Project Agreement

(Additional Financing for Dam Rehabilitation and Improvement Project)

between

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

and

STATE OF KARNATAKA, STATE OF KERALA, STATE OF ODISHA, STATE OF TAMIL NADU, STATE OF UTTARAKHAND, UJVN LIMITED AND DAMODAR VALLEY CORPORATION
PROJECT AGREEMENT

AGREEMENT ("Project Agreement") between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and STATE OF KARNATAKA, STATE OF KERALA, STATE OF ODISHA, STATE OF TAMIL NADU and STATE OF UTTARAKHAND ("Project Implementing Entities") as well as UJVN LIMITED AND DAMODAR VALLEY CORPORATION ("Corporations") in connection with the Loan Agreement ("Loan Agreement") of the Signature Date between India ("Borrower") and the Bank. The Bank and the Project Implementing Entities 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 Entities declare their commitment to the objectives of the Project. To this end, the Project Implementing Entities shall carry out their Respective Part of 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 Entities’ Representatives are the Chief Secretaries or authorized representatives of the respective Project Implementing Entity.

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: E-mail:
248423(MCI) or 64145(MCI) 1-202-477-6391 jahmad@worldbank.org
3.03. For purposes of Section 10.01 of the General Conditions: the Project Implementing Entities’ addresses (and Electronic Addresses) are:

Office of the Chief Secretary
Government of Kerala
Government Secretariat
Thiruvananthapuram 695001
Kerala

Office of the Chief Secretary
Government of Odisha
Bubaneshwar 751001
Odisha

Office of the Chief Secretary
Government of Tamil Nadu
Fort Saint George
Chennai 600009
Tamil Nadu

Office of the Chief Secretary
Government of Karnataka
Vidhana Soudha
Bengaluru, Karnataka

Office of Chief Secretary
Government of Uttarakhand
Subhash Road
Dehradun – 248 001

Office of Chairman
Damodar Valley Corporation
Kolkata, West Bengal
AGREED, as of the latest of the dates written below.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: JUNAID KAMAL AHMAD
Title: COUNTRY DIRECTOR, INDIA
Date: MARCH 8, 2019

STATE OF KARNATAKA

By

Authorized Representative

Name: PRADEEP MITRA MANJUNATH
Title: PROJECT DIRECTOR
Date: MARCH 8, 2019

STATE OF KERALA

By

Authorized Representative

Name: PUNEET KUMAR
Title: PRINCIPAL SECRETARY
Date: MARCH 8, 2019
STATE OF ODISHA

By

Authorized Representative

Name: PRADEEP KUMAR JENA

Title: PRINCIPAL SECRETARY

Date: MARCH 8, 2019

STATE OF TAMIL NADU

By

Authorized Representative

Name: R. SELVARAJAN

Title: CHIEF ENGINEER

Date: MARCH 8, 2019

STATE OF UTTRAKHAND

By

Authorized Representative

Name: S.N. VERMA

Title: MANAGING DIRECTOR

Date: MARCH 8, 2019

UJVNL LIMITED
(UTTARAKHAND JAL VIDYUT NIGAM LIMITED)

By

Authorized Representative

Name: S.N. VERMA

Title: MANAGING DIRECTOR

Date: MARCH 8, 2019
DAMODAR VALLEY CORPORATION

By

Authorized Representative

Name: SATYABRATA BARJEE
Title: CHIEF ENGINEER
Date: MARCH 8, 2019
SCHEDULE

Section I. Implementation Arrangements

A. Implementation Arrangements

1. Without limitation upon the provisions of Section 3.01 of the Loan Agreement, each of the Project Implementing Entities shall carry out its respective Part of the Project through its Water Resources Department, Electricity Board or Corporation, as the case may be, with the assistance of its Dam Safety Organizations; all in accordance with the Project Implementation Plan.

2. Each of the Project Implementing Entities shall:

   (a) maintain a project implementation plan, satisfactory to the Bank, containing, *inter alia*, specific provisions on detailed arrangements for the carrying out of the Project, including: (i) guidelines governing the procurement, financial management and disbursement processes under the Project; (ii) criteria for the identification, selection and planning of dam rehabilitation and improvement activities under the Project; (iv) the ESMF, GAAP, Procurement Plan and Financial Management Manual; and (v) the Key Performance Indicators; and

   (b) not amend, delete or waive any provision of the Project Implementation Plan without the prior written agreement between the respective Project Implementing Entity and the Bank.

