount
Program Management										
P1 PMU Consultancy	2245-80-001-xx	0.25	0.25	0.25	0.24	0.24	1.23	14.0		1.6
P1' PMU Salaries	2245-80-001-xx	0.05	0.05	0.05	0.06	0.06	0.27	2.3		
P2 Program Management & Design Consultancy	2245-80-001-xx	0.6	0.5	0.5	0.5	0.6	2.7	23.6	100%	2.7
P3 Infrastructure	2245-80-001-xx	0.2	-	-	-	-	0.2	1.5		0.2
P4 Training & Capacity Building	2245-80-101-xx	0.2	0.2	0.2	0.2	0.2	0.9	7.7		0.9
P5 IVA Cost for RBF Track	2245-80-001-xx	-	-	-	-	-	0.1	0.8		0.1
Total Program Management Costs		1.2	1.0	1.0	1.1	1.1	5.4	47.6		5.4
CER Component #		-	-	-	-	-	-	-	100%	-
Total Program Cost		15.1	34.1	22.3	19.0	9.8	100.2	891.8	81.7%	81.9



SCHEDULE 3D – DISBURSEMENT LINKED INDICATOR MATRIX

The Matrix is indicative and shall be subject to modifications based on agreements between the Borrower and the Lender. The Disbursement Linked Indicator Matrix shows the five Activities under the Result-Based Financing (RBF) Sub-component of Component 1, and the corresponding Disbursement Linked Indicators along with the annual targets and the corresponding disbursement amounts.

RBF Activity/ DLI	Objective	Annual DLI Targets and Allocation (in EUR million)					Total
		1	2	3	4	5	
1	Mainstreaming Climate Change and Disaster Risk Resilience in the State	To develop integrated climate action and disaster management plans in select sectors to limit and adapt to climate change (SDG 13)	Gram Development (GPDP) including climate action and disaster planning aspects is prepared and approved for Manikaran, Rangway & Palchan Gram Panchayats (Note I, ii)	Divisional and State Forest Management Plan are prepared and approved (Note iii)	City Climate Action Plan (CCAP) is prepared and approved for Chamba (Note i, iv)		
Allocation			1.0	2.0	1.0		4.0

Note:

- (i) The GPDP and CCAP shall cover the relevant Gender and community engagement aspects as well.
- (ii) The GPDP shall include hazard risk, vulnerability, and capacity analysis; institutional arrangements for disaster management; and disaster specific preventive and mitigation measures.
- (iii) Divisional and State Forest Fire Management Plans shall include an assessment of damages and impacts of forest fires, fire management strategies & plans with cost-benefit analysis, fire management practices, and capacities of stakeholders.
- (iv) CCAP should be based on a baseline greenhouse gas (GHG) emission inventory and an urban climate vulnerability assessment. It should include a framework for identifying and mainstreaming climate actions within city development plans, policies to reduce GHG emissions, and strategies to adopt low emission development trajectories and increase climate and disaster resilience.

2	Improvements to Disaster Risk Reduction (DRR) Framework in the State	To update key policy documents governing disaster	Updated HP Disaster Management and Relief Manual notified (Note i)	Knowledge repository for climate change and biodiversity	All 12 District Disaster Management Plans updated and approved (Note iii)	State Management Plan updated and approved (Note iii)	Disaster Plan and approved (Note iii)
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RBF Activity/ DLI	Objective	Annual DLI Targets and Allocation (in EUR million)					Total
		1	2	3	4	5	
	management in the State			management developed (Note ii)			
	Allocation	-	0.5	0.5	1.0	0.5	2.5
Note: (i) The updated HP Disaster Management and Relief Manual shall, amongst other things, cover Gender aspects and Emergency Procurement Guidelines. (ii) The knowledge repository shall host independent and site-specific studies carried out by universities, research institutions and donor agencies on climate and biodiversity linkage. The repository shall be indexed and searchable to inform future biodiversity conservation and strategy development. (Ref: 5.1.5 HP SAPCC). (iii) The District and State Disaster Management Plans shall contain a work plan to address the requirements of HP SAPCC as well.							
3	Mainstreaming Gender in Disaster Management	To adopt gender-sensitive policies and actions across the disaster management cycle	Diagnostic study on hindrances in mainstreaming gender in disaster management completed and recommendations accepted	Guidelines in Mainstreaming Gender Management issued (Note i)	At least 10 workshops held across the State for dissemination of the Guidelines (Note ii)	Annual reporting on the inclusion of women in disaster management related entities (e.g., in SDMA, DDMA, HPSIDM, SDRF, etc.)	
	Allocation	0.5	0.5	-	0.5	0.5	2.0

Note:

- (i) Guidelines for mainstreaming gender in disaster management should include Gender-Inclusive Assessments, gender design elements in strengthening disaster resilience and in disaster recovery assistance.
- (ii) The dissemination workshops/outreach programmes must cover all districts. The policy document on minimum mandatory inclusion of women in disaster management must cover different function like planning and management (HPSDMA, DDMA), training (HPSIDM), response (SDRF), etc. it should be developed based on the feedback from the workshops/ outreach programmes.

4	Improving responsiveness of State's Public Management systems	To strengthen the State's PFM architecture to enable enhanced disaster resilience	DRR-PFM diagnostic study completed, and recommendations accepted	Emergency Procurement Guidelines notified (Note i)	At least two policy-level recommendations of the DRR-PFM diagnostic study implemented (Note ii)		
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RBF Activity/ DLI	Objective	Annual DLI Targets and Allocation (in EUR million)					Total
		1	2	3	4	5	
	Allocation	0.5	1.0		1.0		2.5
<p>Note:</p> <p>(i) The Emergency Procurement Guidelines shall lay down the underlying circumstances for emergency procurement, the delegation of financial powers, procurement methods, relaxations from normal procurement procedures, and the related internal and audit controls.</p> <p>(ii) The two policy recommendations to be implemented shall be in addition to the Emergency Procurement Guidelines covered in Year 2, to be decided by the Finance Department in consultation with the DMC.</p>							
5	To improve technology solutions for effective mitigation and response	To improve responsiveness, efficiency, and effectiveness of disaster management capability in the State	Functional software Requirements Specifications signed off for: - Disaster Management Monitoring System (DMPMS), - Tourist/Pilgrim Management System - Spatially-Integrated Hazard Vulnerability and Household Information System	DMPMS implemented (Note i)	Tourist/Pilgrim Management System implemented (Note ii)	Spatially integrated Hazard Vulnerability and Household Information System implemented (Note iii)	
Allocation			1.0	0.5	0.5	2.0	4.0

