

**Disaster Risk Reduction and Preparedness Program in  
Himachal Pradesh**

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**CREDIT FACILITY AGREEMENT N° CIN1149 01 W**

**dated as of /12/2024**

**between**

**AGENCE FRANÇAISE DE DEVELOPPEMENT**

**The Lender**

**and**

**THE PRESIDENT OF INDIA, represented by the DEPARTMENT OF ECONOMIC  
AFFAIRS**

**The Borrower**

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## CREDIT FACILITY AGREEMENT

### BETWEEN:

(1) **THE PRESIDENT OF INDIA,**

represented by Ms. Manisha SINHA, in her capacity as Additional Secretary, Department of Economic Affairs, who is duly authorised to sign this Credit Facility Agreement,

(“**The President of India**” or the “**Borrower**”);

### AND

(2) **AGENCE FRANCAISE DE DEVELOPPEMENT,**

a French public entity governed by French law, with 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 Ms. Camille SEVERAC, in her capacity as AFD Country Director for India a.i., duly authorised to sign this Agreement,

(“**AFD**” or the “**Lender**”);

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

### WHEREAS:

- (A) The Borrower intends to support the Disaster Risk Reduction and Preparedness Program in Himachal Pradesh (the “**Program**”), as described further in Schedule 2 (*Program Description*).
- (B) The Borrower has requested that 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 AFD Board of Directors dated November 22, 2023, the Lender has agreed to make the Facility available to the Borrower pursuant to the terms and conditions of this Agreement.
- (E) The Program shall be implemented and co-financed by the Government of Himachal Pradesh (the “**Final Beneficiary**”), under the terms and conditions provided in the Program Agreement.
- (F) 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 9 (*On-lending Procedures*).

**THEREFORE THE PARTIES HAVE AGREED AS FOLLOWS:**

**1. DEFINITIONS AND INTERPRETATION**

1.1 Definitions

Capitalised 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. FACILITY, PURPOSE AND CONDITIONS OF UTILISATION**

2.1 Facility

Subject to the terms of this Agreement, the Lender makes available to the Borrower a Facility in a maximum aggregate amount of eighty-one million nine hundred thousand Euros (EUR 81 900 000).

2.2 Purpose

The Borrower shall cause that the Final Beneficiary shall apply all amounts borrowed by it under this Facility exclusively towards refinancing Eligible Expenses, as defined in the Expenditure framework figuring in Schedule 2B (*Expenditure framework*), in accordance with the Program's description set out in Schedule 2 (*Program Description description*) and the Financing Plan set out in Schedule 3A (*Financing Plan*).

The borrowed funds under this Facility shall be made available by the Borrower to the Final Beneficiary in the form of subsidy for ninety per cent (90%) and a loan for ten per cent (10%), in accordance with the Borrower's standard procedures for States with special category status as set out in Schedule 9 (*On-lending Procedures*) (hereafter the "**Transferred Funds**").

2.3 Absence of Liability

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.

2.4 Conditions Precedent

- (a) No later than the Signing Date, the Borrower shall provide to the Lender all of the documents set out in Part I of Schedule 4 (Conditions Precedent).
- (b) A Drawdown Request may not be delivered to the Lender unless:
  - (i) in the case of the first Drawdown, the Lender has received all of the documents listed in Part II of Schedule 4 (Conditions Precedent) and has notified the Borrower that such documents are satisfactory in form and substance;
  - (ii) in the case of all Drawdowns, the Lender has received all of the documents set out in Part III of Schedule 4 (Conditions Precedent) and has notified the Borrower that such documents are satisfactory in form and substance; and

- (iii) on the date of the Drawdown Request and on the proposed Drawdown Date for the relevant Drawdown, no Payment Systems Disruption Event has occurred and the conditions set out in this Agreement have been fulfilled, including:
  - (1) no Event of Default or mandatory prepayment event is continuing or would result from the proposed Drawdown;
  - (2) the Drawdown Request has been made in accordance with the terms of Clause 3.2 (Drawdown Request);
  - (3) each representation given by the Borrower in relation to Clause 10 (Representations and warranties) is true.

### 3. DRAWDOWN OF FUNDS

#### 3.1 Drawdown 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*) are satisfied, the Borrower may draw on the Facility by delivery to the Lender of a duly completed Drawdown Request. 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*).

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

- (a) the Drawdown Request is substantially in the form set out in Schedule 5A (*Form of Drawdown Request*);
- (b) the Drawdown Request is received by the Lender at the latest fifteen (15) Business Days prior to the Deadline for Drawdown of Funds;
- (c) the proposed Drawdown Date is a Business Day falling within the Availability Period;
- (d) the amount of the Drawdown complies with Clause 3.1 (*Drawdown Amounts*); and
- (e) all of the documents set out in Part III of Schedule 4 (*Conditions Precedent*) 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*), and are in form and substance satisfactory to the Lender.

Any documentary evidence, such as bills or paid invoices, shall include the reference number and date of the relevant payment order. The Borrower undertakes to cause the Final Beneficiary to keep possession of the documentary evidence originals, to make such evidence available to the Lender at any time and to provide the Lender with Certified copies or duplicates of such evidence as the Lender may request.

### 3.3 Payment completion

Subject to Clause 14.7 (*Payment Systems Disruption*), if each of the conditions set out in Clause 2.4(b) (*Conditions Precedent*) of this 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*).

### 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 this 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*), 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 Deadline for the First Drawdown as defined in Schedule 1(A) (*Definitions*).

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*).

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).

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.

## 4. **INTEREST**

### 4.1 Interest Rate

#### 4.1.1 Selection of Interest Rate

For each Drawdown, the Borrower may select a fixed Interest Rate or a floating Interest Rate, which shall apply to the amount set out in the relevant Drawdown Request, by stating the selected Interest Rate, i.e., fixed or floating, in the Drawdown Request delivered to the Lender substantially in the form set out in Schedule 5A (*Form of Drawdown Request*), subject to the following conditions:

#### (a) Floating Interest Rate

The Borrower may select a floating Interest Rate, which shall be the percentage rate per annum, being the aggregate of:

- six-month EURIBOR, or, as the case may be, the Replacement Benchmark plus any Adjustment Margin, as determined in accordance with the provisions of Clause 5 (*Change to the calculation of interest*) of the Agreement; and
- the Margin.

Notwithstanding the above, in the case of the first Drawdown, if the first Interest Period is less than one hundred and thirty-five (135) days, the applicable EURIBOR shall be:

- one-month EURIBOR, or, as the case may be, the Replacement Benchmark plus any Adjustment Margin, as determined in accordance with the provisions of Clause 5 (*Change to the calculation of interest*) of the Agreement, if the first Interest Period is less than sixty (60) days; or
- three-month EURIBOR, or, as the case may be, the Replacement Benchmark plus any Adjustment Margin, as determined in accordance with the provisions of Clause 5 (*Change to the calculation of interest*) of the Agreement if the first Interest Period is between sixty (60) days and one hundred and thirty-five (135) days.

(b) Fixed Interest Rate

Provided that the amount of a requested Drawdown is equal to or greater than five million Euros (EUR 5,000,000), the Borrower may select a fixed Interest Rate for such requested Drawdown. The fixed Interest Rate shall be the Fixed Reference Rate increased or decreased by any fluctuation of the Index Rate for the period from the Signing Rate Setting Date and the Rate Setting Date for each Drawdown.

The Borrower may specify in the Drawdown Request a maximum amount for fixed Interest Rate. If the fixed Interest Rate as calculated on the Rate Setting Date exceeds the maximum amount for fixed Interest Rate specified in the relevant Drawdown Request, such Drawdown Request shall be cancelled and the Drawdown amount specified in the cancelled Drawdown Request shall be credited to the Available Facility.

4.1.2 Minimum Interest Rate

The Interest Rate determined in accordance with Clause 4.1.1 (*Selection of Interest Rate*), regardless of the elected option, shall not be less than zero point twenty-five per cent (0.25%) per annum, notwithstanding any decline in the Interest Rate.

4.1.3 Conversion from a floating Interest Rate to a fixed Interest Rate

The floating Interest Rate applicable to one or more than one Drawdowns shall be converted to a fixed Interest Rate in accordance with the conditions set out below:

(a) Rate Conversion upon the Borrower's request

The Borrower may request at any time that the Lender converts the floating Interest Rate applicable to a Drawdown or several Drawdowns to a fixed Interest Rate, provided that the amount of such Drawdown or aggregate amount of Drawdowns (as applicable) is equal to, or higher than, five million Euros (EUR 5,000,000).

To this effect, the Borrower shall send to the Lender a Rate Conversion Request substantially in the form set out in Schedule 5C (*Form of Rate Conversion Request*). The Borrower may specify in the Rate Conversion Letter a maximum amount for fixed Interest Rate. If the fixed Interest Rate as calculated on the Rate Setting Date exceeds the maximum amount for fixed Interest Rate specified by the Borrower in the Rate Conversion Request, such Rate Conversion Request will be automatically cancelled.

The fixed Interest Rate will be effective two (2) Business Days after the Rate Setting Date.

(b) Rate Conversion mechanics

The fixed Interest Rate applicable to the relevant Drawdown(s) shall be determined in accordance with Clause 4.1.1(b) (*Fixed Interest Rate*) above on the Rate Setting Date referred to in subparagraph (a) above.

The Lender shall send to the Borrower a letter of confirmation of Rate Conversion substantially in the form set out in Schedule 5D (*Form of Rate Conversion Confirmation*).

A Rate Conversion is final and at no costs.

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#### 4.2 Calculation and Payment of Interest

The Borrower shall pay accrued interest on Drawdown(s) on each Payment Date.

The amount of interest payable by the Borrower on a relevant Payment Date and for a relevant Interest Period shall be equal to the sum of any interest owed by the Borrower on the amount of the Outstanding Principal in respect of each Drawdown. Interest owed by the Borrower in respect of each Drawdown shall be calculated on the basis of:

- (a) the Outstanding Principal owed by the Borrower in respect of the relevant Drawdown as at the immediately preceding Payment Date or, in the case of the first Interest Period, on the corresponding Drawdown Date;
- (b) the exact number of days which have accrued during the relevant Interest Period on the basis of a three hundred and sixty (360) day year; and
- (c) the applicable Interest Rate determined in accordance with the provisions of Clause 4.1 (*Interest Rate*).

#### 4.3 Late payment and Default Interest

- (a) Late payment and default interest on all amounts due and unpaid (except for interest)

If the Borrower fails to pay any amount payable by it to the Lender under this Agreement (whether a payment of principal, a Prepayment Indemnity, any fees or incidental expenses of any kind except for any unpaid overdue interest) on its due date, interest shall accrue on the overdue amount, to the extent permitted by law, from the due date up to the date of actual payment (both before and after an arbitral award, if any) at the Interest Rate applicable to the current Interest Period (default interest) increased by three point five per cent. (3.5%) (late-payment interest). No formal prior notice from the Lender shall be necessary.

