



MILLENNIUM CHALLENGE ACCOUNT NEPAL (MCA-Nepal)



Annual FISCAL YEAR
Report 2078/079
(2021/022)

ANNUAL REPORT

FY 2079/2079 B.S. (2021/2022)
Millennium Challenge Account Nepal
(MCA-Nepal)

MESSAGE FROM THE BOARD CHAIR



The grant of USD 500 million received under the Millennium Challenge Corporation (MCC) Nepal Compact agreement, signed between the Ministry of Finance and MCC is an opportunity for the infrastructure development of Nepal. The Government of Nepal is investing USD 130 million in the program, for a total of USD 630 million.

The program aims to increase the availability of reliable electricity, maintain road quality, accelerate economic growth in Nepal and facilitate power trade between Nepal and the region. The program will contribute to the economic development of Nepal.

Electricity Transmission and Road Maintenance Projects, selected for the utilization of the grant in Nepal are of high priority for the Government of Nepal. Around 315 km of transmission line and three substations will be built and up to 77 km of road will be maintained under the projects.

The Government of Nepal has a long-term policy to enhance the capacity of the electricity distribution network to scale-up industrial activities, the backbone of economic development. The transmission line to be constructed under the program will be a significant part of the electricity transmission system in Nepal. Millennium Challenge Account Nepal (MCA-Nepal), the government entity under the Ministry of Finance, has made good progress towards the achievement of pre-conditions related to the program this fiscal year. The parliamentary ratification of the Compact has been achieved and various preparatory works are ongoing for access to sites, the final pre-condition to take the project into construction.

The preparatory works including the completion of laboratory construction and installation of equipment and new technologies in the Department of Roads under the Road Maintenance Project have paved the way for road maintenance activities to be carried out in the future. Similarly, under the Electricity Transmission Project, work is underway for the livelihood restoration of project-affected people in the construction site of the Ratmate Substation. Similarly, other preparatory works to be achieved before the Compact goes into implementation are in the direction of completion. Stakeholder consultations with local authorities and project-affected people are being organized to address grievances related to the transmission line routes and processes to receive permissions for forest clearance are moving forward.

The Government of Nepal will continue to support for effective and timely implementation of the projects. Similarly, the Government of Nepal expects continued support from MCC for expeditious implementation of these projects to ensure completion within the stipulated timeline.

Finally, I would like to appreciate the MCA-Nepal team for their achievements made in this fiscal year. I also take this opportunity to thank MCC, other line ministries and Board members for their trust and contribution. Sincere wishes for the success of the program.

Thank you.

A handwritten signature in black ink, appearing to read 'K. Hari Pushkar'.

Krishna Hari Pushkar
Secretary
Ministry of Finance
Government of Nepal

MESSAGE FROM THE EXECUTIVE DIRECTOR



I am pleased to share Millennium Challenge Account Nepal (MCA-Nepal) Annual Report for the Fiscal Year 2078/79 BS. The report includes overall financial reporting done for the Government of Nepal, project updates submitted to the MCA-Nepal Board of Directors (“Board”), and organizational status as of the ending date and covering the period from 16 July 2021 to 16 July 2022.

MCA-Nepal achieved an important milestone with the ratification of the MCC Nepal Compact on 27 February 2022, a key Conditions Precedent (CP) for the implementation of the projects under the Compact. The road to ratification was not an easy one and fraught with misinformation. MCA-Nepal continues to work to correct misinformation that has percolated to the grassroots. In an effort to deliver factual information to project affected people, MCA-Nepal has initiated stakeholder consultations at multiple levels in project areas. MCA-Nepal is committed to communicate the facts on the Compact and impact of the projects as well as resettlement practices to ensure fair and transparent compensation to affected people.

Post ratification, MCA-Nepal is expediting all preparatory works required under site access for all construction works to begin. Access to site is an important and final CP to be achieved before the target date set for Entry-Into-Force (EIF). The date, agreed upon, both by Government of Nepal (GoN) and Millennium Challenge Corporation (MCC), for August 2023 is the earliest possible date that provides assurance for the successful conclusion of the Compact within the five-year timeline. MCC’s Compacts around the world require that enough time is allotted to the project preparatory phase so that all conditions for successful project delivery are met prior to the implementation activities.

The major preparatory works carried out this fiscal year includes completing the process to acquire required land - the site of a substation for the Electricity Transmission Project at Ratmate, Nuwakot district; construction and inauguration of four labs housing modern technology equipment at the Department of Roads in preparation for roads maintenance work; and implementation of a Livelihood Restoration Program (LRP) for the affected people at Ratmate. LRP is an integral component of the Resettlement Action Plan based on international standards to ensure improved means of livelihood for physically displaced people. Additionally, a detailed re-survey of 30 km of the transmission line route was launched to address grievances of project affected people in line with the findings of the Environmental Impact Assessment (EIA) report. Conducting environmental assessments, developing and implementing resettlement action plans, and working with partner agencies of the Government to ensure all of its standards are being met prior construction work begins will ensure successful and timely implementation of the Compact.