Note:

- (i) DMPMS would enable updating of action taken against SDMP, DDMP and Departmental DMPs and provide dashboards for monitoring at different levels.
- (ii) The Tourist/Pilgrim Management System would be developed in collaboration with the following Departments: Tourism and Civil Aviation, Language & Culture, and HPFD. It will facilitate registration of tourists and tracking of tourist movement across key tourist spots/ pilgrimage centres.
- (iii) The Spatially Integrated Hazard Vulnerability and Household Information System would integrate with the Household Database of Rural Development Department (e-Parivar), and spatial tools implemented under the Program, to help direct prevention and relief activities towards disaster vulnerable and affected households.


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SCHEDULE 4 - ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

The Government of Himachal Pradesh will implement the Program. The AFD has agreed to make the Facility available for the purposes of refinancing the Program in part.

The Government of Himachal Pradesh will implement the concrete measures and actions necessary to ensure that the Program is carried out in compliance with the applicable regulations and the AFD's requirements listed below:

- Environment and Social Risk Management Policy for AFD-funded Operations, Environmental and Social Risk Management Policy for AFD-funded Operations | AFD - Agence Française de Développement
- Core/fundamental convention of the ILO ratified by India

This Environmental and Social Commitment Plan (ESCP) sets out material measures and actions, any specific document or plans, as well as the timing for each of these.

The Government of Himachal Pradesh shall also comply with the provisions of any other E&S documents referred to in this ESCP, such as the Environmental and Social System Assessment (ESSA) and any other environmental and social diligences that could be developed as part of the Program.

The Government of Himachal Pradesh is responsible for compliance with all requirements of the ESCP even when implementation of specific measures and actions is conducted by another entity.

Implementation of the material measures and actions set out in this ESCP shall be monitored and reported to AFD by the Government of Himachal Pradesh as required by the ESCP and the conditions of the legal agreement, and AFD will monitor and assess progress and completion of the material measures and actions throughout implementation of the Program.

As agreed by the Government of Himachal Pradesh and AFD, this ESCP may be revised from time to time during Program implementation, to reflect adaptive management of Program changes and unforeseen circumstances or in response to assessment of Program performance conducted under the ESCP itself. In such circumstances, Government of Himachal Pradesh will agree to the changes with AFD and will update the ESCP to reflect such changes. Agreement on changes to the ESCP will be documented through the exchange of letters signed between AFD and Government of Himachal Pradesh. The Government of Himachal Pradesh shall promptly disclose the updated ESCP.

Where Program changes, unforeseen circumstances, or Project performance result in changes to the risks and impacts during Project implementation, the Government of Himachal Pradesh shall provide additional funds, if needed, to implement actions and measures to address such risks and impacts.


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This Environmental and Social Commitment Plan (ESCP) aims at consolidating in a single document the main measures and actions necessary to the Pre-construction, Construction and Operation of the Project, in respect of the Environmental and Social (E&S) international standards endorsed by AFD. SDMA, supported by the PMU and the PMDC, is responsible for implementing all these measures and actions within the specified timeframes.

Themes	Expected actions	Responsibility	Timetables	Indicators of achievement
E&S monitoring	Based on a template provided by AFD, submit the Environmental and Social Semi-Annual Monitoring Reports ESSMR to AFD, on a semi-annual basis from the signing of the financing agreement until the end of the Project. The ESSMR will allow for both Environmental and Social Commitment Plan (ESCP) and Environmental and Social Management Plans (ESMPs) monitoring.	SDMA	Every semester from the signing of the Financing Agreement until the end of the Project.	AFD receives the ESSMR no later than one month after the end of the half-year.
Notification of incidents and accidents	Promptly notify any incident or accident related to the Project, which has, or is likely to have, a significant adverse effect on the environment and/or on the affected communities, the public or Project workers. <ul style="list-style-type: none"> ➤ For serious incidents or accidents, SDMA must inform AFD by email or telephone within 48 hours of the event. Then, SDMA must provide a specific report within 5 days of the event occurring, including sufficient details regarding the accident, indicating immediate measures taken or that are planned to be taken to address it, and any information provided by any contractor and supervising entity, as appropriate. ➤ All other incidents or accidents are notified internally and included in the ESSMR transmitted to AFD. 	SDMA	Throughout the Project's life.	In the event of a severe incident and/or accident, AFD is alerted by email or telephone within 48 hours and a specific report is sent within 5 days. AFD will provide written notification acknowledging receipt of the information. The other incidents and/or accidents are reported in the ESSMR transmitted to AFD.
Permits, approvals and authorisations	Prepare a list of projects/activities from the Expenditure Framework that require Environmental permits or approvals from relevant National/State agencies. Obtain the environmental required permits, approvals and/or authorisations from the relevant national authorities and agencies.	SDMA	Before the start of any activity requiring an environmental permit, approval or authorisation.	AFD receives a copy of environmental permits, approvals and authorisations.
ESS 1 - Assessment and Management of Environmental and Social Risks and Impacts				
E&S Human resources	Ensure the appointment of an Environmental, Social and Climate Change (ES&CC) Safeguard Expert for the entire Project period at Project Management Unit (PMU) level. The ES&CC Safeguard Expert will be the focal person for ensuring safeguard compliance on E&S issues, climate change and gender aspects.	SDMA	3 months after the signature of the Financial Agreement.	The CV of the ES&CC expert is deemed satisfactory by AFD.