- (b) Late payment and default interest on unpaid overdue interest

Interest which has not been paid on its due date shall bear interest, provided they have remained unpaid for one year and to the extent permitted by law, at the Interest Rate applicable to the ongoing Interest Period (default interest), increased by three point five per cent. (3.5%) (late-payment interest), to the extent that such Interest has been due and payable for at least one (1) year. No formal prior notice from the Lender shall be necessary.

The Borrower shall pay any outstanding interest under this Clause 4.3 (*Late payment and Default Interest*) immediately on demand by the Lender or on each Payment Date following the due date for the outstanding payment.

- (c) Receipt of any payment of late payment interest or default interest by the Lender shall neither imply the grant of any payment extension to the Borrower, nor operate as a waiver of any of the Lender's rights hereunder.

#### 4.4 Communication of Interest Rates

The Lender shall promptly notify the Borrower of the determination of each Interest Rate in accordance with this Agreement.

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#### 4.5 Effective Global Rate (*Taux Effectif Global*)

In order to comply with Articles L. 314-1 to L.314-5 and R.314-1 *et seq.* of the French Consumer Code and L. 313-4 of the French Monetary and Financial Code, the Lender informs the Borrower, and the Borrower accepts, that the effective global rate (*taux effectif global*) applicable to the Facility may be valued at an annual rate of three point eighty six per cent (3.86%) on the basis of a three hundred and sixty-five (365) day year and an Interest Period of six (6) months, at a period rate of one point ninety one per cent (1.91%), subject to the following:

- (a) the above rates are given for information purposes only;
- (b) the above rates are calculated on the basis that:
  - (i) drawdown of the Facility in full at fixed rate on the Signing Date; and
  - (ii) the fixed rate for the duration of the facility should be equal to three point seventy seven per cent (3.77%) per annum; and
- (c) the above rates take into account the commissions and costs payable by the Borrower under this Agreement, assuming that such commissions and costs will remain fixed and will apply until the expiry of the term of this Agreement.

### 5. CHANGE TO THE CALCULATION OF INTEREST

#### 5.1 Market Disruption

- (a) If a Market Disruption Event affects the interbank market in the Eurozone and it is impossible:
  - (i) for the fixed Interest Rate, to determine the fixed Interest Rate applicable to a Drawdown, or
  - (ii) for the variable Interest Rate, to determine the applicable EURIBOR for the relevant Interest Period,

the Lender shall inform the Borrower.

- (b) Upon the occurrence of the event described in paragraph (a) above, the applicable Interest Rate, as the case may be, for the relevant Drawdown or for the relevant Interest Period will be the sum of:
  - (i) the Margin; and
  - (ii) the percentage rate per annum corresponding to the cost to the Lender of funding the relevant Drawdown(s) from whatever source it may reasonably select. Such rate shall be notified to the Borrower as soon as possible and, in any case, prior to (1) the first Payment Date for interest owed under such Drawdown for the fixed Interest Rate or (2) the Payment Date for interest owed under such Interest Period for the variable Interest Rate.

#### 5.2 Replacement of Screen Rate

##### 5.2.1 Definitions

"**Relevant Nominating Body**" means any central bank, regulator, supervisor or working group or committee sponsored or chaired by, or constituted at the request of any of them.

**"Screen Rate Replacement Event"** means any of the following events or series of events:

- (a) the definition, methodology, formula or means of determining the Screen Rate has materially changed;
- (b) a law or regulation is enacted which prohibits the use of the Screen Rate, it being specified, for the avoidance of doubt, that the occurrence of this event shall not constitute a mandatory prepayment event;
- (c) the administrator of the Screen Rate or its supervisor publicly announces:
  - (i) that it has ceased or will cease to provide the Screen Rate permanently or indefinitely, and, at that time, no successor administrator has been publicly nominated to continue to provide that Screen Rate;
  - (ii) that the Screen Rate has ceased or will cease to be published permanently or indefinitely; or
  - (iii) that the Screen Rate may no longer be used (whether now or in the future);
- (d) a public announcement is made about the bankruptcy of the administrator of that Screen Rate or any other insolvency proceedings against it, and, at that time, no successor administrator has been publicly nominated to continue to provide that Screen Rate; or
- (e) in the opinion of the Lender, the Screen Rate has ceased to be used in a series of comparable financing transactions.

**"Screen Rate"** means EURIBOR or, following the replacement of this rate by a Replacement Benchmark, the Replacement Benchmark.

**"Screen Rate Replacement Date"** means:

- (a) with respect to the events referred to in items a), d) and e) of the above definition of Screen Rate Replacement Event, the date on which the Lender has knowledge of the occurrence of such event, and,
- (b) with respect to the events referred to in items b) and c) of the above definition of Screen Rate Replacement Event, the date beyond which the use of the Screen Rate will be prohibited or the date on which the administrator of the Screen Rate permanently or indefinitely ceases to provide the Screen Rate or the date beyond which the Screen Rate may no longer be used.

5.2.2 Each Party acknowledges and agrees for the benefit of the other Party that if a Screen Rate Replacement Event occurs and in order to preserve the economic balance of the Agreement, the Lender may replace the Screen Rate with another rate (the **"Replacement Benchmark"**) which may include an adjustment margin in order to avoid any transfer of economic value between the Parties (if any) (the **"Adjustment Margin"**) and the Lender will determine the date from which the Replacement Benchmark and, if any, the Adjustment Margin shall replace the Screen Rate and any other amendments to the Agreement required as a result of the replacement of the Screen Rate by the Replacement Benchmark.

5.2.3 The determination of the Replacement Benchmark and the necessary amendments will be made in good faith and taking into account, (i) the recommendations of any Relevant Nominating Body, or (ii) the recommendations of the administrator of the Screen Rate,

or (iii) the industry solution recommended by professional associations in the banking sector or, (iv) the market practice observed in a series of comparable financing transactions on the replacement date.

5.2.4 In case of replacement of the Screen Rate, the Lender will promptly notify the Borrower of the replacement terms and conditions to replace the Screen Rate with the Replacement Benchmark, which will be applicable to Interest Periods starting at least two Business Days after the Screen Rate Replacement Date.

5.2.5 The provisions of Clause 5.2 (*Replacement of Screen Rate*) shall prevail over the provisions of Clause 5.1 (*Market Disruption*).

## 6. FEES – NOT APPLICABLE

## 7. REPAYMENT

Following expiry of the Grace Period, the Borrower shall repay the Lender the principal amount of the Facility in *thirty* (30) semi-annual instalments, due and payable on each Payment Date.

The first instalment shall be due and payable on 31<sup>st</sup> January 2030 and the last instalment shall be due and payable on 31<sup>st</sup> July 2044.

At the end of the Drawdown Period, the Lender shall deliver to the Borrower an amortisation schedule in respect of the Facility taking into account, if applicable, any potential cancellation of the Facility pursuant to Clauses 8.3 (*Cancellation by the Borrower*) and/or 8.4 (*Cancellation by the Lender*).

## 8. PREPAYMENT AND CANCELLATION

### 8.1 Voluntary Prepayment

The Borrower shall not be entitled to prepay the whole or any part of the Facility prior to the expiration date of one hundred twenty (120) months period starting on the Signing Date. As from the date following the expiration of the Drawdown Period, the Borrower may prepay the whole or any part of the Facility, subject to the following conditions:

- (a) the Borrower shall notify the Lender of its intention to prepay by not less than thirty (30) Business Days' written and irrevocable notice prior to the contemplated prepayment date;
- (b) the amount to be prepaid shall be equal to one or several instalment(s) in principal;
- (c) the contemplated prepayment date shall be a Payment Date;
- (d) all prepayments shall be made together with the payment of accrued interest, any fees, indemnities and related costs in connection with the prepaid amount as provided under this Agreement;
- (e) there is no outstanding amount; and
- (f) in case of a part prepayment, the Borrower shall have given evidence, satisfactory to the Lender, that it has sufficient committed funding available for the purpose of financing the Program as determined in the Financing Plan.

On the Payment Date on which the prepayment is made, the Borrower shall pay the full amount of the Prepayment Indemnities due and payable pursuant to Clause 9.3 (*Prepayment Indemnity*)

## 8.2 Mandatory Prepayment

The Borrower shall immediately prepay the whole or part of the Facility upon receipt of a notice from the Lender informing the Borrower of any of the following events:

- (a) Illegality: it becomes unlawful for the Lender pursuant to its applicable law to perform any of its obligations as contemplated by this Agreement or to fund or maintain the Facility;
- (b) Decisions and instructions of the French State: the French State has announced its intention or has decided to sever, suspend or interrupt all or part of its diplomatic ties and/or cooperation with the Borrower or the Government of the Borrower's country; or the Borrower has severed or announced that it will sever all or part of its diplomatic ties and/or cooperation with France;
- (c) Additional Costs: the amount of any Additional Costs referred to in Clause 9.5 (*Additional Costs*) is significant and the Borrower has refused to pay such Additional Costs;
- (d) Default: the Lender declares an Event of Default in accordance with Clause 13 (*Events of Defaults*);

In the case of each of the events specified in paragraphs (a), (c) and (d) above, the Lender reserves the right, after having notified the Borrower in writing, to exercise its rights as a creditor in the manner specified in paragraph (b) of Clause 13.2 (*Acceleration*).

## 8.3 Cancellation by the Borrower

Prior to the Deadline for Drawdown, the Borrower may cancel the whole or any part of the Available Facility by giving the Lender a three (3) Business Days' prior notice.

Upon receipt of such notice of cancellation, the Lender shall cancel the amount notified by the Borrower, provided that the Eligible Expenses, as specified in the Financing Plan, are covered in a manner satisfactory to the Lender, except in the event that the Program is abandoned by the Borrower.

## 8.4 Cancellation by the Lender

The Available Facility shall be immediately cancelled upon delivery of a notice to the Borrower which shall be immediately effective, if:

- (a) the Available Facility is not equal to zero on the Deadline for Drawdown of Funds; or
- (b) the first Drawdown has not occurred on the Deadline for the First Drawdown; or
- (c) an Event of Default has occurred and is continuing; or
- (d) an event referred to in Clause 8.2 (*Mandatory Prepayment*) has occurred.

except where, in the case of paragraphs (a) and (b) of this Clause 8.4 (Cancellation by the Lender), the Lender has proposed to postpone the Deadline for Drawdown or the deadline for the first Drawdown on the basis of new financial conditions which will apply to any Drawdowns under the Available Facility and the Borrower has agreed on the proposition.

## 8.5 Restrictions

- (a) Any notice of prepayment or cancellation given by a Party pursuant to this Clause 8 (*Prepayment and Cancellation*) shall be irrevocable, and, unless otherwise provided in this Agreement, any such notice shall specify the date or dates on which the relevant prepayment or cancellation is to be made and the amount of that prepayment or cancellation.
- (b) The Borrower shall not prepay or cancel all or any part of the Facility except at the times and in the manner expressly provided for in this Agreement.
- (c) Any prepayment under this Agreement shall be made together with payment of (i) accrued interest on the prepaid amount, (ii) outstanding fees, and (iii) the Prepayment Indemnity referred to in Clause 9.3 (*Prepayment Indemnity*).
- (d) Any prepayment amount will be applied against the remaining instalments in inverse order of maturity.
- (e) The Borrower may not re-borrow the whole or any part of the Facility which has been prepaid or cancelled.

