



MILLENNIUM CHALLENGE ACCOUNT NEPAL (MCA-Nepal)

MILLENNIUM CHALLENGE ACCOUNT NEPAL (“MCA-Nepal”)

Synopsis of Minutes of 14th Meeting of the Board of Directors of Millennium Challenge Account Nepal

Nature: Regular Meeting

MCA-N/BOD-M-14/10-11-2019

Date: 10 November, 2019 (2076/07/24 BS)
Time: 9:00 AM
Place: Conference Room of the Secretary, Government of Nepal, Ministry of Finance, Singhadurbar, Kathmandu
Notice Served: 04 November 2019 (2076/07/18 BS)

1. PRESENT

1.1. Members

- **Dr. Rajan Khanal**, Chairperson
And, Secretary, Government of Nepal, Ministry of Finance
- **Gopal Sigdel**, Member
And, Joint Secretary, Ministry of Physical Infrastructure and Transport
- **Mr. Kul Man Ghising**, Member
And, Managing Director, Nepal Electricity Authority
- **Mr. Sagar Raj Goutam**, Member (Alternate)
And, Senior Division Engineer, Ministry of Energy, Water Resources and Irrigation
- **Mr. Kumar Pandey**, Member representing the Private Sector
And, Vice President, Independent Power Producers' Association of Nepal
- **Mr. Gopal Khanal**, Member representing the Civil Society
And, Journalist, Gorakhapatra National Daily

*The Government of Nepal has established MCA-Nepal on 18th April 2018
under Development Board Act, 2013 as the accountable entity to implement the Compact with Millennium Challenge Corporation, USA.*



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- **Mr. Khadga Bahadur Bisht**, Member Secretary
And Executive Director, MCA-Nepal

1.2. Invitees

- **Mr. Shreekrishna Nepal**, Invitee
And, Joint Secretary, Government of Nepal, Ministry of Finance, International Economic Cooperation and Coordination Division (IECCD)
- **Sanjay Poudyal**, Invitee
And, Deputy Resident Country Director – Nepal, Millennium Challenge Corporation

1.3. Others Attending

- **Mr. Sagar K. Rimal**, Special Invitee (for Agenda No. 3 only)
Under Secretary (Tech.) Ministry of Forests and Environment
- **Mr. Rajib Dahal**
Chief Legal Officer, Millennium Challenge Account Nepal
- **Mr. Satyam Pathak**
Legal Advisor, Millennium Challenge Account Nepal

2. PRELIMINARY

- 2.1. The meeting of the Board of Directors was duly constituted on 10 November, 2019 (2076/07/24 BS) after the notice was served in writing on 04 November, 2019 (2076/07/18 BS).
- 2.2. The Chairperson welcomed all the members of the Board of Directors and other invitees attending the meeting.
- 2.3. The Chairperson reported that a quorum was present in accordance with Millennium Challenge Account Nepal Development Board Formation Order, 2074 (2018).

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2.4. Mr. Khadga Bahadur Bisht, Executive Director, Millennium Challenge Account Nepal updated on current activities of MCA-Nepal and presented the agendas to the MCA-Nepal Board of Directors.

3. UPDATE ABOUT CURRENT ACTIVITIES OF MILLENNIUM CHALLENGE ACCOUNT NEPAL

3.1. Mr. Khadga Bahadur Bisht, Executive Director briefed the MCA-Nepal Board of Directors on status of the current activities of MCA-Nepal.

3.2. The Executive Director presented to the Board of Directors updates on ongoing activities of MCA-Nepal in relation to substation activity, EIA Report preparation, technical assistance activities and road maintenance projects.

3.3. The Executive Director thanked Ministry of Energy, Water Resources and Irrigation, and Nepal Electricity Authority for successful Joint Working Group and Joint Steering Committee meetings with India, and stressed on the need to ratify the Compact at the earliest in the next session of the Parliament.

4. AGENDA ITEMS

4.1. The Chairperson requested the members to consider and, if thought fit, pass a resolution on the following matter:

(A) Agenda One: Approval of budget reallocation & payment in foreign currency to foreign consultants,

(B) Agenda Two: Approval of budget reallocation from MCA-Nepal Program Administration sub-activity to Procurement, Fiscal, and Audit Services sub-activity and authorization to amend Procurement Agent Services,

(C) Agenda Three: Approval of Project Cooperation Agreement with Ministry of Forests and Environment (MoFE),

(D) Agenda Four: Approval of amended procurement plan

(E) Any other Business (AoB) Agenda # 1: Updates on cross-border agreement and further



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action plans relating to operational details.