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	<p>Ensure the appointment of Environmental, Social and Climate Change (ES&CC) Specialists at Project Management & Design Consultant/ Implementation Unit (PMDC/ PIU) level:</p> <ul style="list-style-type: none"> ➤ One Environmental Specialist. ➤ One Social and Gender Specialist. ➤ One Climate Resilience Structure Specialist. 	SDMA	3 months after the signature of the Financial Agreement.	ESHS organization into PMDC/PIU is described in the first ESSMR.
	<p>Set up an Environmental, Social and Climate Change (ES&CC) Committee comprising at least the following members:</p> <ul style="list-style-type: none"> ➤ Director SDMA as Chairman of the Committee. ➤ Panchayat Pradhan / Municipal Commissioner as Convenor. ➤ Female member of a local Non-Governmental Organizations (NGOs) as member. ➤ Safeguard consultants from PMDC as Technical Expert. 	SDMA	3 months after the signature of the Financial Agreement.	Details of the ES&SS Committee formation are presented in the ESSMR semi-annually transmitted to AFD.
	<p>In the event of a Sub-project being classified B+ according to the criteria set out in the Environmental and Social Management Framework (ESMF), ensure that Construction Contractors mobilize competent and sufficient ESHS resources, including at least 1 ESHS expert per component or lot.</p>	SDMA	Before the start of corresponding construction works.	The CVs of the ESSS experts are deemed satisfactory by SDMA.
	<p>Organize training and capacity building activities for the NGOs, design engineers, contractors, and Gram Panchayat, block, sub-division and district-level officers besides staffs of IAs and PIUs involved in project implementation and operations.</p>	SDMA	Before the start of corresponding Sub-projects.	Details of training and capacity building activities are presented in the ESSMR semi-annually transmitted to AFD.
<p>E&S assessment (ESIA-ESMP) and implementation of the management plans</p>	<p>Ensure that SDMA Project activities are carried out in compliance with World Bank's E&S standards and applicable Indian regulations. In this respect, an Environmental and Social Management Framework (ESMF) has been prepared. The final version has been approved by AFD and SDMA in October 2023. It is considered as the E&S reference document for this Project.</p>	SDMA	Throughout the Project's life.	SDMA endorses the ESMF, and E&S risk management is in line with the strategy and measures set out in the ESMF.
	<p>For each Sub-project and according, ensure detailed E&S studies in accordance with the procedure established in the ESMF, which can be (depending on its E&S ranking: B+, B or C):</p> <ul style="list-style-type: none"> ➤ Environmental and Social Screening Reports; ➤ Environmental and Social Impact Assessment (ESIA). ➤ Environmental and Social Management Plan (ESMP). ➤ Stakeholder Engagement Plan (SEP). 	SDMA	Before the start of corresponding construction works.	AFD receives all detailed studies and delivers a No-Objection Letter for ESIA/ESMP (and RAP/LRP, in case of displacement) for category B+ Sub-projects.

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	<ul style="list-style-type: none"> ➤ Gender Action Plan (GAP). ➤ Resettlement Action Plan (RAP). ➤ Livelihood Restoration Plan (LRP). ➤ Biodiversity Management Plan (BMP). ➤ Ethnic Groups Engagement Plan (EGEP). ➤ Etc. 			
	Implement the measures foreseen in all ESMPs.	SDMA	Throughout the Project's life.	Details of ESMPs implementation are presented in the ESSMR semi-annually transmitted to AFD.
ESHS obligations for the Construction Contractors	Transcribe, in the procurement documentation and works contracts, the ESMP measures falling under the responsibility of the Construction Contractor – or, as a minimum, annex the ESMP to the tender documents.	SDMA	During the preparation of tender documents for the works.	The tender documents for the works are deemed satisfactory by SDMA.
	Ensure that the Construction Contractors prepare and implement a Construction Environmental, Social, Health and Safety Management Plan (C-ESHSMP) in full compliance with the ESHS specifications in the tender documents. These documents should describe how the contractors (and their subcontractors) will organise themselves and what technical measures will be implemented to fulfil their ESHS obligations.	SDMA	Before the start of corresponding construction works.	C-ESHSMP is deemed satisfactory by SDMA.
ESS 2 - Labor and Working Conditions				
ESS 2 exclusions	Ensure that potential Sub-projects that could expose workers to significant risks to health and personal safety are not selected.	SDMA	During Sub-project screening.	Details of Sub-projects screening are presented in the ESSMR semi-annually transmitted to AFD.
Occupational risk and safety	In general, implement the measures set out in the ESMF to comply with ESS 2 (prepare contractor site safety plan and EHS Plan to reduce occupational risk and safety, etc.).	SDMA and construction contractors	Throughout the Project's life.	Details of ESMPs implementation are presented in the ESSMR semi-annually transmitted to AFD.
Local and gender-sensitive employment	In accordance with the ESMF, encourage local employment and training of local people, with a gender focus (emphasis should be given to engage at least 50%-women employees).	SDMA and construction contractors	Before the start of construction works.	The ESSMR transmitted to AFD detail the measures taken to promote equal opportunities in the recruitment process as well as the number of women and men employed.
ESS 3 - Resource Efficiency and Pollution Prevention and Management				

ESS 3 exclusions	Ensure that potential Sub-projects that could lead to air, water or soil contamination with significant adverse impacts are not selected.	SDMA	During Sub-project screening.	Details of Sub-projects screening are presented in the ESSMR semi-annually transmitted to AFD.
Resource Efficiency and Pollution	In general, implement the measures set out in the ESMF to comply with ESS 3 (cover material to avoid dust generation, limit noise level near sensitive sites/installations, prepare site-specific Waste Management Plan for construction waste disposal, etc.).	SDMA and construction contractors	Throughout the Project's life.	Details of ESMPs implementation are presented in the ESSMR semi-annually transmitted to AFD.
ESS 4 - Community Health and Safety				
Community Health and Safety	In general, implement the measures set out in the ESMF to comply with ESS 4 (prepare Traffic Management Plans, etc.).	SDMA and construction contractors	Throughout the Project's life.	Details of ESMPs implementation are presented in the ESSMR semi-annually transmitted to AFD.
ESS 5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement				
ESS 5 exclusion	Ensure that potential Sub-projects that could lead land acquisition and/or resettlement of a scale or nature that will have significant adverse impacts on affected people are not selected. Sites that have been subject to forced evictions are also excluded.	SDMA	During Sub-project screening.	Details of Sub-projects screening are presented in the ESSMR semi-annually transmitted to AFD.
RAP/LRP	Ensure minimum displacements and no project affected people (PAP) from tribal communities.	SDMA	During detailed design studies for the Sub-project.	RAPs / LRPs detail the various options studied and the choices finally made.
	If an E&S study identifies involuntary displacement issues, prepare a site-specific Resettlement Action Plan (RAP) compliant with World Bank's E&S Standards. If the Sub-project generates only economic displacement, a LRP can be prepared instead of a RAP.	SDMA	Before the start of corresponding construction works.	AFD and delivers a No-Objection Letter for all RAPs / LRPs.
	Ensure implementation of RAPs / LRPs. In particular, ensure that displaced people are properly compensated before any work affecting them begins.	SDMA, with the support of a NGO or specialized firm if needed.	Before the start of corresponding construction works.	Details of RAPs / LRPs implementation are presented in the ESSMR semi-annually transmitted to AFD.
	If a Sub-project displaces more than 50 people (all displacements considered: permanent or temporary, physical or economic, etc.), carry out an external completion evaluation.	SDMA, with the support of an independent Resettlement Consultant.	No later than 3 months after completion of corresponding works.	AFD receives and approves the external completion report(s).