## 9. **ADDITIONAL PAYMENT OBLIGATIONS**

### 9.1 Costs and Expenses

- 9.1.1 The Borrower shall pay directly or, if applicable, shall reimburse the Lender in case of advance made by the Lender, the amount of all costs and expenses (including legal fees) incurred by the Lender in connection with the negotiation, preparation and signing of this Agreement or any other documents referred to in this Agreement (including any legal opinion), executed after the Signing Date.
- 9.1.2 If an amendment to this Agreement is required, the Borrower shall reimburse to the Lender for all costs (including legal fees) reasonably incurred in responding to, evaluating, negotiating or complying with that requirement.
- 9.1.3 The Borrower shall reimburse to the Lender for all costs and expenses (including legal fees) incurred by it in connection with the enforcement or preservation of any of its rights under this Agreement.
- 9.1.4 The Borrower shall pay directly or, if applicable, reimburse the Lender in case of an advance made by the Lender, the amount of all costs and expenses in connection with the transfer of funds to, or for the account of, the Borrower from Paris to any other place agreed with the Lender, as well as any transfer fees and expenses in connection with the payment of all sums due under the Facility.

### 9.2 Cancellation Indemnity

If the Facility is cancelled in full or in part in accordance with the terms of Clauses 8.3 (*Cancellation by the Borrower*) and/or 8.4 (*Cancellation by the Lender*) paragraphs (a), (b) and (c), the Borrower shall pay a cancellation indemnity computed at one point five percent (1,5%) on the cancelled amount of the Facility.

Each cancellation indemnity shall be due and payable on the Payment Date immediately following a cancellation of all or part of the Facility.

9.3 Prepayment Indemnity

On account of any losses suffered by the Lender as a result of the prepayment of the whole or any part of the Facility in accordance with Clauses 8.1 (*Voluntary Prepayment*) or 8.2 (*Mandatory Prepayment*), the Borrower shall pay to the Lender an indemnity equal to the aggregate amount of:

- (a) the Prepayment Compensatory Indemnity; and
- (b) any costs arising out of the break of any interest rate hedging swap transactions put in place by the Lender in connection with the amount prepaid.

9.4 Taxes and Duties

9.4.1 Registration Costs

The Borrower shall pay directly, or, if applicable, reimburse the Lender in case of an advance made by the Lender, the costs of all stamp duty, registration and other similar taxes payable in respect of the Agreement and any potential amendment thereto.

9.4.2 Withholding Tax

The Borrower undertakes that all payments made to the Lender under this Agreement shall be free of any Withholding Tax.

If a Withholding Tax is required by law, the Borrower undertakes to gross-up the amount of any such payment to such amount which leaves the Lender with an amount equal to the payment which would have been due if no payment of Withholding Tax had been required.

The Borrower shall reimburse to the Lender all expenses and/or Taxes for the Borrower's account which have been paid by the Lender (if applicable), with the exception of any Taxes due in France.

9.5 Additional Costs

The Borrower shall pay to the Lender, within ten (10) Business Days of the Lender's request, all Additional Costs incurred by the Lender as a result of: (i) the coming into force of any new law or regulation, or any amendment to, or any change in the interpretation or application of any existing law or regulation; or (ii) compliance with any law or regulation made after the Signing Date.

In this Clause, "Additional Costs" means:

- (a) any cost arising after the Signing Date out of one of the event referred to in the first paragraph of this Clause and not taken into account by the Lender to compute the financial conditions of the Facility; or
- (b) any reduction of any amount due and payable under this Agreement,

which is incurred or suffered by the Lender as a result of (i) making the Facility available to the Borrower or (ii) entering into or performing its obligations under the Agreement.

9.6 Currency Indemnity

If any sum due by the Borrower under this Agreement, or any order, judgment or award given or made in relation to such a sum, has to be converted from the currency in which that sum is payable into another currency, for the purpose of:

- (a) making or filing a claim or proof against the Borrower; or
- (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Borrower shall indemnify the Lender against and, within three (3) Business Days of the Lender's request and as permitted by law, pay to the Lender, the amount of any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between: (A) the exchange rate used to convert the relevant sum from the first currency to the second currency; and (B) the exchange rate or rate(s) available to the Lender at the time of its receipt of that sum. This obligation to indemnify the Lender is independent of any other obligation of the Borrower under this Agreement.

The Borrower waives any right it may have in any jurisdiction to pay any amount due under this Agreement in a currency or currency unit other than that in which it is expressed to be payable.

9.7 Due Dates

Any indemnity or reimbursement payable by the Borrower to the Lender under this Clause 9 (*Additional Payment Obligations*) is due and payable on the Payment Date immediately following the circumstances which have given rise to the relevant indemnity or reimbursement.

Notwithstanding the above, any indemnity to be paid in connection with a prepayment pursuant to Clause 9.3 (*Prepayment Indemnity*) is due and payable on the date of the relevant prepayment.

**10. REPRESENTATIONS AND WARRANTIES**

All the representations and warranties set out in this Clause 10 (*Representations and warranties*) are made by the Borrower for the benefit of the Lender on the Signing Date. All the representations and warranties in this Clause 10 (*Representations and warranties*) are also deemed to be made by the Borrower on the date on which all of the conditions precedent listed in Part II of Schedule 4 (*Conditions Precedent*) are satisfied, on the date of each Drawdown Request, on each Drawdown Date and on each Payment Date, except that the repeating representations contained in Clause 10.9 (*No Misleading Information*) are deemed to be made by the Borrower in relation to the information provided by the Borrower since the date on which the representation was last made.

10.1 Power and Authority

The Borrower has the power to enter into, perform and deliver this Agreement and Program Documents and to perform all contemplated obligations. The Borrower has taken all necessary action to authorise its entry into, performance and delivery of this Agreement.

10.2 Validity and Admissibility in Evidence

All Authorisations required:

- (a) to enable the Borrower to lawfully enter into, and exercise its rights and comply with its obligations under this Agreement and Program Documents; and

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- (b) to make this Agreement and the Program Documents admissible in evidence in the courts of the jurisdiction of the Borrower or in arbitration proceedings as defined under Clause 17 (*Governing Law, Enforcement and Choice of Domicile*),

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.

### 10.3 Binding Obligations

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

### 10.4 No Filing or Stamp Taxes

Under the laws of the jurisdiction of the Borrower, it is not necessary that the 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 the Agreement or the transactions contemplated therein.

### 10.5 Transfer of Funds

All amounts due by the Borrower to the Lender under this Agreement whether as principal or interest, late payment interest, Cancellation Indemnity, Prepayment Indemnity, incidental costs and expenses or any other sum are freely convertible and transferable.

This representation shall remain in full force and effect until full repayment of all sums due to the Lender. In the event that the repayment dates of the Facility are extended by the Lender, no further confirmation of this representation shall be necessary.

The Borrower shall obtain Euros necessary for compliance with this representation in due course.

### 10.6 No Conflict with Other Obligations

The entry into and performance by the Borrower 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 Borrower or affecting any of its assets.

### 10.7 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 Borrower.
- (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 the Borrower.

### 10.8 No Default

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

No breach of the Borrower 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.

10.9 No Misleading Information

All information and documents supplied by the Borrower 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.

10.10 Program Documents

The Program Documents represent the entire agreement relating to the Program on the Signing Date 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.

10.11 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.

10.12 Procurement

The Borrower 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.

10.13 Pari Passu Ranking

The Borrower's payment obligations under this Agreement rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors.

10.14 Licit Origin of the Funds and Prohibited Practices

The Borrower 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.

10.15 No Material Adverse Effect

The Borrower 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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## 11. UNDERTAKINGS

The undertakings in this Clause 11 (*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.

### 11.1 Compliance with Laws, Regulations and Obligations

The Borrower shall comply and procure that the Final Beneficiary complies:

- (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 the Program Documents.

### 11.2 Authorisations

The Borrower shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect and procure that the Final Beneficiary promptly obtains, complies with and does all that it 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.

### 11.3 Program Documents

The Borrower shall provide itself or procure that the Final Beneficiary provides 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.

### 11.4 Implementation and Preservation of the Program

The Borrower shall and shall procure that the Final Beneficiary:

- (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.

### 11.5 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 Borrower 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 11) 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 Covenant 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.

#### 11.6 Implementation Arrangements

The Borrower will cause the Final Beneficiary to undertake the following:

- (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 for 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.

#### 11.7 Environmental and Social Responsibility

##### 11.7.1 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 Borrower shall and ensure that 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 Borrower ensures that the Final Beneficiary delivers a report on environmental and social conditions of implementation of the Program;

- (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 6;
- (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; and
- (e) provide the Lender with semi-annual follow-up reports in relation to the ESCP.

#### 11.7.2 Environmental and Social (ES) Grievance Management

- (a) The Borrower (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 Borrower 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*).

#### 11.8 Additional Financing

The Borrower 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.

#### 11.9 Pari Passu Ranking

The Borrower undertakes (i) to ensure that its payment obligations under this Agreement rank at all times at least *pari passu* with its other present and future unsecured and unsubordinated payment obligations; (ii) not to grant prior ranking or guarantees to any other lenders except if the same ranking or guarantees are granted by the Borrower in favour of the Lender, if so requested by the Lender.

#### 11.10 Inspections

The Borrower 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 Borrower 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 Borrower shall procure that 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.

#### 11.11 Program Evaluation

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

#### 11.12 Financial Sanctions Lists and Embargo

The Borrower shall and shall procure that the Final Beneficiary(ies) 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.

#### 11.13 Licit Origin, Absence of Prohibited Practices

The Borrower undertakes, and ensure that 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;

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- (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.

#### 11.14 Investigations

The Borrower shall, and shall procure that 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 Borrower, 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 Borrower shall procure that the Final Beneficiary undertake, 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 Borrower could, at the discretion of the Lender, constitute a Non-Cooperative Practice.

#### 11.15 Visibility and Communication

The Borrower 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.

#### 11.16 Program Agreement

The Borrower shall:

- (a) procure that the Program Agreement provides for, *inter alia*, all the undertakings that the Borrower has made on behalf of the Final Beneficiary under this Agreement including, but not limited to, the undertakings set out in Clauses 11 (*Undertakings*) and 12 (*Information Undertakings*) of the General Conditions;
- (b) cause the Final Beneficiary to collect systematically and make available to the Lender, the details of any person (identity, citizenship, domicile) and/or any legal entity (corporate

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name, place of incorporation, registered office, identity of shareholders) benefiting from the passed-through funds;

- (c) cause the Final Beneficiary to 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) ensure that the Final Beneficiary fulfils its obligations under the Program Agreement and uses the passed-through funds exclusively for financing of the Project in accordance with the terms and conditions of the Finance Documents;
- (e) procure that the Final Beneficiary insures the assets financed by the Facility against the primary risks that may materialise during the implementation and operation of the Program Components.

## 12. INFORMATION UNDERTAKINGS

The undertakings in this Clause 12 (*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.