In this crucial preparatory phase, MCA-Nepal’s achievements would not have been possible without the continuous support from our stakeholders. I take this opportunity to express my sincere gratitude to the Ministry of Finance and MCC for their unwavering support. I am also indebted to our Board Chair and members of the Board for the leadership and constant guidance in MCA-Nepal’s key undertakings. MCA-Nepal’s partnership with Nepal Electricity Authority, Electricity Regulatory Commission, Department of Roads and Roads Board Nepal has resulted in major outcomes the past year and we look forward to continued collaboration in the coming year.

Finally, I would like to acknowledge and thank the MCA-Nepal team, MCC team, technical partners and consultants for all their contribution in the progress made so far.

A handwritten signature in black ink, appearing to read 'Khadga Bahadur Bisht', written in a cursive style.

Khadga Bahadur Bisht
Executive Director
MCA-Nepal

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Executive Summary

This report covers the Nepali Fiscal Year 2078/79 (from 16 July 2021 until 16 July 2022). The executive summary captures the major highlights of the program and project-related activities detailed in the report during this reporting period.

Major Highlights

MCA-Nepal successfully achieved one of the remaining Conditions Precedent this Fiscal Year with the ratification of the MCC Nepal Compact. Five years after Nepal signed the agreement in September 2017, the Federal Parliament of Nepal ratified it on 27 February 2022 after much deliberation. Ratification, along with the other project-related conditions, were agreed upon between MCC and the Government of Nepal during compact design and negotiations after careful analysis of the risks related to each project component. These project-related conditions support safe, timely, efficient, and effective implementation of the projects based on carefully designed project schedules. These conditions include completion of all preparatory activities such as approvals, permits, clearances, and resettlements prior to the mobilization under construction works contracts. MCA-Nepal continues to work with Government counterparts at relevant ministries on permits, approvals, and clearances of assessments and other technical work.

On 26 April 2022, representatives from Department of Roads, MCC and MCA-Nepal jointly inaugurated laboratories at the Department of Roads (DoR), a key partner in MCA-Nepal's effort to sustain the quality of roads and help the Government of Nepal address long-term maintenance needs. The laboratory and equipment are important components of the technical assistance in the Road Maintenance Project (RMP). The combined value of laboratory equipment, including those for Superpave Asphalt Mix Design, Full Depth Reclamation and Falling Weight Deflectometer, is approximately USD 1.36 million, and likewise the construction cost of the lab buildings approximately USD 60 thousand. The lab equipment will be used for project related activities including regular operation and training activities for DoR technicians in coordination with MCA-Nepal. The maintenance, insurance, and associated activities will be conducted by MCA-Nepal while DoR will be responsible for regular functioning and safekeeping of the assets until the assets are transferred at the end of the Compact period.

A Livelihood Restoration Program (LRP) for the project affected people in the construction site of the substation at Ratmate of Belkotgadhi Municipality in Nuwakot district commenced after Support Activities for Poor Producer of Nepal (SAPPROS Nepal), MCA-Nepal Consultant for the program, organized a two day inception workshop from 5- 6 April 2022. The LRP is an integral part of Resettlement Action Plan developed for the Electricity Transmission Project to ensure improved means of livelihood for physically displaced people from the sub-station construction site. Two hundred thirty-five (235) project affected local people will benefit through various interventions, including agriculture production growth, livelihood skills, financial literacy and life-skill related trainings.

The finalization of the alignment of the 400 kV Transmission Line (TL) is in its final stages. Power Grid Corporation of India Limited (PGCIL), MCA-Nepal's Consultant for the task, is conducting a detailed survey in the sections identified for the re-alignment totaling 30 km of transmission line to address grievances of project affected people. The survey will result in an updated design of TL route for the Electricity Transmission Project.

Section 1

Millennium Challenge Account Nepal Overview

1.1 Organizational Description

The Millennium Challenge Account Nepal (MCA-Nepal) is a Government of Nepal (GoN) agency, formed under the Development Board Act, 1956 AD in order to manage a USD 630 million program co-funded by the US Government's Millennium Challenge Corporation (MCC) Compact fund of USD 500 million and the GoN's fund of USD 130 million. The program aims to increase the availability and reliability of electricity, maintain road quality and facilitate power trade between Nepal and the region to help spur investments and accelerate economic growth. The Electricity Transmission Project (ETP), a national pride project, and the Road Maintenance Project (RMP) are two projects under the program.