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mechanisms	disaggregated by gender. All grievances that may need actions are addressed.		and before any activity in the field	of complaints opened and closed) are presented in the ESSMR. In the event of a serious complaint, AFD should be informed as soon as possible.
	Ensure that the Construction Contractors provide their workers (and those of their subcontractors) with a mechanism for managing any complaints they may have. This mechanism should take gender-based violence into account and should be provided separately from the Grievance Mechanism required to deal with grievances from other stakeholders. Workers will be informed at the time of recruitment.	Construction Contractors, under the control and responsibility of SDMA.	Before the start of corresponding construction works.	Details of management of workers complaints are presented in the ESSMR. In the event of a serious complaint, AFD should be informed as soon as possible.

List of acronyms:

AFD	Agence Française de Développement
BMP	Biodiversity Management Plan
C-ESHSM	Construction Environmental, Social, Health and Safety Management Plan
E&S	Environmental and Social
EGEP	Ethnic Groups Engagement Plan
ES&CC	Environmental, Social and Climate Change
ESCP	Environmental and Social Commitment Plan
ESIA	Environmental and Social Impact Assessment
ESHS	Environmental, Social, Health and Safety
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standard
ESSMR	Environmental and Social Semi-annual Monitoring Report
GAP	Gender Action Plan
LRP	Livelihood Restoration Plan
NGO	Non-Governmental Organizations
PAP	Project affected people
PIU	Project Implementation Unit
PMDC	Project Management & Design Consultant
PMU	Project Management Unit
RAP	Resettlement Action Plan
SDMA	State Disaster Management Authority
SEP	Stakeholder Engagement Plan

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ESS 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources				
ESS 6 exclusion	Ensure that potential Sub-projects that could lead to adverse ecological impacts covering large geographical areas or degradation of critical habitats sites are not selected.	SDMA	During Sub-project screening.	Details of Sub-projects screening are presented in the ESSMR semi-annually transmitted to AFD.
ESS 7 - Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities				
ESS 7 exclusion	Ensure that potential Sub-projects that could cause extensive relocation of Indigenous People or have significant impact on their customary rights on land and natural resources are not selected.	SDMA	During Sub-project screening.	Details of Sub-projects screening are presented in the ESSMR semi-annually transmitted to AFD.
ESS 8 - Cultural Heritage				
Chance find procedure	A Chance find procedure will have to be established for the entire Project. In the event of archaeological and/or cultural heritage discoveries, work must be interrupted and the relevant public authorities alerted in order to determine the appropriate measures to be taken.	SDMA	Before the construction phase.	Any archaeological and/or cultural heritage discovery is immediately reported to the relevant Local Authorities, SDMA and AFD.
Field survey	Carry out a site-specific reconnaissance survey if cultural property may exist on the proposed site.	SDMA	During E&S detailed studies preparation.	ESIAs detail the risks regarding cultural heritage.
ESS 10 - Stakeholder Engagement and Information Disclosure				
ESS 10 exclusion	Ensure that potential Sub-projects that could lead to large scale social conflict are not selected. Sub-projects located in territories disputed by China are also excluded.	SDMA	During Sub-project screening.	Details of Sub-projects screening are presented in the ESSMR semi-annually transmitted to AFD.
Stakeholder engagement	Prepare a Stakeholder Engagement Plan (SEP), as well as communication tools to clearly present the project design, construction phasing, recruitment procedures, E&S measures implemented, etc.	SDMA	As soon as possible and before completion of the detailed design studies for the Project.	SDMA endorses the SEP and AFD consider the report satisfactory.
	Keep a documented record of stakeholder engagement, including a description of the stakeholders met with, a summary of their views, and a brief explanation of how or why the results of the meeting were taken into account.	SDMA	Throughout the Project's life.	The ESSMR transmitted to AFD detail the stakeholder engagement activities.
Grievance management	Develop, implement and maintain an effective grievance management mechanism at the project level. All the complaints are registered, classified by category and emergency, and	SDMA	One month after the PMU has been recruited	Details of grievances management (including the number and type

SCHEDULE 5 - FORM OF FOLLOW-UP REPORT OF THE PROJECT'S INDICATORS

Activities	Baseline	Intermediate Results (IR)	IR Indicators	Source and Calculation	Values as of (date)
Result Area/ Component 1: Enhancing disaster risk governance, through improved institutional capacities, risk understanding and knowledge management.					
1.1: Strengthening of HPSDMA & DDMA's, State EOC and District EOCs	State EOC has 8 EOC and 4 ERSS ¹ staff and each District EOC has 8 people on an average with minimal infrastructure. ² Technical and administrative staff strength at HPSDMA is 12 and at each DDMA is 2. ³	State EOC and District EOCs are strengthened.	IR1: State EOC and District EOCs are staffed and well-equipped		
1.2: Climate Change Vulnerability Assessment (CCVA) at Village Level for all river basins (hydro-meteorological hazards)	CCVA completed in Sutlej and Beas at AR-4 ⁴ level. ⁵	CCVA completed in all five river basins (Chenab, Ravi, Beas, Sutlej, and Yamuna).	IR2: CCVA reports prepared and accepted	To be confirmed in POM	To be completed for each report
1.3: Strengthening of knowledge products related to climate change and dissemination. Developing extensive Information Education and Communication (IEC) & awareness material in local vernacular languages	10 booklets developed/updated at various points of time are available on HPSDMA website. ⁶ There is no structured mechanism for dissemination. Disaster related knowledge management is not institutionalized.	HimalayanIDM is established and operational.	IR3: HimalayanIDM has run at least two batches of certificate courses and has imparted 250 person-days of training by end of the Program		
1.4: Establishing the Himalayan Institute for Disaster Management					

