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LOAN NUMBER 9066-IN

# **Project Agreement**

**(Himachal Pradesh State Roads Transformation Project)**

**between**

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

**and**

**STATE OF HIMACHAL PRADESH**

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## **PROJECT AGREEMENT**

AGREEMENT between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and STATE OF HIMACHAL PRADESH ("Project Implementing Entity") ("Project Agreement") in connection with the Loan Agreement ("Loan Agreement") of the Signature Date between India ("Borrower") and the Bank, concerning Loan No. 9066-IN. The Bank and the Project Implementing Entity hereby agree as follows:

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

- 1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Loan Agreement or the General Conditions.

### **ARTICLE II — PROJECT**

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

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

- 3.01. The Project Implementing Entity's Representative is its Principal Secretary Public Works Department, and Transport and IT.
- 3.02. For purposes of Section 10.01 of the General Conditions:

(a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

|                              |                |
|------------------------------|----------------|
| Telex:                       | Facsimile:     |
| 248423(MCI) or<br>64145(MCI) | 1-202-477-6391 |

3.03. For purposes of Section 10.01 of the General Conditions:

(a) the Project Implementing Entity's address is:

HP Secretariat  
Shimla 171 002  
Himachal Pradesh,  
India; and

Facsimile:  
+91 177 2622382

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

E-mail:  
pwdsecy-hp@nic.in

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

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

By /s/ JUNAID KAMAL AHMAD

Authorized Representative

Name: JUNAID KAMAL AHMAD

Title: COUNTRY DIRECTOR, INDIA

Date: SEPTEMBER 7, 2020

**STATE OF HIMACHAL PRADESH**

By /s/ JAYDISH CHANDER SHARMA

Authorized Representative

Name: JAYDISH CHANDER SHARMA

Title: PRINCIPAL SECRETARY, PUBLIC WORKS  
DEPARTMENT

Date: SEPTEMBER 7, 2020

## SCHEDULE

### Execution of the Project

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. The Project Implementing Entity ("PIE") shall vest responsibility for overall coordination of Project implementation to Himachal Pradesh Road and other Infrastructure Development Corporation ("HPRIDC") of Himachal Pradesh Public Works Department ("HPPWD").
2. Without limitation to the provision of paragraph 1 above, the PIE shall vest responsibility for implementation of: (a) Components 1.1, 1.2, 1.4 and 2 of the Project, to HPRIDC; (b) Component 1.3 of the Project to Himachal Pradesh Department of Transport ("HPDOT"); and (c) Component 3 of the Project to HP State Police.
3. No later than one month after the Effective Date, or the first disbursement against Disbursement Linked Indicators ("DLIs"), whichever comes first, the PIE through HPRIDC shall engage an Independent Verification Agent ("IVA") – Technical Audit Consultant ("TAC") - with qualifications, experience and terms of reference acceptable to the Bank, to confirm the fulfilment of the verification protocols for the DLIs and authorize disbursement.

##### B. Project Implementation

1. The PIE through HPRIDC, HPDOT, and HP State Police, shall implement the Project in accordance with the PIM.
2. The PIE shall refrain from amending, suspending, waiving, and/or voiding any provision of the PIM, whether in whole or in part, without the prior written concurrence of the Bank.
3. In the event of a conflict between the provisions of the PIM, on the one hand, and those of this Agreement and/or the Loan Agreement on the other hand, the provisions of the latter Agreements shall govern.

##### C. Environmental and Social Standards

1. The Project Implementing Entity shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Project Implementing Entity shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Project Implementing Entity shall ensure that:

- (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;
- (b) sufficient funds are available to cover the costs of implementing the ESCP;
- (c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and
- (d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Bank shall otherwise agree in writing and the Project Implementing Entity has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

2. The Project Implementing Entity shall:

- (a) take all measures necessary on its part to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
- (b) promptly notify the Bank of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.

3. The Project Implementing Entity shall maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.

**D. Implementation of Component 3 by the HP State Police**

1. The Project Implementing Entity through the HP State Police shall:

- (a) ensure that the personnel of the State Traffic Police selected/enlisted to be part of the implementation of Component 3 of the Project be: (i) duly screened to confirm that they have not engaged in past unlawful or abusive behavior, including but not limited to gender-based violence or excessive use of force; and (ii) adequately

instructed and trained, namely on the use of force and appropriate behavior/conduct, all in a manner acceptable to the Bank, as further detailed in the HP State Police Standard Operating Procedure/Code of Conduct for HP State Traffic Police personnel adopted by the HP State Police in form and substance satisfactory to the Bank; and

- (b) promptly review and diligently investigate any allegations of unlawful or abusive behavior by HP State Traffic Police personnel, and thereafter, if/when warranted:
    - (i) take appropriate disciplinary action reporting such behavior to the relevant authorities and sanctioning the responsible party; and
    - (ii) adopt any necessary measures to preempt their recurrence.
2. In order to ensure that the road safety initiatives under the Project are implemented in a manner designed to achieve the objectives of the Project, the Project Implementing Entity shall ensure that, unless the Bank shall otherwise agree in writing:
- (a) all goods and technical assistance provided for these activities are used by the HP State Police and HP State Traffic Police exclusively for the sole purpose of enforcing the Project Implementing Entity's road traffic laws and regulations;
  - (b) the proceeds of the Loan shall not be used to: (i) enforce any laws or regulations unrelated to traffic management and/or road safety; and (ii) support the investigation, prosecution, and/or enforcement of judgments that, ex ante, target specific individuals; and
  - (c) the Loan shall not be used to purchase arms or ammunition or to train any personnel in the use of arms or ammunition.

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

- 1. The PIE shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of indicators acceptable to the Bank. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than forty-five days after the end of the period covered by such report.
- 2. The PIE shall prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank no later than thirty-six (36) months from the Effective Date, a consolidated mid-term review report for the Project, summarizing the results of the monitoring and evaluation activities carried out from the inception of the Project, and setting out the measures recommended to ensure the efficient completion of the Project and to further its objective.