5. DECISIONS/RESOLUTIONS

5.1. Agenda One: Approval of budget reallocation & payment in foreign currency to foreign consultants

5.1.1. MCA-Nepal had requested a reallocation of capital budgets, and some additional budgets for recurrent activities. The Ministry of Finance has made appropriate reallocation and has made a provision for additional allocation.

5.1.2. In addition to it, MCA-Nepal has entered into a number of contracts with international contractors where the payments are to be made in United States dollars (USD), and MCA-Nepal has put forward this agenda before the Board of Directors seeking approval to pay international contractors in USD.

5.2. Board Resolution

5.2.1. The Board of Directors of MCA-Nepal hereby resolves and approves the budget plan of MCA-Nepal on the light of new reallocation, and resolves that the Executive Director of MCA-Nepal is authorized to make payment to all the institutional and individual consultants and contractors in the currency mentioned in the contracts when the consultants/contractors deliver acceptable work/services per the contract.

5.3. Agenda Two: Approval of budget reallocation from MCA-Nepal Program Administration sub-activity to Procurement, Fiscal, and Audit Services sub-activity and authorization to amend Procurement Agent Services

5.3.1. The Board of Directors of MCA-Nepal reviewed the Board Agenda put forward by the Executive Director of MCA-Nepal and the rationale behind the budget reallocation. The Board of Directors of MCA-Nepal also noted that the budget reallocation and the amendment to Procurement Agent Agreement Services were required due to change in the Entry into Force date.



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5.3.2. The Board of Directors of MCA-Nepal hereby approves the budget reallocation from MCA-Nepal Program Administration sub-activity to Procurement, Fiscal, and Audit Services sub-activity and authorizes to amend Procurement Agent Services Agreement.

5.4. Agenda Three: Approval of Project Cooperation Agreement with MoFE

5.4.1. The Board of Directors of MCA-Nepal reviewed the Board Agenda put forward by the Executive Director of MCA-Nepal and the rationale behind the signing of Project Cooperation Agreement (PCA) with Ministries and Departments of Nepal Government. The Board of Directors of MCA-Nepal also took note of the fact that PCAs are important for smooth implementation of the Compact in Nepal. Therefore, the Board of Directors of MCA-Nepal hereby approves the final draft of the PCA to be signed with Ministry of Forests and Environment (MoFE).

5.4.2. The special invitee from MoFE apprised the Board of its activities in relation to PCA, its technical and scope review that has been conducted earlier, and MoFE's readiness to sign the PCA to provide support to MCA – Nepal in project implementation.

5.5. Agenda Four: Approval of amended procurement plan

5.5.1. The Board of Directors of MCA-Nepal reviewed the amendment proposal for the modification of Procurement Plan, and approves the Procurement Plan.

5.6. Any other Agenda # 1: Updates on cross-border agreement and further action plans relating to operational details

5.6.1. Agenda in Brief

5.7.1.1. In the minutes of seventh JWG and JSC meetings, Government of Nepal and India have agreed for the construction of Butwal-Gorakhpur Cross Border Transmission Line. It is also desirable to develop operational principles for the New Butwal-Gorakhpur cross-border transmission line and provide it to MCC before the planned Entry into Force dated of June 30, 2020.

5.6.2. Board Resolution

5.7.2.2. MCA-Nepal Board of Directors hereby requests Nepal Electricity Authority to develop



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a Cross-Border Plan Framework in consultation with Power Grid Corporation of India Limited and with inputs from MCA-Nepal technical team and share the draft plan with MCC.

6. RECORDING OF THE DISCUSSIONS AND DECISIONS

6.1. RESOLVED THAT the Board of Directors directs the Executive Director to record these minutes with the minute book of Millennium Challenge Account Nepal and to submit the synopsis of such minutes for publication on the website of Millennium Challenge Account Nepal within two (2) weeks from the date of these Minutes.

7. CLOSE

There being no further business the meeting was then closed at 11:30 AM.

Prepared by:

Rajib Dahal, Chief Legal Officer
Millennium Challenge Account Nepal