¹ Emergency Response Support System

² Source: HPSDMA

³ ibid

⁴ 4th Assessment Report of the Intergovernmental Panel on Climate Change

⁵ ibid

⁶ Covering snow avalanche, cold wave, earthquake, fire, flood, lightning, road accident, locust attack, IEC material on Search and Rescue Operations, and Awareness Material.
Source: <https://hpsdma.nic.in/index1.aspx?Isid=170&lev=2&lid=165&lanid=1>


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Activities	Baseline	Intermediate Results (IR)	IR Indicators	Source and Calculation	Values as of (date)
Results-based Financing (RBF) Sub-component					
1.5: Mainstreaming Climate Change and Disaster Risk Resilience in the State (DLI1)	Policies and guidelines (for instance in flood prevention, landslide mitigation, dam safety) do not fully integrate disaster risk resilience and climate change aspects.	Integrated climate action plans and disaster management plans for select sectors are in place.	IR4: Gram Panchayat Development Plan (GPDP) including climate action and disaster planning aspects is prepared and approved for Manikaran, Rangway & Palchan Gram Panchayats (DLI1Y2) IR5: Divisional and State Forest Fire Management Plans are prepared and approved (DLI1Y3) IR6: City Climate Action Plan (CCAP) is prepared and approved for Chamba (DLI1Y4)		
1.6: Improvements to Disaster Risk Reduction (DRR) Framework in the State (DLI 2)	The SDMP was last updated in 2020, DDMPs were last updated in 2017. HP Disaster Management and Relief Manual was last updated in 2012. Several climate change and biodiversity management studies have been conducted but there is no repository of findings and recommendations. ⁷	Key policy documents related to disaster management are updated.	IR7: Updated HP Disaster Management and Relief Manual notified (DLI2Y2) IR8: Knowledge repository for climate change and biodiversity management developed (DLI2Y3) IR9: All 12 District Disaster Management Plans updated and approved (DLI2Y3)	To be confirmed in POM To be completed for each report	
1.7: Mainstreaming Gender in Disaster Management (DLI3)	No guidance/ policy document on gender inclusivity in disaster management.	Policy document for mainstreaming gender is in place and disseminated.	IR10: Diagnostic study on hindrances in mainstreaming gender in disaster management completed and recommendations accepted (DLI3Y1) IR11: Guidelines for mainstreaming gender in disaster management issued (DLI3Y2)		

⁷ Source: HPSDMA

	<p>IR12: At least 10 workshops held across the State for dissemination of the Guidelines (DLI3Y4)</p> <p>IR13: Annual reporting on the inclusion of women in disaster management (e.g., in HPSDMA, DDMA, HPSIDM, SDRF, etc.) (DLI3Y5)</p>			
<p>1.8: Improving disaster-responsiveness of the State's Public Finance Management (PFM) systems (DLI4)</p>	<p>IR14: DRR-PFM diagnostic study completed, and recommendations accepted (DLI4Y1)</p> <p>IR15: At least two policy-level recommendations of the DRR-PFM diagnostic study implemented (DLI4Y3)</p>	<p>Key elements of DRR are introduced into the State's PFM architecture.</p>	<p>Key elements of DRR are not integrated into PFM policies and practices.</p>	<p>To be confirmed in POM</p> <p>To be completed for each report</p>
<p>1.9: Implementing technology solutions for effective disaster mitigation and response (DLI5)</p>	<p>IR16: Functional and Software Requirement Specifications signed off for:</p> <ul style="list-style-type: none"> - Disaster Management Plans Monitoring System (DMPMS) - Tourist/Pilgrim Management System - Spatially-integrated Hazard Vulnerability and Household Information System (DLI5Y2) <p>IR17: DMPMS implemented (DLI5Y3)</p> <p>IR18: Tourist/Pilgrim Management System implemented (DLI5Y4)</p> <p>IR19: Spatially integrated Hazard Vulnerability and Household Information System implemented (DLI5Y5)</p>	<p>IT solutions are implemented for critical disaster management functions.</p>	<p>Presently, IT solutions are not available for critical disaster management functions (except for water level monitoring by Dam Authority and CWC, and Weather forecast by IMD).</p>	


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Activities	Baseline	Intermediate Results (IR)	IR Indicators	Source and Calculation	Values as of (date)
Result Area/ Component 2: Strengthening disaster preparedness, through effective early warning systems and better emergency response capacities.					
2.1: Developing Early Warning System (EWS) for landslide, flash floods, cloudbursts, Glacial Lake Outburst Flooding (GLOF) and dam safety, Improving networks for flood forecasting & Geographical Information System (GIS)-based Decision Support System	EWS for landslide is being piloted. EWS for flood forecasting and dam safety need improvement. No EWS for GLOFs and earthquakes.	EWS for different types of disasters established.	IR20: GIS based Decision Support System operational		
2.2: Developing climate/weather related forecast for agriculture and horticulture		To be confirmed in POM	To be confirmed in POM	To be confirmed in POM	To be completed for each report
2.3: Enhancing Implementation of forest fire mitigation measures					To be completed for each report
2.4: Creation of fire stations in unserved location for enhancing fire response with equipment and vehicles and strengthening of three existing fire stations for HAZMAT emergencies	743 forest fire lines and zero crew stations are in place. ⁸	Forest fire management strengthened.	IR21: Fire cum emergency response stations established and equipped in 5 locations across the state		
2.5: Establishing SDRF 1 Unit (Kangra)	State does not have a SDRF.	One Unit of SDRF is operational.	IR22: SDRF Unit established in Kangra with required manpower and equipment		
2.6: Creation of Helipads	Average time to reach unserved locations is 8 to 10 hours. ⁹	Helipads constructed and operational.	IR23: Operational clearance obtained for helipads at 31 locations		