### 12.1 Financial Information

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

### 12.2 Program Implementation

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

### 12.3 Progress Report

- (a) Until the Technical Completion Date, the Borrower 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 7 (*Form of follow-up Report of the Program's indicators*).
- (b) Within three (3) months after the Technical Completion Date, the Borrower 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 7 (*Form of follow-up Report of the Program's indicators*).

### 12.4 Information - Miscellaneous

The Borrower shall cause the Final Beneficiary to 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

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nature of such incident or accident, together with details of any action taken or proposed to be taken, as applicable, by the Borrower 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 Borrower 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;
- (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.

#### 12.5 Information relating to the Final Beneficiary

The Borrower shall take all necessary actions during the implementation and operation of the Program to cause that the Final Beneficiary supplies 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.

### 13. **EVENTS OF DEFAULTS**

#### 13.1 Events of Default

Each of the events or circumstances set out in this Clause 13.1 (*Events of Default*) is an Event of Default.

(a) Payment Default

The Borrower does not pay on the due date any amount payable by it under this Agreement in the manner required under this Agreement. However, without prejudice to Clause 4.3 (*Late payment and Default Interest*), no Event of Default will occur under this paragraph (a) if such payment is made in full by the Borrower within fifteen (15) Business Days of the due date.

(b) Program Documents

Any Program Document, or any of the rights and obligations set out therein, ceases to be in full force and effect, is subject to a notice of termination or its validity, legality or enforceability is challenged.

No Event of Default will occur pursuant to this paragraph (b) if (i) the challenge or notice of termination is withdrawn within thirty (30) calendar days after the date on which the Lender informed the Borrower of such challenge or notice or the Borrower became aware

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of such challenge or notice; and (ii), according to the opinion of the Lender, such dispute or request has not had a Material Adverse Effect during such thirty (30) day period.

(c) Undertakings and Obligations

The Borrower does not comply with any term of the Agreement including, without limitation, any of the undertakings it has given pursuant to Clause 11 (*Undertakings*) and Clause 12 (*Information Undertakings*).

Save for the undertakings given pursuant to Clauses 11.7 (*Environmental and Social Responsibility*), 11.12 (*Financial Sanctions Lists and Embargo*) and 11.13 (*Licit Origin, Absence of Prohibited Practices*) in respect of which no grace period is permitted, no Event of Default will occur under this paragraph (c) if the non-compliance is capable of remedy and is remedied within five (5) Business Days of the earlier of (A) the date of the Lender' notice of failure to the Borrower; and (B) the Borrower becoming aware of the breach, or within the time limit determined by the Lender in the case referred to in subparagraph 11.13(e) of Clause 11.13 (*Licit Origin, Absence of Prohibited Practices*).

(d) Misrepresentation

A representation or warranty made by the Borrower in the Agreement, under Clause 10 (*Representations and warranties*), or in any document delivered by or on behalf of the Borrower under or in relation to the Agreement, is incorrect or misleading when made or deemed to be made.

(e) Cross Default

(i) Subject to paragraph (iii), any Financial Indebtedness of the Borrower is not paid on its due date or, if applicable, within any grace period granted pursuant to the relevant documentation.

(ii) Subject to paragraph (iii), a creditor has cancelled or suspended its commitment towards the Borrower pursuant to any Financial Indebtedness, or has declared the Financial Indebtedness due and payable prior to its specified maturity, or requested prepayment in full of the Financial Indebtedness, in each case, as a result of an event of default or any provision having a similar effect (howsoever described) pursuant to the relevant documentation.

(iii) No Event of Default will occur under this Clause 13.1 (e) if the relevant amount of Financial Indebtedness or the commitment for Financial Indebtedness falling within paragraphs (i) and (ii) above is less than five million Euros (EUR 5 000 000) (or its equivalent in any other currency(ies)).

(f) Unlawfulness

It is or becomes unlawful for the Borrower to perform any of its obligations under this Agreement.

(g) Material Adverse Change

Any event (including a change in the political situation of the country of the Borrower) or any measure which is likely, according to the Lender's opinion, to have a Material Adverse Effect occurs or is likely to occur.

(h) Withdrawal or Suspension of the Program

Any of the following occurs:

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- (i) the implementation of the Program is suspended or postponed for a period exceeding six (6) months; or
- (ii) the Borrower or the Final Beneficiary withdraws from, or ceases to participate in, the Program.

(i) Authorisations

Any Authorisation required for the Borrower in order to perform or comply with its obligations under this Agreement or required in the ordinary course of the Program is not obtained within the required timeframe or is cancelled or becomes invalid or otherwise ceases to be in full force and effect.

(j) Judgments, Rulings or Decisions Having a Material Adverse Effect

Any judgment or arbitral award or any judicial or administrative decision affecting the Borrower has or is reasonably likely, according to the opinion of the Lender, to have a Material Adverse Effect, occurs or is likely to occur.

(k) Default by the Final Beneficiary

The Final Beneficiary (i) does not comply with any term of the Program Agreement, including without limitation, any of the undertakings pursuant to Clauses 11 (*Undertakings*) and 12 (*Information Undertakings*); (ii) does not comply with any term of a Program Document or of any other agreement or deed entered into in relation to the Program; or (iii) does not pay on the due date any amounts payable in relation to the Program.

Save for the undertakings given pursuant to Clauses 11.7 (*Environmental and Social Responsibility*), 11.12 (*Financial Sanctions Lists and Embargo*) and 11.13 (*Licit Origin, Absence of Prohibited Practices*) in respect of which no grace period shall be granted by the Borrower to the Final Beneficiary, no Event of Default will occur under this clause 12.1 (k) if the breach is capable of remedy and is remedied within twenty (20) Business Days of the earlier of (A) the Lender giving notice of breach to the Borrower and (B) the Borrower becoming aware of the breach, or within the time limit specified by the Lender in the case of breach referred to in subparagraph 11.13(e) of Clause 11.13 (*Licit Origin, Absence of Prohibited Practices*).

(l) Suspension of Free Convertibility and Free Transfer

Free convertibility and free transfer of any of the amounts due by the Borrower under this Agreement, or any other facility provided by the Lender to the Borrower or any other borrower of the jurisdiction of the Borrower, is challenged.

13.2 Acceleration

On and at any time after the occurrence of an Event of Default, the Lender may, without providing any formal demand or commencing any judicial or extra-judicial proceedings, by written notice to the Borrower:

- (a) cancel the Available Facility; and/or
- (b) declare that all or part of the Facility, together with any accrued or outstanding interest and all other amounts outstanding under this Agreement, are immediately due and payable.

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Without prejudice to the above, in the event that an Event of Default occurs as set out in Clause 13.1 (*Events of Default*), the Lender reserves the right to, upon written notice to the Borrower, (i) suspend or postpone any Drawdowns under the Facility; and/or (ii) suspend the finalisation of any agreements relating to other possible financial offers which have been notified by the Lender to the Borrower; and/or (iii) suspend or postpone any drawdown under any loan agreement entered into between the Borrower and the Lender.

### 13.3 Notification of an Event of Default

In accordance with Clause 12.4 (*Information*), the Borrower shall promptly notify the Lender upon becoming aware of any event which is or is likely to be an Event of Default and inform the Lender of all the measures contemplated by the Borrower to remedy it.

## 14. ADMINISTRATION OF THE FACILITY

### 14.1 Payments

All payments received by the Lender under this Agreement shall be applied towards the payment of expenses, fees, interest, principal amounts or any other sum due under this Agreement in the following order:

- (a) incidental costs and expenses;
- (b) fees;
- (c) late-payment interest and default interest;
- (d) accrued interest;
- (e) principal repayments.

Any payments received from the Borrower shall be applied first in or towards payment of any sums due and payable under the Facility or under other loans extended by the Lender to the Borrower, should it be in the Lender's interest to apply these sums to such other loans, in the order set out above.

### 14.2 Set-off

Without prior approval of the Borrower, the Lender may, at any time, set-off due and payable obligations owed by the Borrower against any amounts held by the Lender on behalf of the Borrower or any due and payable obligations owed by the Lender to the Borrower. If the obligations are in different currencies, the Lender may convert either obligation at the prevailing currency exchange rate for the purpose of the set-off.

All payments made by the Borrower under the Agreement shall be calculated and made without set-off. The Borrower is prohibited from making any set-off.

### 14.3 Business Days

Without prejudice to the calculation of the Interest Period which remains unchanged, if a payment is due on a day which is not a Business Day, the due date for that payment shall be the next Business Day if the next Business Day is in the same calendar month, or the preceding Business Day if the next Business Day is not in the same calendar month.

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14.4 Currency of Payment

The currency of each amount payable under this Agreement is Euros, except as provided in Clause 14.6 (*Place of Payment*).

14.5 Day Count Convention

Any interest, fee or expense accruing under this Agreement will be calculated on the basis of the actual number of days elapsed and a year of three hundred and sixty (360) days in accordance with European interbank market practice.

14.6 Place of Payment

(a) Any funds to be transferred by the Lender to the Borrower under the Facility will be paid to the bank account specifically designated for such purpose by the Borrower, provided that the Lender has given its prior consent on the selected bank.

(b) Any payment to be made by the Borrower to the Lender shall be paid on the due date by no later than 05:00 pm (Paris time) to the following bank account:

RIB Code: 30001 00064 00000040235 03

IBAN Code: FR76 3000 1000 6400 0000 4023 503

Banque de France SWIFT code (BIC): BDFEFRPPCCT

opened by the Lender at the Banque de France (head office/main branch) in Paris or any other account notified by the Lender to the Borrower.

(c) The Borrower shall request from the bank responsible for transferring any amounts to the Lender that it provides the following information in any wire transfer messages in a comprehensive manner and in the order set out below (the caption numbers are referring to SWIFT MT 202 and 103 protocol) :

- Principal: name, address, bank account number (field 50)
- Principal's bank: name and address (field 52)
- Reference: name of the Borrower, name of the Program, reference number of the Agreement (field 70)

(d) All payments made by the Borrower shall comply with this Clause 14.6 (*Place of Payment*) in order for the relevant payment obligation to be deemed discharged in full.

14.7 Payment Systems Disruption

If the Lender determines (in its discretion) that a Payment Systems Disruption Event has occurred or the Borrower notifies the Lender that a Payment Systems Disruption Event has occurred, the Lender:

(a) may, and shall if requested by the Borrower, enter into discussions with the Borrower with a view to agreeing any changes to the operation and administration of the Facility as the Lender may deem necessary in the circumstances;

(b) shall not be obliged to enter into discussions with the Borrower in relation to any of the changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, it has no obligation to agree to such changes; and

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- (c) shall not be liable for any cost, loss or liability arising as a result of its taking, or failing to take, any actions pursuant to this Clause 14.7 (*Payment Systems Disruption*).

## 15. MISCELLANEOUS

### 15.1 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.

### 15.2 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.

### 15.3 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.

### 15.4 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.

### 15.5 Assignment

The Borrower 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.

### 15.6 Legal effect

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

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15.7 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.

15.8 Amendments

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

15.9 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:
- (i) any person to whom it has a disclosure obligation under any applicable law, regulation or judicial ruling; or
  - (ii) the Final Beneficiary 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. Furthermore, the Borrower hereby expressly authorizes the Lender:
- (i) to exchange with the French Republic for publication on the French government website pursuant to any request from International Aid Transparency Initiative; and
  - (ii) to communicate and to disclose on the Lender's Website information relating to the Program and its financing as listed in Schedule 8 (*Information that the Lender is authorized expressly to disclose on the French Government and the lender's website*).

