Program Agreement

(First Programmatic Electricity Distribution Reform Development Policy Loan for Rajasthan)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

STATE OF RAJASTHAN

Dated MARCH 31, 2016
PROGRAM AGREEMENT

Agreement dated MARCH 31, 2016, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and the STATE OF RAJASTHAN (variously "Rajasthan" or the "Program Implementing Entity") ("Program Agreement") in connection with the Loan Agreement ("Loan Agreement") of same date between INDIA ("Borrower") and the Bank. The Bank and the Program 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) constitute an integral 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 — PROGRAM

2.01. Rajasthan declares its commitment to the Program and its implementation. To this end, and further to Section 5.08 of the General Conditions:

(a) the Borrower, the Bank and Rajasthan shall, from time to time, at the request of either party to this Agreement or the Loan Agreement, exchange views on Rajasthan’s macroeconomic policy framework and the progress achieved in carrying out the Program;

(b) prior to each such exchange of views, Rajasthan shall furnish to the Borrower and the Bank for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Bank shall reasonably request; and

(c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, Rajasthan shall promptly inform the Borrower and the Bank of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The Program Implementing Entity’s Representative is the Principal Secretary of the Department of Energy of the Government of Rajasthan, or any other person or persons as he/she shall designate in writing.
3.02. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433
United States of America

Facsimile:
1-202-477-6391

3.03. The Program Implementing Entity’s Address is:

Government Secretariat
Jaipur 302 015
Rajasthan

Facsimile:
+91 (141) 2227659
AGREED at New Delhi, India, as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: ONNO RUMI

Title: COUNTRY DIRECTOR, INDIA

STATE OF RAJASTHAN

By

Authorized Representative

Name: SANJAY MALHOTRA

Title: PRINCIPAL SECRETARY, ENERGY
SCHEDULE

Actions Taken Under the Program

The actions taken by Rajasthan under the Program include the following:

1. Rajasthan has issued and notified the Electricity Distribution Management Responsibility Ordinance.

2. The DISCOMs have developed and obtained approvals for their Employee Performance Incentive schemes.

3. The DISCOMs have completed the audited financial statements for FY 14-15.

4. The Union Government, Rajasthan and the DISCOMs have entered into Tri-Partite MoUs for the implementation of UDAY Program.

5. The DISCOMs have filed with RERC their annual revenue requirements and tariff petitions for FY 15-16.

6. Rajasthan has set up the Rajasthan Energy Development Corporation Ltd., a company aiming to bring transparency and optimize power purchases on behalf of DISCOMs.

7. The DISCOMs have approved Business Plans for improved operational performance and initiated their implementation including on:

   (a) pre-paid metering program for government consumers; and

   (b) the Energy Efficiency Lighting Program.