⁸ ibid

⁹ ibid

Activities	Baseline	Intermediate Results (IR)	IR Indicators	Source and Calculation	Values as of (date)
2.7: Strengthening Training for Disaster Response	Training conducted for a few hundred civil defence personnel. No facility for training civil volunteers. 0.2% of the State's population trained as volunteers for disaster response. ¹⁰	Training facilities constructed and operational.	IR24: Continuous trainings of Civil Defence volunteers		
Result Area/ Component 3: Supporting mitigation measures, including eco-DRR and nature-based solutions.					
3.1: Landslide mitigation and slope stabilization of vulnerable landslide sites	675 of the landslide prone sites are near critical infrastructure and habitations. ¹¹	Selected landslide-prone sites are mitigated by nature-based solutions like bioengineering.	IR25: 11 sites are mitigated for landslides and bioengineering field works initiated		To be completed for each report
3.2: Developing area-specific bioengineering nurseries					
3.3: Creating Climate Change & earthquake resistant Technology Demonstration Units (TDUs) at existing engineering institutes	30,000 buildings in Red Zone require special retrofitting out of the 30 lakh constructions. ¹²	TDU is established.	IR26: TDUs are operational and are providing training to students, masons, builders etc.		To be confirmed in POM
3.4: Implementing hazard-resistant critical infrastructure		Retrofitting of select buildings completed.	IR27: 40 selected buildings are retrofitted		

¹⁰ Source: HPSDMA. 15,000 volunteers trained compared to State population of 68.65 lakhs as per 2011 Census

¹¹ Source: HPSDMA

¹² Ibid

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**SCHEDULE 6 - INFORMATION THAT MAY BE PUBLISHED ON THE FRENCH
GOVERNMENT WEBSITE AND THE LENDER'S WEBSITE**

1. Information Relating to the Program


- Number and name in AFD's book;
- Description;
- Operating sector;
- Place of implementation;
- Expected Program starting date;
- Expected Technical Completion Date; and
- Status of implementation updated on a semi-annual basis.

2. Information Relating to the Financing of the Program

- Kind of financing (loan, grant, co-financing, delegated funds);
- Principal amount of the Facility;
- Total amounts drawn on annual basis;
- Drawdown amounts planning on a three-year basis; and
- Amount of the Facility which has been drawn down (updated as the implementation of the Program goes).

3. Other Information

- Transaction information notice attached to this Schedule; and
- The summary of the Program evaluation, the content of which is defined in Article 11.12 "Program Evaluation".


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INDIA Disaster Risk Reduction in Himachal Pradesh



A holistic state-wide Climate and Disaster Risk Reduction programme with a multi-sectoral approach to enhancing disaster preparedness through improved governance and response capacities.

CONTEXT

The Himachal Pradesh Disaster Risk Reduction (HP DRR) Program in the Indian Himalayan State of Himachal Pradesh is a budgetary financing of 100 MEUR (including a sovereign loan of 81.9 MEUR by AFD, supplemented with a 0.5 MEUR French Technical Cooperation focusing on program implementation). It will target both risk governance and preparedness for extreme climate events, including prevention measures that also incorporate nature-based solutions.

Himachal Pradesh, one of the few Indian states acting as a carbon sink, faces high vulnerabilities to climate risks due to its mountainous terrain. This increasing exposure to natural hazards such as floods, landslides, and forest fires necessitates support for the Government of Himachal Pradesh's (GoHP) resilience and adaptation efforts. The Program therefore, is rooted in climate justice, aiming to assist a low-emission region whose institutions, economy, and population are severely affected by extreme climate events – one of the most recent being the devastating 2023 monsoons in several northern Indian states, wherein Himachal was particularly faced with severe casualties.

PROJECT AIMS AND CONTENTS

The aim of the programme is to enhance the resilience of Himachal Pradesh and its residents to the impacts of climate change and various disasters.

To achieve this goal, the program is structured around an expenditure framework developed in collaboration with GoHP, centered on three key pillars:

- ❖ **Pillar 1 – Enhancing Disaster Risk Governance:** This component aims to strengthen institutional capacities, risk understanding and knowledge management.
- ❖ **Pillar 2 – Strengthening Disaster Preparedness:** This component focuses on the effective implementation of Early Warning Systems (EWS) and emergency response capacities.

COUNTRY
REPUBLIC OF INDIA

Date of signature of the agreement
Expected Q3 2024

Sector
Disaster Risk Management and Resilience

Location
Himachal Pradesh

Duration of funding
5 years

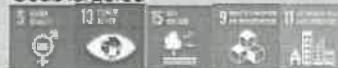
Financing tool
Sovereign Loan and Technical Assistance

Financing amount
81,9MEUR of loan
0,5MEUR of technical assistance in grant

Beneficiary
Republic of India

Project ownership
State Government of Himachal Pradesh

Main Sustainable Development Goals targeted



Project code: CIN1149

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- ❖ **Pillar 3 – Promoting Mitigation Measures:** This component supports the deployment of mitigation measures, including eco-DRR strategies and Nature-based Solutions (NbS) to mitigate disaster risks effectively

A key innovation integrated into the program is the Contingency for Early Recovery (CERC) component, comprising 10% of the expenditure framework. This component is significant both for its focus on early recovery and reconstruction, and for its allocation principle, which encompasses seven eligible budget lines.

PROJECT OPERATORS AND OPERATING MODE

This operation involves program budget financing categorized as allocated financing. The instrument was chosen to strengthen existing national and state Disaster Risk Management (DRM) and Public Financial Management systems while financing a specific investment program identified to bridge key implementation gaps in these systems.

All Programme expenditures will be pre-funded by GoHP and reimbursed by AFD retroactively. AFD's funds will be transferred by the Indian Central Government, the Department of Economic Affairs (DEA) to GoHP, according to the provisions governing Special Category States like Himachal Pradesh (90% in the form of a grant and 10% in the form of a loan).

The Programme will be placed under the contracting and implementing authority of the SDMA (State Disaster Management Authority), an state entity under the authority of the DoE (Department of Revenue) which will house the Programme Management Unit (PMU). Alongside the SDMA, more than ten state departments and central institutions will contribute to the implementation of the program, in a decentralized manner illustrating the multi-sectoral dimension of public policy in DRM.

PROGRAM STRATEGIC ISSUE

The programme, aligned with the country strategy, is a part of France's international commitment to fight climate change, particularly through adaptation. With the CERC component, it also devises an innovative financing model in the face of climate change (Summit for a new Global Financial Pact, Paris, June 2023), while contributing to the "loss and damage" agenda led by Global South during COP27.