15.10 Limitation

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

15.11 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.

16. **NOTICES**

16.1 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:

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For the Borrower:

**REPUBLIC OF INDIA**

Address: DEA, North Block, New Delhi, 110001 – INDIA

Telephone: +91 11 23 09 23 45

Attention: Under Secretary Bilateral Cooperation

For the Lender:

**AFD – INDIA OFFICE**

Address: 112, Malcha Marg, Chankyapuri, New Delhi – 110021, 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 Orients Department

16.2 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,

and, where a particular person or a department is specified as part of the address details provided under Clause 16.1 (*In writing and addresses*), if such notice, request or communication has been addressed to that person or department.

16.3 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:
  - (i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

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- (ii) 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
  - (iii) 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.

## 17. GOVERNING LAW, ENFORCEMENT AND CHOICE OF DOMICILE

### 17.1 Governing Law

This Agreement is governed by French law.

### 17.2 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.

### 17.3 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 Borrower 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.

## 18. 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 15.9 (*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 11.7.2 (*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.

## 19. ELECTRONIC SIGNATURE

In the case this Agreement shall be executed by use of electronic signature:

- (a) Each Party accepts and acknowledges that the use of the electronic signature solution proposed by CEGEDIM France, as well as the associated process, constitutes an electronic signature within the meaning of the provisions of Article 1367 of the Civil Code.
- (b) Each Party acknowledges and accepts that the storage by CEGEDIM France of the Agreement and all related information recorded and/or signed electronically, complies with the requirement of integrity according to the provisions of Article 1379 of the Civil Code.
- (c) Each Party acknowledges and accepts that the date and timestamping considered of the Agreement as well as the electronic signatures are binding and shall prevail between the Parties.
- (d) Each Party acknowledges and accepts that the electronic signature of the Agreement, as proposed by CEGEDIM France, has a sufficient level of reliability to identify its signatory and guarantee its link with the Agreement to which its signature is attached.
- (e) Therefore, the Parties agree that the electronic signature solution proposed by CEGEDIM France carries a presumption of reliability, until proven otherwise, equivalent to the presumption of reliability granted to the qualified electronic signature referred to in Article 1367 paragraph 2 of the Civil Code and in Article 1 of Decree 2017-1416 of 28 September 2017 on electronic signatures, so that it will be up to the Party contesting the reliability of the electronic signature solution proposed by CEGEDIM France, to prove the unreliability of the process used. Thus, each of the Parties acknowledges and expressly accepts that the Agreement signed by using the electronic signature solution proposed by CEGEDIM France:
  - (i) has the same probative value as a hard-copy written document signed and/or dated;
  - (ii) is valid and enforceable against it and the other Parties; and
  - (iii) is admissible before the courts and/or any authority as literal evidence of their existence and the content of the legal act attached to them.
- (f) This Article constitutes an evidentiary agreement in accordance with Article 1368 of the French Civil Code.

Executed in two (2) originals, in New Delhi, on

**BORROWER**

**THE PRESIDENT OF INDIA** +

Manisha .

Represented by:

**Name: Ms. Manisha SINHA**

**Capacity: Additional Secretary, DEA**

**LENDER**

**AGENCE FRANÇAISE DE DÉVELOPPEMENT**

Severac

Represented by:

**Name: Camille SEVERAC**

**Capacity: AFD Country Director for India, a.i.**

## SCHEDULE 1A – DEFINITIONS

<p><b>Act of Corruption</b></p>	<p>means any of the following:</p> <p>(a) 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>(b) 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><b>Act(s) of Terrorism</b></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: <a href="https://legal.un.org/ola/Default.aspx">https://legal.un.org/ola/Default.aspx</a>);</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><b>Agreement</b></p>	<p>means this credit facility agreement, including its recitals, Schedules and, if applicable, any amendments made in writing thereto.</p>
<p><b>Anti-Competitive Practices</b></p>	<p>means:</p> <p>(a) any concerted or implicit action having as its object and/or as its effects to impede, restrict or distort fair competition in a market, including without limitation when it tends to:</p> <p>(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>

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	(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.
<b>Authorisation(s)</b>	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.
<b>Authority(ies)</b>	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.
<b>Availability Period</b>	means the period from and including the Signing Date up to the Deadline for Drawdown of Funds.
<b>Available Facility</b>	means, at any given time, the maximum principal amount specified in Clause 2.1 ( <i>Facility</i> ) less: (i) the aggregate amount of any Drawdowns drawn by the Borrower; (ii) the amount of any Drawdown to be made pursuant to any pending Drawdown Request; and (iii) 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> ).
<b>Borrower</b>	means the President of India, represented by the Department of Economic Affairs.
<b>Borrower's Account</b>	means the account with the following details: <ul style="list-style-type: none"> <li>• IBAN Account Number: DE18504000005040040802</li> <li>• SWIFT Number: MARKDEFF</li> <li>• Bank and Bank's Address: DEUTSCHE BUNDESBANK, ZENTRALE, FRANKFURT</li> </ul> opened in the name of the Borrower with The President of India, represented by CAA&A, Department of Economic Affairs, Ministry of Finance, Government of India.
<b>Business Day</b>	means a day (other than Saturday or Sunday) on which banks are open for the entire day for general business in Paris, and which is a TARGET Day in the event that a Drawdown has to be done on such day.
<b>Certified</b>	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.
<b>Deadline for Drawdown of Funds</b>	means 02 <sup>nd</sup> December 2029, date after which no further Drawdown may occur.
<b>Deadline for the First Drawdown</b>	Means six (6) months after the Signing Date, hence 03 <sup>rd</sup> June 2025.
<b>Drawdown</b>	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> ) or the principal amount outstanding of such Drawdown which remains due and payable at a given time.
<b>Drawdown Date</b>	means the date on which a Drawdown is made available by the Lender.

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<b>Drawdown Period</b>	means the period starting on the first Drawdown Date up to and including the first of the following date: (i) the date on which the Available Facility is equal to zero; (ii) the Deadline for Drawdown of Funds.
<b>Drawdown Request</b>	means a request substantially in the form set out in Schedule 5A ( <i>Form of Drawdown Request</i> ).
<b>Eligible Expense(s)</b>	means the expense(s) relating to the Expenditure Framework as set out in Schedule 3 ( <i>Financing Plan</i> ).
<b>Embargo</b>	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.
<b>ES Grievance-Management Mechanism's Rules of Procedure</b>	means the contractual terms contained in the Environmental and Social Grievance-Management Mechanism's Rules of Procedure, which is available on the Website, as amended from time to time.
<b>ESCP</b>	means the environmental and social commitment plan attached hereafter as Schedule 6, 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.
<b>EURIBOR</b>	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.
<b>Euro(s) or EUR</b>	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.
<b>Event of Default</b>	means any event or circumstance set out in Clause 13.1 ( <i>Events of Default</i> ).
<b>Facility</b>	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> ).
<b>Final Beneficiary</b>	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.
<b>Financial Indebtedness</b>	means any financial indebtedness for and in respect of: (a) any monies borrowed on a short, medium or long-term basis; (b) any amounts raised pursuant to the issue of bonds, notes, debentures, loan stock or any similar instruments; (c) any funds raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (d) any potential payment obligation that results from a guarantee, bond, or any other instrument.
<b>Financial Sanctions List</b>	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.

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	<p>For information purposes only and for the convenience of the Borrower, who may rely on, the following references or website addresses:</p> <p><b>For the list maintained by the United Nations, the European Union and France</b>, the following website may be consulted: <a href="https://gels-avoirs.dgtresor.gouv.fr/List">https://gels-avoirs.dgtresor.gouv.fr/List</a>.</p>
<b>Financing Plan</b>	means the financing plan of the Program set out in Schedule 3 ( <i>Financing Plan</i> ).
<b>Fixed Reference Rate</b>	means three point seventy seven per cent (3.77%) per annum.
<b>Fraud</b>	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.
<b>Fraud against the Financial Interests of the European Union</b>	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.
<b>Grace Period</b>	means the period from the Signing Date up to and including the date falling five 60 months after such date, during which no principal repayment under the Facility is due and payable.
<b>Illicit Origin</b>	<p>means funds obtained through:</p> <p>(a) the commission of any predicate offence as designated in the FATF 40 recommendations Glossary under "<i>Designated categories of offences</i>" (<a href="https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf">https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf</a>);</p> <p>(b) any Act of Corruption; or</p> <p>(c) any Fraud against the Financial Interests of the European Community, if or when applicable.</p>
<b>Implementing Agencies</b>	<p>Means :</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• All the other agencies listed in Schedule 2 – Program Description.</li> </ul>
<b>Index Rate</b>	means the TEC 10 daily index, the ten-year constant maturity rate displayed on a daily basis on the relevant quotation page of the Reference Financial Institution or any other index which may replace the TEC 10 daily index. On the Signing Rate Setting Date, the Index Rate is three per cent (3.00 %) per annum.
<b>Interest Period(s)</b>	means each period from a Payment Date (exclusive) up to the next Payment Date (inclusive). For each Drawdown under the Facility, the first interest period shall start on the Drawdown Date (exclusive) and end on the next successive Payment Date (inclusive).
<b>Interest Rate</b>	means the interest rate expressed as a percentage and determined in accordance with Clause 4.1 ( <i>Interest Rate</i> ).