3. Each of the Project Implementing Entities shall maintain at all times during Project implementation:

   (a) the Dam Safety Organization within its Water Resource Department;

   (b) a State Project Management Unit: (i) with functions, responsibilities and resources acceptable to the Bank, including, *inter alia*, the responsibility of said unit to coordinate and monitor the carrying out of the Project; (ii) led by a project director and assisted by adequate professional and administrative staff (including procurement, financial management, environmental and social development specialists), in numbers and with experience and qualifications agreed with the Bank; and (iii) operating under terms of reference agreed with the Bank; and

   (c) not use any Project funds to increase the designed storage capacity of reservoirs.

B. Social and Environmental Safeguards

1. The Project Implementing Entities shall carry out their respective Part of the Project in accordance with the ESMF, the Safeguard Assessments and Plans, in a manner satisfactory to the Bank.

2. The Project Implementing Entities shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the ESMF or any Safeguard Assessments and Plans, unless the Bank has provided its prior approval thereof in writing, and the Project Implementing
Entities have complied, or caused to be complied, with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.

3. In the event of any conflict between the provisions the ESMF or any Safeguard Assessments and Plans, and the provisions of this Agreement, the provisions of this Agreement shall prevail.

4. Notwithstanding the above-mentioned provisions, the State of Odisha shall carry out its Respective Part of the Project in accordance with the EMP and RAP, in a manner satisfactory to the Bank. To this end, the State of Odisha shall:

(a) take such measures as shall be necessary or appropriate to ensure compliance with the requirements of the EMP and RAP; and

(b) in the case of any resettlement activity under its Respective Part of the Project involving Displaced Persons, ensure that no displacement shall occur before necessary resettlement measures consistent with the RAP applicable to such activity have been executed, including, in the case of displacement, full payment to the Displaced Persons of compensation and of other assistance required for relocation, prior to displacement.

C. Dam Safety Measures for Hirakud Dam

1. No later than three (3) months after Effective Date, the State of Odisha shall:

a) Establish and maintain, an independent Panel of Experts – including at least two international experts - with qualifications, and under the terms of reference, satisfactory to the Bank and thereafter: (i) ensure that the Panel of Experts performs periodic reviews of methodology, design and drawings of additional spillway of Hirakud Dam pursuant to the terms of reference, and in a manner, satisfactory to the Bank; (ii) promptly provide to the Bank a copy of each report prepared by the Panel of Experts; and thereafter (iii) unless otherwise agreed by the Bank, promptly and diligently implement dam safety measures recommended by the Panel of Experts;

b) engage a consulting firm - under terms of reference satisfactory to the Bank - for conducting a comprehensive risk profile and remedial measures /safety improvement options assessment of Hirakud Dam and, upon its completion, promptly submit to the Bank a copy of the report of such assessment;

c) shall revise an operation and maintenance manual for the Hirakud Dam and prepare an emergency preparedness plan, both in form and substance satisfactory to the Bank; and

d) engage a consulting firm - under the terms of reference satisfactory to the Bank - to undertake a review of design and drawings of the left bank spillway of Hirakud Dam, construction supervision and quality assessment of works.

2. No later than twelve (12) months after Effective Date, the State of Odisha shall prepare an
instrumentation plan and a construction supervision and quality assurance plan for the Hirakud Dam, all in form and substance satisfactory to the Bank.

D. **Other**

Each of the Project Implementing Entities shall ensure that: (a) for each independent activity consisting of improvement and rehabilitation works under Part A of the Project, a template which summarizes information on technical, environmental, social, and implementation-related information aspects of such activity is prepared; and (b) prior to the carrying out of any improvement and rehabilitation works under Part A of the Project, the Bank has approved the template referred to in paragraph 1 of this Section.

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

A. **Project Reports**

The Project Implementing Entities shall monitor and evaluate the progress of their Respective Part 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 the Key Performance Indicators. Each such Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Borrower no later than four (4) weeks after the end of the period covered by such report for incorporation into the overall Project Report to be forwarded to the Bank.