Supplemented by a €500k in-kind Technical Assistance, the programme will also promote French expertise in the prevention and management of forest fires and rescue operations in the high mountain regions.

COST AND FUNDING

This financing is a sovereign loan of EUR 81.9 million, accompanied by a technical assistance grant in-kind of € 500k


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SCHEDULE 7 - ON-LENDING AND ON-GRANTING PROCEDURES FOR CENTRAL SPONSORED PROJECTS

Loan and grant amount shall be passed on to the Final Beneficiary as per arrangement/agreement agreed upon between Government of India and Central sponsored Projects Implementing Agencies. Such on-lending and on-granting procedures will follow the General Financing Rules 2005 of the Government of India, Ministry of Finance, Department of Expenditure, and more specifically the rules established in its Chapter ten (10) (*Budgeting and Accounting for Externally Aided Projects*).

The Borrower shall provide to the Lender with any amendment or new arrangement/agreement between Government of India and the Final Beneficiary related to applicable policies and procedures for transfer of funds in line with development assistance and application to this loan.


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SCHEDULE 8- NON-EXHAUSTIVE LIST OF ENVIRONMENTAL AND SOCIAL DOCUMENTS WHICH THE BORROWER PERMITS TO BE DISCLOSED IN CONNECTION WITH ES COMPLAINTS-MANAGEMENT MECHANISM'S RULES OF PROCEDURE

- Environmental and Social Management Framework (ESMF)
- Environmental and Social Management Plans (ESMPs)
- Livelihood Restoration Plan (LRP)Resettlement Action Plan (RAP)
- Stakeholder Engagement Plan (SEP)
- Gender Action Framework (GAF)
- Gender Action Plan (GAP)
- Environmental and Social Semi-annual Monitoring Report (ESSMR)

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may attach additional information to this Statement of Integrity showing that we consider that such ineligibility is not relevant in the context of the Contract, where applicable);

- 2.5 Not having fulfilled our fiscal obligations relating to the payments of our taxes or social contributions in accordance with the legal provisions of our country of incorporation or of the country of the Contracting Authority;
 - 2.6 Having created falsified documents or committed misrepresentation when providing the information requested by the Contracting Authority in the context of the procurement and award process for this Contract.
3. We hereby certify that neither we, nor any party acting on our behalf¹⁷, nor any members of our joint venture, nor any of our subcontractors, nor any of our direct or indirect shareholders, nor any of our subsidiaries acting with our knowledge or consent:
1. Are directly or indirectly subject to, controlled by a person or an entity subject to, or acting in the name or on behalf of a person or entity subject to individual sanctions measures adopted by the United Nations, the European Union and/or France;
 2. Are directly or indirectly subject to, controlled by a person or an entity subject to, or acting in the name or on behalf of a person or entity subject to sectoral sanctions measures adopted by the United Nations, the European Union and/or France;
 3. Are ineligible for the implementation of the Project owing to any other international sanctions measures pronounced by the United Nations, the European Union or France.
4. We hereby certify that neither we, nor any party acting on our behalf,² nor any of the members of our joint venture, nor any of our subcontractors, are [nor have been (*in the case of refinancing for a Contract already awarded*)] in any of the following situations of conflict of interest:
- 4.1 Being a shareholder controlling the Contracting Authority or a subsidiary controlled by the Contracting Authority, unless the resulting conflict of interest has been brought to the attention of AFD and resolved to its satisfaction.
 - 4.2 Having business or family relations with a member of the Contracting Authority's services involved in the procurement process or the supervision of the resulting Contract, unless the resulting conflict of interest has been brought to the attention of AFD and resolved to its satisfaction;
 - 4.3 Controlling or being controlled by another applicant, bidder or consultant, or being under common with another applicant, bidder or consultant, receiving subsidies from another applicant, bidder or consultant, or granting subsidies to another applicant, bidder or consultant, directly or indirectly, having the same legal representative as another applicant, bidder or consultant, maintaining direct or indirect contacts with another applicant, bidder or consultant allowing us to (i) have given and/or give access to information contained in our respective applications, bids or proposals likely to distort competition (ii) influence them, or (iii) influence the decisions of the Contracting Authority;
 - 4.4 Being engaged for a consulting services mission which, by its nature, is or may be in conflict with the mission envisaged for the Contracting Authority;
 - 4.5 Having prepared ourselves, being or having been associated with a natural or legal person who has prepared, specifications, terms of reference or other documents that have been used for the procurement process in question, and that contain provisions likely to favor an application, bid or proposal;
 - 4.6 Having or having had access to, having prepared ourselves, being or having been associated with a natural or legal person who has or has had access to or prepared, specifications, plans, calculations, studies, or other documents that have not been communicated to all the applicants, bidders or consultants in the context of the present procurement procedure, and which thereby confer us an unfair competitive advantage;

¹⁷ Directors, (including any person who is a member of the administrative management or supervisory body, or with powers of representation, decision or control), employees or agents (be them declared or not).

SCHEDULE 9 – STATEMENT OF INTEGRITY

Statement of Integrity, Eligibility and Environmental and Social Responsibility

Reference name of the Bid/Proposal/Contract signed¹³ _____ (the “Contract”)
To: _____ (the “Contracting Authority”)