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<b>Margin</b>	means one point fifty three percent (1,53%) per annum.
<b>Market Disruption Event</b>	means the occurrence of one of the following events: (i) EURIBOR is not determined by the European Money Markets Institute (EMMI), or any successor administrator, at 11:00am Brussels time, two (2) Business Days before the first day of the relevant Interest Period or on the Rate Setting Date; or (ii) before close of business of the European interbank market, two (2) Business Days prior to the first day of the relevant Interest Period or on the Rate Setting Date, the Borrower receives notification from the Lender that (i) the cost to the Lender of obtaining matching resources in the relevant interbank market would be in excess of EURIBOR for the relevant Interest Period; or (ii) it cannot or will not be able to obtain matching resources on the relevant interbank market in the ordinary course of business to fund the relevant Drawdown for the relevant time period.
<b>Material Adverse Effect</b>	means a material and adverse effect on: (a) the Program, insofar as it would jeopardise the implementation and operation of the Program in accordance with this Agreement and the Program Documents; (b) the business, assets, financial condition of the Borrower or its ability to perform its obligations under this Agreement and the Program Documents; (c) the validity or enforceability of this Agreement and any Program Documents; or (d) any right or remedy of the Lender under this Agreement.
<b>Misuse of AFD's Funds or Assets</b>	means the non-compliant, inappropriate and/or abusive use of the resources, property or assets belonging to the Lender, made knowingly, recklessly or negligently.
<b>Money Laundering</b>	means: (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 (ii) the act of assisting in investing, concealing or converting the direct or indirect proceeds of a felony or a misdemeanour.
<b>Non-Cooperative Practices</b>	means: (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 (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 (iii) any acts carried out in order to materially obstruct the

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	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.
<b>Outstanding Principal</b>	means, in respect of any Drawdown, the outstanding principal amount due in respect of such Drawdown, corresponding to the amount of the Drawdown paid by the Lender to the Borrower less the aggregate of instalments of principal repaid by the Borrower to the Lender in respect of such Drawdown.
<b>Payment Dates</b>	means 31 <sup>st</sup> January and 31 <sup>st</sup> July of each year.
<b>Payment Systems Disruption Event</b>	means either or both of: (a) a material disruption to the payment or communication systems or to the financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by this Agreement to be carried out), provided that the disruption is not caused by, and is beyond the control of, any of the Parties; or (b) the occurrence of any other event which results in a disruption (of a technical or system-related nature) to the treasury or payment operations of a Party preventing that, or any other Party: (i) from performing its payment obligations under this Agreement or (ii) from communicating with the other Parties in accordance with the terms of this Agreement, and which (in either case) is not caused by, and is beyond the control of, either Party.
<b>Prepayment Compensatory Indemnity</b>	means the indemnity calculated by applying the following percentage to the amount of the Facility which is repaid in advance: - if the repayment occurs prior to the 4 <sup>th</sup> anniversary (exclusive) of the Signing Date: two point fifty per cent (2,5%); - if the repayment occurs between the 4 <sup>th</sup> anniversary (inclusive) and the 8 <sup>th</sup> anniversary (exclusive) of the Signing Date: two per cent (2%); - if the repayment occurs between the 8 <sup>th</sup> anniversary (inclusive) and the 12 <sup>th</sup> anniversary (exclusive) of the Signing Date: one point fifty per cent (1,5%); - if the repayment occurs between the 12 <sup>th</sup> anniversary (inclusive) and the 16 <sup>th</sup> anniversary (exclusive) of the Signing Date: one per cent (1%); - if the repayment occurs after the 16 <sup>th</sup> anniversary (inclusive): zero point fifty per cent (0,5%).
<b>Prohibited Practice(s)</b>	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.
<b>Program</b>	means the Program as described in Schedule 2 ( <i>Program Description</i> ).
<b>Program Agreement</b>	means the 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.
<b>Program Authorisations</b>	means the Authorisations necessary in order for the Borrower to implement the Program and execute the Agreement to which it is a

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	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 Borrower is a party, to be admissible as evidence before courts in the jurisdiction of the Borrower or before a competent arbitral tribunal.
<b>Program Documents</b>	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. : <ul style="list-style-type: none"> <li>- The Disbursement-linked Indicator (DLI) Matrix</li> <li>- The Multi-year Program Expenditure Framework</li> <li>- The Program Operation Manual</li> <li>- The Environmental and Social Commitment Plan (ESCP)</li> <li>- The Gender Action Framework (GAF)</li> <li>- The Annual Procurement Plan</li> </ul>
<b>Provider's Guarantee(s)</b>	means any guarantee provided to the Borrower directly or indirectly by any of its Providers in charge of the performance of contracts entered into for the purposes of implementing the Program or any part thereof, such as, for example, a performance security or an advance payment security.
<b>Provider(s)</b>	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.
<b>Public Official</b>	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, and any other person exercising a public function, including for a public agency or organisation, or providing a public service.
<b>Rate Conversion</b>	means the conversion of the floating rate applicable to all or part of the Facility into a fixed rate pursuant to Clause 4.1 ( <i>Interest Rate</i> ).
<b>Rate Conversion Request</b>	means a request substantially in the form attached as Schedule 5C ( <i>Form of Rate Conversion Request</i> ).
<b>Rate Setting Date</b>	means, for each fixed rate Drawdown or Rate Conversion: <ul style="list-style-type: none"> <li>(i) the first Wednesday (or, if that date is not a Business Day, the immediately following Business Day) following the date of receipt by the Lender of the Drawdown Request or Rate Conversion Request, provided that this request is received by the Lender at least two (2) full Business Days prior to said Wednesday; or</li> <li>(ii) in other cases, the second Wednesday (or, if that date is not a Business Day, the immediately following Business Day) following the date of receipt by the Lender of the Drawdown Request or Rate Conversion Request.</li> </ul>
<b>Reference Financial Institution</b>	means a financial institution chosen as a suitable reference financial institution by the Lender and which regularly publishes quotations of financial instruments on one of the international financial information networks according to the practices recognised by the banking industry.
<b>Schedule(s)</b>	means any schedule or schedules to this Agreement.
<b>Signing Date</b>	means the date of execution of this Agreement by all the Parties.
<b>Signing Rate Setting Date</b>	means 28 <sup>th</sup> November 2024.

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<b>TARGET Day</b>	means a day on which the Trans European Automated Real Time Gross Settlement Express Transfer 2 (TARGET2) system, or any successor thereto, is open for payment settlement in Euros.
<b>Tax(es)</b>	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).
<b>Technical Completion Date</b>	means the date for the technical completion of the Program which is expected to be 03 <sup>rd</sup> December 2029.
<b>Terrorist Financing</b>	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.
<b>Visibility and Communication Guide</b>	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" or "Communication guide for Programs supported by AFD - Level 2" as the case may be, a copy of which has been given to the Borrower before the signing.
<b>Website</b>	means the website of AFD ( <a href="http://www.afd.fr/">http://www.afd.fr/</a> ) or any other such replacement website.
<b>Withholding Tax</b>	means any deduction or retention in respect of a Tax on any payment made under or in connection with this Agreement.

## SCHEDULE 1B – CONSTRUCTION

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any reference to the “**Borrower**”, a “**Party**” or a “**Lender**” includes its successors in title, permitted assigns and permitted transferees;
- (c) any reference to a Financing Document or other document is a reference to this Agreement or to such other document as amended, restated or supplemented and includes, if applicable, any document which replaces it through novation, in accordance with the Financing 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 this Agreement 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 this Agreement;
- (k) unless otherwise provided, words and expressions used in any other document relating to this Agreement or in any notice given in connection with this Agreement have the same meaning in that document or notice as in this 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) a reference to a Clause or Schedule shall be a reference to a Clause or Schedule of this Agreement; and
- (n) 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 increased 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's, 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:

<b>Nodal Implementing Agency</b>	<b>Activities</b>
Civil Defence and Home Guards Department	2.7. Strengthening of existing Training Centres
Central Water Commission (CWC)	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 Himalayan 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

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## 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.

<b>SUMMARY OF PROGRAM COST</b>	<b>In EUR Million</b>	<b>%</b>
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
<b>Total (including taxes)</b>	<b>100</b>	<b>100</b>

\*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.

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

### 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.

- (A) 85% of the Expenditure Framework shall fall under the Reimbursement track, in accordance with the multi-year Expenditure Framework available in Schedule 3C
- (B) 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*),
- (C) If applicable, 10% of the Expenditure Framework shall be reallocated to the Contingency Early Response Component and fall under the Reimbursement track.

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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
<b>Component 1: Enhancing disaster risk governance, through institutional capacities, risk understanding and knowledge management/dissemination</b>										
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	77.1%	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		0.7
1.4 Establishing the Himalayan Center for Disaster Risk Reduction	2245-80-101-xx	0.1	1.2	0.8	1.0	0.2	3.3	28.9		2.5
		<b>1.5</b>	<b>6.2</b>	<b>3.8</b>	<b>1.0</b>	<b>0.2</b>	<b>12.7</b>	<b>112.7</b>		<b>9.8</b>
<b>RBF Sub-component of Component 1</b>										
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	100%	4.0
1.6 Improvements to DRR Framework in the State (DLI2)	2245-80-001-xx	-	0.5	0.5	1.0	0.5	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	0.5	2.0	17.8		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	2.0	4.0	35.6		4.0
		<b>1.0</b>	<b>4.0</b>	<b>3.0</b>	<b>4.0</b>	<b>3.0</b>	<b>15.0</b>	<b>133.5</b>		<b>15.0</b>
<b>Total for Component 1</b>		<b>2.5</b>	<b>10.2</b>	<b>6.8</b>	<b>5.0</b>	<b>3.2</b>	<b>27.7</b>	<b>246.2</b>	<b>89.5%</b>	<b>24.8</b>

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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
<b>Component 2: Strengthening disaster preparedness, through effective early warning system and better emergency response capacities</b>										
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	77.1%	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		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
<b>Total for Component 2</b>		<b>9.9</b>	<b>15.1</b>	<b>8.6</b>	<b>9.2</b>	<b>3.1</b>	<b>45.9</b>	<b>408.3</b>		<b>35.4</b>
<b>Component 3: Supporting mitigation measures, including eco-DRR and nature-based solutions</b>										
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	77.1%	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		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
<b>Total for Component 3</b>		<b>1.5</b>	<b>7.9</b>	<b>5.8</b>	<b>3.7</b>	<b>2.4</b>	<b>21.3</b>	<b>189.7</b>		<b>16.4</b>
<b>Total for three Components</b>		<b>13.9</b>	<b>33.1</b>	<b>21.3</b>	<b>17.9</b>	<b>8.7</b>	<b>94.9</b>	<b>844.2</b>	<b>86.3%</b>	<b>76.5</b>

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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	
<b>Program Management</b>											
P1	PMU Consultancy	2245-80-001-xx	0.3	0.3	0.3	0.3	0.3	1.6	14.0	100%	1.6
P2	Program Management & Design Consultancy	2245-80-001-xx	0.6	0.5	0.5	0.5	0.6	2.7	23.6		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
<b>Total Program Management Costs</b>			<b>1.2</b>	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>	<b>5.4</b>	<b>47.6</b>		<b>5.4</b>
<b>CER Component #</b>			-	-	-	-	-	-	-	100%	-
<b>Total Program Cost</b>			<b>15.1</b>	<b>34.1</b>	<b>22.3</b>	<b>19.0</b>	<b>9.8</b>	<b>100.2</b>	<b>891.8</b>	<b>81.7%</b>	<b>81.9</b>

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**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 Panchayat Development Plan (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 Fire Management Plan are prepared and approved (Note iii)	City Climate Action Plan (CCAP) is prepared and approved for Chamba (Note i, iv)		
<b>Allocation</b>			<b>1.0</b>	<b>2.0</b>	<b>1.0</b>		<b>4.0</b>

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.

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RBF Activity/ DLI	Objective	Annual DLI Targets and Allocation (in EUR million)					Total
		1	2	3	4	5	
2 Improvements to Disaster Risk Reduction (DRR) Framework in the State	To update key policy documents governing disaster management in the State		Updated HP Disaster Management and Relief Manual notified (Note i)	Knowledge repository for climate change and biodiversity management developed (Note ii)	All 12 District Disaster Management Plans updated and approved (Note iii)	State Disaster Management Plan updated and approved (Note iii)	
<b>Allocation</b>		-	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 for Mainstreaming Gender in Disaster 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 State entities (e.g., in SDMA, DDMA, HPSIDM, SDRF, etc.)	
<b>Allocation</b>		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.

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RBF Activity/ DLI	Objective	Annual DLI Targets and Allocation (in EUR million)					Total
		1	2	3	4	5	
4 Improving disaster-responsiveness of the State's Public Finance Management (PFM) 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)		
<b>Allocation</b>		<b>0.5</b>	<b>1.0</b>		<b>1.0</b>		<b>2.5</b>

Note:

- (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.
- (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.

5 Implementing technology solutions for effective disaster mitigation and response	To improve responsiveness, efficiency, and effectiveness of disaster management capability in the State		Functional and software Requirement Specifications signed off for: -Disaster Management Plans Monitoring System (DMPMS), -Tourist/Pilgrim MS -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)	
<b>Allocation</b>			<b>1.0</b>	<b>0.5</b>	<b>0.5</b>	<b>2.0</b>	<b>4.0</b>

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 – CONDITIONS PRECEDENT

The following applies to all documents delivered by the Borrower as a condition precedent:

- if the document which is delivered is not an original but a photocopy, the original Certified photocopy shall be delivered to the Lender;
- the final version of a document which draft was previously sent to, and agreed upon by the Lender, shall not materially differ from the agreed draft;
- documents not previously sent and agreed upon, shall be satisfactory to the Lender.

#### PART I – CONDITIONS PRECEDENT TO BE SATISFIED ON THE SIGNING DATE

- (a) Delivery by the Borrower to the Lender of the following documents:
- (i) a Certified copy of the relevant decision(s) in compliance with the legislation of the jurisdiction of the Borrower;
    - authorising the Borrower to enter into this Agreement;
    - approving the terms and conditions of this Agreement;
    - approving the execution of this Agreement; and
    - authorising a specified person or persons to execute the Agreement on its behalf;
  - (ii) a certificate issued by a duly authorised representative of the Borrower listing the person(s) authorised to sign, on behalf of the Borrower, the Drawdown Requests and any certificate in connection with this Agreement and to take all other measures and/or sign all other necessary documents on behalf of the Borrower under this Agreement;
  - (iii) a specimen of the signature of each person listed in the last bullet point of paragraph (i) and in the certificate mentioned in paragraph (ii); and
  - (iv) evidence that the drawdown of the Facility will not breach any borrowing limit, or any other similar limit binding on the Borrower.
- (b) Payment by the Borrower to the Lender of all fees and expenses due and payable under this Agreement.

#### PART II - CONDITIONS PRECEDENT FOR THE FIRST DRAWDOWN

- (a) Signature between the Lender and the Final Beneficiary of the Program Agreement;
- (b) Delivery by the Borrower to the Lender of evidence of any filing or registration, ratification, deposit or publication requirements of this Agreement and payment of any stamp duty, registration fees or similar duties in connection with this Agreement, as applicable ;
- (c) Delivery to the Lender of a duly executed legal opinion, in form and substance satisfactory to the Lender ;
- (d) delivery by the Borrower to the Lender of the following Program Documents satisfactory to the Lender:

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- (i) The Disbursement Linked Indicator Matrix ;
- (ii) The Multi-year Program Expenditure Framework ;
- (iii) The annual Procurement plan ;
- (iv) The Program Operation Manual.

**PART III - CONDITIONS PRECEDENT FOR ALL DRAWDOWNS INCLUDING THE FIRST DRAWDOWN**

- (a) Under the Reimbursement track, delivery by the Borrower to the Lender of the following documents:
  - (i) annual Program Expenditure Framework, subject to the Lender's non-objection ;
  - (ii) evidence in form and substance satisfactory to the Lender as set out in the Program Operation Manual, that the annual Expenditure Framework (*Schedule 3C*) implementation level is equal or greater to the amount of the requested drawdown, with due respect for the drawdown amount set out in *Clause 3.1* ;
  - (iii) evidence in form and substance satisfactory to the Lender as set out in the Program Operation Manual, that all relevant expenses have been paid.
- (b) Under the Result-Based Financing track, delivery by the Borrower to the Lender of the evidence that the Disbursement Linked-Results as set out in the Disbursement Linked Indicator Matrix (*Schedule 3D*) related to the Drawdown Request have been achieved.

**SCHEDULE 5A – FORM OF DRAWDOWN REQUEST**

*[on the Borrower's letterhead]*

To: AGENCE FRANÇAISE DE DÉVELOPPEMENT

On: [date]

**Borrower's Name – Credit Facility Agreement n° [●] dated [●]**

**Drawdown Request n°[●]**

Dear Sirs,

1. We refer to the Credit Facility Agreement n° CIN1149 01 W entered into between the Borrower and the Lender dated [●] (the “**Agreement**”). Capitalised words and expressions used but not defined herein have the meanings given to them in the Agreement.
2. This letter is a Drawdown Request.
3. We irrevocably request that the Lender makes a Drawdown available on the following terms:

Amount: EUR [●] or, if less, the Available Facility.

Interest Rate: *[fixed / floating]*

4. The Interest Rate will be determined in accordance with the provisions of Clause 4 (*Interest*) and Clause 5 (*Change to the calculation of interest*) of the Agreement. The Interest Rate applicable to the requested Drawdown will be provided to us in writing and we accept this Interest Rate [(subject to the paragraph below, if applicable)], including when the Interest Rate is determined by reference to a Replacement Benchmark plus any Adjustment Margin as notified by the Lender following the occurrence of a Screen Rate Replacement Event.

**[For fixed Interest Rate only: ]** If the Interest Rate applicable to the requested Drawdown is greater than [●*insérer pourcentage en lettres*] ([●]%), we request that you cancel this Drawdown Request.

5. We confirm that each condition specified in Clause 2.4 (*Conditions Precedent*) is satisfied on the date of this Drawdown Request and that no Event of Default is continuing or is likely to occur. We agree to notify the Lender immediately if any of the conditions referred to above is not satisfied on or before the Drawdown Date.
6. The proceeds of this Drawdown should be credited to the following bank account:
  - (a) Name [of the Borrower]: [●]
  - (b) Address [of the Borrower]: [●]
  - (c) IBAN Account Number: [●]
  - (d) SWIFT Number: [●]
  - (e) Bank and bank's address [of the Borrower]: [●]

(f) [if currency other than Euro]   
correspondent bank and account  
number of the Borrower's bank:

7. This Drawdown Request is irrevocable.
8. We have attached to this Drawdown Request all relevant supporting documents specified in Clause 2.4 (*Conditions Precedent*) of the Agreement:

[List of supporting documents]

Yours sincerely,

.....

Authorised signatory of Borrower

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## SCHEDULE 5B – FORM OF CONFIRMATION OF DRAWDOWN AND RATE

*[on Agence Française de Développement letterhead]*

To: *[the Borrower]*

Date: [●]

Ref: Drawdown Request n° [●] dated [●]

**Borrower's Name – Credit Facility Agreement n°[●] dated [●]**

**Drawdown Confirmation n°[●]**

Dear Sirs,

1. We refer to the Credit Facility Agreement n° CIN1149 01 W entered into between the Borrower and the Lender dated [●] (the “**Agreement**”). Capitalised words and expressions used but not defined herein have the meanings given to them in the Agreement.
2. By a Drawdown Request Letter dated [●], the Borrower has requested that the Lender makes available a Drawdown in the amount of EUR [●], pursuant to the terms and conditions of the Agreement.
3. The Drawdown which has been made available according to your Drawdown Request is as follows:

- Amount: [●*amount in words*] ([●])

***[Option: floating Interest Rate Drawdowns :***

- Applicable interest rate: [●*percentage in words*] ([●]%) per annum [equal to the aggregate of the six-month EURIBOR (equal to [●]%)<sup>1</sup> and the Margin]<sup>2</sup>

***[Option: fixed Interest Rate Drawdowns:***

- Applicable interest rate: [●*percentage in words*]

For information purposes only

- Rate Setting Date: [●]
- Fixed Reference Rate: [●*percentage in words*] ([●]%) per annum
- Index Rate: [●*percentage in words*] ([●]%)
- Index Rate on the Rate Setting Date: [●].

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<sup>1</sup> If the six-month EURIBOR is not available on the date of confirmation of drawdown due to the occurrence of a Screen Rate Replacement Event, the Replacement Benchmark, the precise terms and conditions of replacement of such Screen Rate with a Replacement Benchmark and the related total effective rates will be communicated to the Borrower in a separate letter.

<sup>2</sup> To be deleted in case of fixed Interest Rate.

- Effective global rate (for a 6 month period): [●percentage in words] ([●]%)
- Effective global rate (per annum)<sup>3</sup>: [●percentage in words] ([●]%)

[It being specified that the above Interest Rate may vary in accordance with the provisions of clauses 4.1.1(a) (*Floating Interest Rate*) and 5.2 (*Replacement of a Screen Rate*) of the Agreement.]<sup>4</sup>

Yours sincerely,

.....

Authorised signatory of *Agence Française de Développement*

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<sup>3</sup> Periodic global effective rate to be provided also.

<sup>4</sup> To be deleted in case of fixed Interest Rate.

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**SCHEDULE 5C – FORM OF RATE CONVERSION REQUEST**

*[on the Borrower's letterhead]*

To: AGENCE FRANÇAISE DE DÉVELOPPEMENT

On: *[date]*

**Borrower's Name – Credit Facility Agreement n°[●] dated [●]**

**Rate Conversion Request n°[●]**

Dear Sirs,

1. We refer to the Credit Facility Agreement n°[●] entered into between the Borrower and the Lender dated [●] (the “**Agreement**”). Capitalised words and expressions used but not defined herein have the meanings given to them in the Agreement.
2. Pursuant to Clause 4.1.3 (a) (*Conversion from a floating Interest Rate to a fixed Interest Rate*) of the Agreement, we hereby request that you convert the floating Interest Rate of the following Drawdowns:
  - *[list the relevant Drawdowns]*,

into a fixed Interest Rate in accordance with the terms of the Agreement.

3. This rate conversion request will be deemed null and void if the applicable fixed Interest Rate exceeds *[insérer pourcentage en lettres]* [●%].

Yours sincerely,

.....

Authorised signatory of Borrower

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**SCHEDULE 5D – FORM OF RATE CONVERSION CONFIRMATION**

*[on Agence Française de Développement letterhead]*

To: *[the Borrower]*

Date: [●]

Re: Rate Conversion Request n° [●] dated [●]

**Borrower's Name – Credit Facility Agreement n°[●] dated [●]**

**Rate Conversion Confirmation n°[●]**

Dear Sirs,

**SUBJECT:** Conversion from a floating Interest Rate to a fixed Interest Rate

1. We refer to the Credit Facility Agreement n°[●] entered into between the Borrower and the Lender dated [●] (the "**Agreement**"). Capitalised words and expressions used but not defined herein have the meanings given to them in the Agreement.
2. We refer also to your Rate Conversion Request dated [●]. We confirm that the fixed Interest Rate applicable to the Drawdown(s) referred to in your Rate Conversion Request delivered in accordance with Clause 4.1.3 (a) (*Conversion from a floating Interest Rate to a fixed Interest Rate*) of the Agreement is:
  - [●]% per annum.
3. This fixed Interest Rate, calculated in accordance with Clause 4.1.1 (*Selection of Interest Rate*) will apply to the Drawdown(s) referred in your Rate Conversion Request from [●] (effective date).
4. Further, we notify you that the effective global rate per annum of the Facility is [●]%.; Yours sincerely,

.....