1. We recognize and accept that Agence Française de Développement (“AFD”) only finances the projects of the Contracting Authority subject to its own conditions, as set out in the Financing Agreement that directly or indirectly binds it to the Contracting Authority. The Contracting Authority retains exclusive responsibility for the preparation and implementation of the procurement process and performance of the Contract. Consequently, no legal relationship exists between AFD and our company, our joint venture, and our subcontractors. The Contracting Authority may also mean the Client, Employer or Purchaser, as the case may be, for the procurement of works, goods, plants, equipment, consulting services, or non-consulting services.
2. We hereby certify that neither we, nor any person acting on our behalf,¹⁴ nor any of the members of our joint venture, nor any of our subcontractors, are in any of the following situations:
 - 2.1 Being bankrupt, wound up or ceasing our activities, having our activities administered by the courts, having entered into receivership, or being in any analogous situation arising from any similar procedure;
 - 2.2 Having been, within the past five years, subject to a final administrative sanction, a final conviction issued by a competent authority, or any other non-court resolution¹⁵ having notably an extinctive effect on public action, either (i) in the country where we are constituted, (ii) in the country of performance of the Contract, (iii) in the context of the procurement or performance of an AFD-financed Contract, (iv) pronounced by a European Union institution, or (v) pronounced by a competent authority in France, for:
 - a) Prohibited Practices, as defined in Article 6.1 below, or for any other offence committed in the context of the procurement or performance of a Contract (in the event of such sanction, conviction or non-court resolution, we may attach additional information to this Statement of Integrity, such as a compliance program, showing that we (or the person acting on our behalf, the member of our joint venture, or our subcontractor) consider that this sanction, conviction or non-court resolution is not relevant in the context of the Contract, where applicable);
 - b) Participation in a criminal organization, terrorist offences or offences related to terrorist activities, child labor, or other offences related to human trafficking;
 - c) Having created an entity in a different jurisdiction with the intention of avoiding tax or social obligations, or any other legal obligation applicable in the jurisdiction of its registered office, central administration or principal place of business, or for being an entity created with the intention of avoiding such obligations;
 - 2.3 Having been subject within the past five years to a Contract termination fully settled against us for significant or persistent breach of our contractual obligations during the performance of the Contract, unless this termination was challenged and dispute resolution is still pending or has not confirmed a full settlement against us;
 - 2.4 Having been declared ineligible by one of the multilateral development banks signatories to the Mutual Recognition Agreement of 9 April 2010¹⁶ (in the event of such ineligibility, we

¹³ In the case of a Contract already signed to be refinanced.

¹⁴ Directors, (including any person who is a member of the administrative management or supervisory body, or with powers of representation, decision or control), employees, or agents (be them declared or not).

¹⁵ Including the Judicial Public Interest Agreement (CJIP), a decision following an Appearance on Prior Recognition of Guilt (CPRC), a negotiated resolution agreement, or any other similar form of transaction terminating criminal proceedings.

¹⁶ World Bank, Inter-American Development Bank, African Development Bank, Asian Development Bank, and European Bank for Reconstruction and Development.

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- 4.7 In the case of a procurement procedure for works, plants, equipment or goods, having been selected ourselves or proposed to be selected (or any of our subsidiary companies having been or being proposed to be selected) to carry out supervision or inspection of the services in the context of this Contract.
5. If we are a state-owned entity or a public enterprise, to participate in a competitive procurement process, we certify that we have legal and financial autonomy and that we operate under commercial laws and regulations.
6. In the context of the procurement and performance of the Contract:
- 6.1 Neither we, nor any party acting on our behalf,² nor any members of our joint venture, nor any of our subcontractors, have committed or shall commit a Prohibited Practice as defined in the document entitled “AFD Group’s Policy to Prevent and Combat Prohibited Practices” available on AFD’s Website.¹⁸
- 6.2 Neither we, nor or any party acting on our behalf,² nor any members of our joint venture, nor any of our subcontractors, shall acquire or provide [have acquired or provided (*in the case of refinancing for a Contract already awarded*)] in sectors subject to an embargo by the United Nations, the European Union or France.
7. We hereby undertake to, and we undertake to ensure that any party acting on our behalf,² any members of our joint venture, and any of our subcontractors undertake to:
- 7.1 Comply with the environmental standards recognized by the international community, including the international conventions for the protection of the environment and, in particular, take all reasonable steps to avoid or limit negative effects on vegetation, biodiversity, soils, groundwater and surface water, and on persons and property resulting from pollution, noise, vibration, traffic and other effects resulting from our activities, in accordance with the laws and regulations applicable in the country of performance of the Contract.
- 7.2 Implement measures to mitigate environmental and social risks when they are indicated in the environmental and social management plan provided by the Contracting Authority, and ensure that the emissions, surface discharge and effluents produced by our activities respect the limits, specifications or requirements applicable to the Contract.
- 7.3 Respect the rights of workers related to wages, working hours, rest periods and vacations, overtime, minimum age, regular payments, compensation and benefits, in accordance with the standards recognized by the international community, including the fundamental conventions of the International Labour Organization (ILO), in accordance with the laws and regulations applicable in the country of performance of the Contract; indicate these elements in a document annexed to the employment contracts of our employees and made available to the Contracting Authority; and respect and facilitate the rights of workers to organize themselves and set up a complaints management mechanism for direct or indirect workers.
- 7.4 Implement practices for non-discrimination and equal opportunities, and ensure the prohibition of child labor and forced labor.
- 7.5 Keep a record for each member of the local staff recording the hours worked by each person, the type of work, the wages paid and the training undertaken, and ensure that these records are available at all times to be inspected by the Contracting Authority and the authorized representatives of the government, in accordance with the laws and regulations applicable to the protection of personal data in the country of performance of the Contract.
8. We, any party acting on our behalf,² the members of our joint venture, our subcontractors, our direct or indirect shareholders, and our subsidiaries, authorize AFD to conduct investigations and, in particular, inspect the documents and accounting records relating to the procurement and performance of the Contract, including, but not limited to, our internal processes and rules related to the respect of international sanctions pronounced by the United Nations, the European Union and/or France, and to have them verified auditors appointed by AFD.

¹⁸ For informational purposes, this policy can be accessed via the following link: <https://www.afd.fr/en/combating-corruption>

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9. We declare that we have paid, or that we shall pay, the commissions, benefits, fees, gratuities or charges relating to the procurement procedure or the performance of the Contract to the following third party/parties (for example, an intermediary/agent)(*):

Name of beneficiary	Contact details	Purpose	Amount (indicate the currency)
_____	_____	_____	_____
_____	_____	_____	_____

(*): If no amount has been paid or is to be paid, indicate "None".

10. We undertake to promptly inform the Contracting Authority, which shall inform AFD, of any change of circumstance regarding the sections above, including in case of any sanctions or embargo measures adopted by the United Nations, the European Union and/or France, after we have signed the present Statement.

Name: _____ In the capacity of: _____
 Duly empowered to sign in the name and on behalf of:¹⁹ _____
 Signature: _____
 Dated: _____


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 SDMF (Revenue-DM)

¹⁹ In the case of a joint venture, insert the name of the joint venture. The person signing the bid, proposal or application on behalf of the bidder, consultant or applicant, shall attach a power of attorney from such bidder, consultant or applicant.

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