Authorised representative of *Agence Française de Développement*

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## SCHEDULE 6 – 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.

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"> <li>➤ 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.</li> <li>➤ All other incidents or accidents are notified internally and included in the ESSMR transmitted to AFD.</li> </ul>	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.	SMDA	Before the start of any activity requiring an environmental permit, approval or authorisation.	AFD receives a copy of environmental permits, approvals and authorisations.
<b>ESS 1 - Assessment and Management of Environmental and Social Risks and Impacts</b>				
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	6 months after the signature of the Financial Agreement.	The CV of the ES&CC expert is deemed satisfactory by AFD.

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Themes	Expected actions	Responsibility	Timetables	Indicators of achievement
	<p>Ensure the appointment of Environmental, Social and Climate Change (ES&amp;CC) Specialists at Project Management &amp; Design Consultant/ Implementation Unit (PMDC/ PIU) level:</p> <ul style="list-style-type: none"> <li>➤ One Environmental Specialist.</li> <li>➤ One Social and Gender Specialist.</li> <li>➤ One Climate Resilience Structure Specialist.</li> </ul>	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&amp;CC) Committee comprising at least the following members:</p> <ul style="list-style-type: none"> <li>➤ Director SDMA as Chairman of the Committee.</li> <li>➤ Panchayat Pradhan / Municipal Commissioner as Convenor.</li> <li>➤ Female member of a local Non-Governmental Organizations (NGOs) as member.</li> <li>➤ Safeguard consultants from PMDC as Technical Expert.</li> </ul>	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, subdivision 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.
E&S assessment (ESIA-ESMP) and implementation of the management plans	<p>Ensure that SDMA Project activities are carried out in compliance with World Bank's E&amp;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&amp;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.

Themes	Expected actions	Responsibility	Timetables	Indicators of achievement
	<p>For each Sub-project and according, prepare detailed E&amp;S studies in accordance with the procedure established in the ESMF, which can be (depending on its E&amp;S ranking: B+, B or C):</p> <ul style="list-style-type: none"> <li>➤ Environmental and Social Screening Reports.</li> <li>➤ Environmental and Social Impact Assessment (ESIA).</li> <li>➤ Environmental and Social Management Plan (ESMP).</li> <li>➤ Stakeholder Engagement Plan (SEP).</li> <li>➤ Gender Action Plan (GAP).</li> <li>➤ Resettlement Action Plan (RAP).</li> <li>➤ Livelihood Restoration Plan (LRP).</li> <li>➤ Biodiversity Management Plan (BMP).</li> <li>➤ Ethnic Groups Engagement Plan (EGEP).</li> <li>➤ Etc.</li> </ul>	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.
	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.
<b>ESS 2 - Labor and Working Conditions</b>				
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 ESHS 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.

Themes	Expected actions	Responsibility	Timetables	Indicators of achievement
Local and gender-sensitive employment	In accordance with the ESMF, encourage local employment and training of local people, with a gender focus (emphasize 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.
<b>ESS 3 - Resource Efficiency and Pollution Prevention and Management</b>				
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.
<b>ESS 4 - Community Health and Safety</b>				
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.
<b>ESS 5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement</b>				
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.

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Themes	Expected actions	Responsibility	Timetables	Indicators of achievement
	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).
<b>ESS 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources</b>				
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.
<b>ESS 7 - Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities</b>				
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.
<b>ESS 8 - Cultural Heritage</b>				
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.
<b>ESS 10 - Stakeholder Engagement and Information Disclosure</b>				
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.

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Themes	Expected actions	Responsibility	Timetables	Indicators of achievement
Grievance management mechanisms	Develop, implement and maintain an effective grievance management mechanism at the project level. All the complaints are registered, classified by category and emergency, and disaggregated by gender. All grievances that may need actions are addressed.	SDMA	One month after the PMU has been recruited and before any activity in the field	Details of grievances management (including the number and type 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-ESHSMMP	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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**SCHEDULE 7 – FORM OF FOLLOW-UP REPORT OF THE PROJECT'S INDICATORS**

Activities	Baseline	Intermediate Results (IR)	IR Indicators	Source and Calculation	Values as of (date)
<b>Result Area/ Component 1: Enhancing disaster risk governance, through improved institutional capacities, risk understanding and knowledge management.</b>					
1.1: Strengthening of HPSDMA & DDMA's, State EOC and District EOCs	State EOC has 8 EOC and 4 ERSS <sup>5</sup> staff and each District EOC has 8 people on an average with minimal infrastructure. <sup>6</sup>  Technical and administrative staff strength at HPSDMA is 12 and at each DDMA is 2. <sup>7</sup>	State EOC and District EOCs are strengthened.	IR1: State EOC and District EOCs are staffed and well-equipped	To be confirmed in POM	To be completed for each report
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 <sup>8</sup> level. <sup>9</sup>	CCVA completed in all five river basins (Chenab, Ravi, Beas, Sutlej, and Yamuna).	IR2: CCVA reports prepared and accepted		
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. <sup>10</sup> There is no structured mechanism for dissemination. Disaster related knowledge management is not institutionalized.	HimalayanIDM established 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		

<sup>5</sup> Emergency Response Support System

<sup>6</sup> Source: HPSDMA

<sup>7</sup> ibid

<sup>8</sup> 4<sup>th</sup> Assessment Report of the Intergovernmental Panel on Climate Change

<sup>9</sup> ibid

<sup>10</sup> 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?lsid=170&lev=2&lid=165&langid=1>

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1.4: Establishing the Himalayan Institute for Disaster Management					
<b>Results-based Financing (RBF) Sub-component</b>					
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.	<p>IR4: Gram Panchayat Development Plan (GPDP) including climate action and disaster planning aspects is prepared and approved for Manikaran, Rangway &amp; Palchan Gram Panchayats (DLI1Y2)</p> <p>IR5: Divisional and State Forest Fire Management Plans are prepared and approved (DLI1Y3)</p> <p>IR6: City Climate Action Plan (CCAP) is prepared and approved for Chamba (DLI1Y4)</p>	To be confirmed in POM	To be completed for each report
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. <sup>11</sup>	Key policy documents related to disaster management are updated.	<p>IR7: Updated HP Disaster Management and Relief Manual notified (DLI2Y2)</p> <p>IR8: Knowledge repository for climate change and biodiversity management developed (DLI2Y3)</p> <p>IR9: All 12 District Disaster Management Plans updated and approved (DLI2Y3)</p>		
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)		

<sup>11</sup> Source: HPSDMA

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			<p>IR11: Guidelines for mainstreaming gender in disaster management issued (DLI3Y2)</p> <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>		
1.8: Improving disaster-responsiveness of the State's Public Finance Management (PFM) systems (DLI4)	Key elements of DRR are not integrated into PFM policies and practices.	Key elements of DRR are introduced into the State's PFM architecture.	<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>	To be confirmed in POM	To be completed for each report
1.9: Implementing technology solutions for effective disaster mitigation and response (DLI5)	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).	IT solutions are implemented for critical disaster management functions.	<p>IR16: Functional and Software Requirement Specifications signed off for:</p> <ul style="list-style-type: none"> <li>- Disaster Management Plans Monitoring System (DMPMS)</li> <li>- Tourist/Pilgrim Management System</li> <li>- Spatially-integrated Hazard Vulnerability and Household Information System (DLI5Y2)</li> </ul> <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>	-	-

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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	To be confirmed in POM	To be completed for each report To be completed for each report
2.2: Developing climate/weather related forecast for agriculture and horticulture		To be confirmed in POM	To be confirmed in POM		
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	743 forest fire lines and zero crew stations are in place. <sup>12</sup>	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. <sup>13</sup>	Helipads constructed and operational.	IR23: Operational clearance obtained for helipads at 31 locations		

<sup>12</sup> ibid

<sup>13</sup> ibid

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2.7: Strengthening Training for Disaster Response	<p>Training conducted for a few hundred civil defence personnel. No facility for training civil volunteers.</p> <p>0.2% of the State's population trained as volunteers for disaster response.<sup>14</sup></p>	<p>Training facilities and constructed operational.</p>	<p>IR24: Continuous trainings of Civil Defence volunteers</p>		
<b>Result Area/ Component 3: Supporting mitigation measures, including eco-DRR and nature-based solutions.</b>					
3.1: Landslide mitigation and slope stabilization of vulnerable landslide sites	<p>675 of the landslide prone sites are near critical infrastructure and habitations.<sup>15</sup></p>	<p>Selected landslide-prone sites are mitigated by nature-based solutions like bioengineering.</p>	<p>IR25: 11 sites are mitigated for landslides and bioengineering field works initiated</p>	<p>To be confirmed in POM</p>	<p>To be completed for each report</p>
3.2: Developing area-specific bioengineering nurseries					
3.3: Creating Climate Change & earthquake resistant Technology Demonstration Units (TDUs) at existing engineering institutes	<p>30,000 buildings in Red Zone require special retrofitting out of the 30 lakh constructions.<sup>16</sup></p>	<p>TDU is established.</p>	<p>IR26: TDUs are operational and are providing training to students, masons, builders etc.</p>		
3.4: Implementing hazard-resistant critical infrastructure		<p>Retrofitting of select buildings completed.</p>	<p>IR27: 40 selected buildings are retrofitted</p>		

<sup>14</sup> Source: HPSDMA. 15,000 volunteers trained compared to State population of 68.65 lakhs as per 2011 Census

<sup>15</sup> Source: HPSDMA

<sup>16</sup> ibid

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**SCHEDULE 8 – INFORMATION THAT THE LENDER IS AUTHORIZED EXPRESSLY TO DISCLOSE ON THE FRENCH GOVERNMENT 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 amount 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 ”.



## 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 9 – 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 10 – 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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## SCHEDULE 11 – STATEMENT OF INTEGRITY

### Statement of Integrity, Eligibility and Environmental and Social Responsibility

Reference name of the Bid/Proposal/Contract signed<sup>17</sup> \_\_\_\_\_ (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,<sup>18</sup> 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 resolution<sup>19</sup> 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;

<sup>17</sup> In the case of a Contract already signed to be refinanced.

<sup>18</sup> 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).

<sup>19</sup> 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.

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- 2.4 Having been declared ineligible by one of the multilateral development banks signatories to the Mutual Recognition Agreement of 9 April 2010<sup>20</sup> (in the event of such ineligibility, we 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 behalf<sup>21</sup>, 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,<sup>2</sup> 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

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<sup>20</sup> World Bank, Inter-American Development Bank, African Development Bank, Asian Development Bank, and European Bank for Reconstruction and Development.

<sup>21</sup> 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).

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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;
- 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,<sup>22</sup> 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.<sup>22</sup>
  - 6.2 Neither we, nor or any party acting on our behalf,<sup>22</sup> 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,<sup>22</sup> 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

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<sup>22</sup> For informational purposes, this policy can be accessed *via* the following link: <https://www.afd.fr/en/combating-corruption>.

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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,<sup>2</sup> 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.
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:<sup>23</sup> \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 Dated: \_\_\_\_\_

<sup>23</sup> 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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