1.2 Board of Directors

The MCA-Nepal Board of Directors ("Board") is the executive governing body that comprised of following members as of the end of the Fiscal Year (FY) 2078/079 BS:

1. Mr. Madhu Kumar Marasini, Chairperson
Secretary, Government of Nepal, Ministry of Finance
2. Mr. Keshab Kumar Sharma, Member
Joint Secretary, Government of Nepal, Ministry of Physical Infrastructure and Transport
3. Mr. Madhu Prasad Bhetuwal, Member
Joint Secretary, Government of Nepal, Ministry of Energy, Water Resources and Irrigation
4. Mr. Kul Man Ghising, Member
Managing Director, Nepal Electricity Authority
5. Mr. Kumar Pandey, Member (Representing Private Sector)
Chairman, National Hydro Power Company
6. Mr. Gopal Khanal, (Representing Civil Society)
Journalist
7. Mr. Khadga Bahadur Bisht, Member Secretary
Executive Director, MCA-Nepal

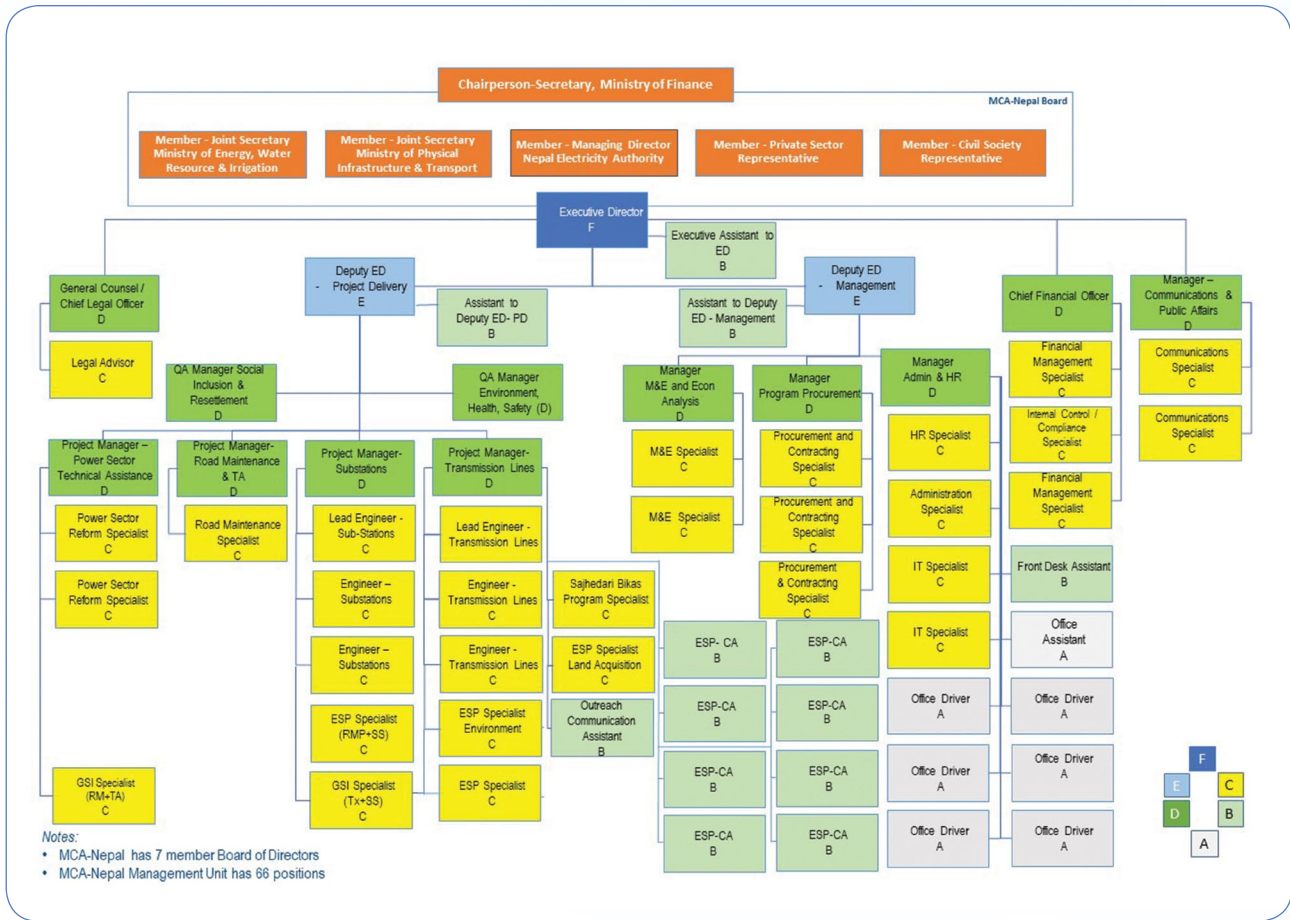
1.3 Board Meeting Highlights

In the Fiscal Year 2078/079 BS (From 16 July 2021 to 16 July 2022), four Board Meetings of MCA-Nepal were held. The agendas and decisions of the Board are presented below:

| Board Meeting No. | Date | Major Agendas and Decisions |
|--------------------------|------------|--|
| 24 th Meeting | 29/09/2021 | <ol style="list-style-type: none"> 1. Approval of MCA-Nepal Procurement Plan Version 5.2 2. Approval of Employment Contract Extension |
| | 15/12/2021 | <ol style="list-style-type: none"> 1. Approval of MCA-Nepal Procurement Plan Version 5.3. 2. Approval of Contract Amendment for Procurement Agent Agreement (PA Agreement) 3. Approval of budget reallocation from MCA-Nepal Program Administration Activity (Program Admin) to Procurement, Fiscal and Audit Services Activity (PA, FA, Audit) |
| 26 th Meeting | 15/03/2022 | <ol style="list-style-type: none"> 1. Approval of the MCA-Nepal Procurement Plan Version 6.0 2. Amendment of Procurement Agent Contract 3. Implementation of the Consequences of Performance Appraisal 2021 |

| | | |
|--------------------------|-----------|--|
| 27 th Meeting | 28/4/2022 | <ol style="list-style-type: none"> 1. Amendment of Procurement Agent Agreement 2. Approval of Contract Amendment for various contracts (TEP/ BRP/SPA/BPA) 3. Amendment of Construction of Lab Building for Asphalt Laboratory and Falling Weight Deflectometer (FWD) Storage 4. Approval for Signing of Project Cooperation Agreement (PCA) with Roads Board Nepal (RBN) 5. Extension of Employment Agreement of Employees 6. Delegation of Authority to Executive Director to approve selection memorandum, and appointment of Band D Employees with necessary amendments on Employees Administration By-laws |
|--------------------------|-----------|--|

1.4 Organization Chart



Section 2

Projects

2.1 Electricity Transmission Project

The Electricity Transmission Project (ETP) consists of the design, supply, construction, installation, testing and commissioning of up to 315 km long 400 kV double circuit Quad Moose overhead electricity transmission line (TL) and three new Substations (S/S) at Ratmate, New Damauli and New Butwal. The 400 kV transmission line will also connect with two other S/S under construction by NEA at Lapsiphedhi and New Hetauda. The support under the ETP also comprises technical assistance (TA) activities to strengthen the performance of Nepal's power sector.

For the successful implementation of the ETP, while complying with the Government of Nepal (GoN) and MCC policies, and technical, environmental and social standards, necessary expenditures for project management, environmental and social impact assessment and mitigation, and engineering and technical supervision of the project will also be supported.

The ETP aims to increase electricity consumption by improving the availability and reliability of electricity supply in Nepal's electricity grid and facilitate cross-border power trade with India. This section discusses four major activities under ETP, namely the TL Activity, S/S Activity and Power Sector TA Activity, and the MCA Partnership Program (MPP) Sub-Activity.

2.1.1 Transmission Line Activity

The Transmission Line (TL) Activity focuses on the design and construction of up to 315 km long 400 kV double-circuit TL (including quad-circuit towers) that will provide a vital missing link to Nepal's existing high voltage grid. The TL segments were selected following careful analyses and feasibility studies that weighed the technical and economic merit, the importance of meeting Nepal's medium and long-term electricity supply goals, and consistency with Nepal's domestic and cross-border transmission investment plans.

The progress related to the TL Activity are as follows:

2.1.1.1 IFB finalization for D-B contract

Delays in the ratification of the Compact affected the timeline of the launch of the bids for the Design and Build (D-B) contract for the TL. In the new scenario with the Compact now ratified, the technical portion of TL in the Invitation for Bid (IFB) has been revised and is in the advanced stage of finalization.

2.1.1.2 RFP for Construction Supervision Engineer for TL and Substation work

The Request for Proposal (RFP) document for the supervision of the construction of TL and S/S is being reviewed to split the contract duration into base and option periods. The base period activities will include the procurement phase support. The RFP will be launched by January 2023, to have the Engineers on board in time to assist MCA-Nepal in the procurement phase, particularly during contract negotiations.

2.1.1.3 Consultant for 30 km Detailed Survey and Corridor sharing with NEA

MCA-Nepal signed a contract with Power Grid Corporation of India Limited (PGCIL) in association with Jade Consult on 30 March 2022 for a detailed survey and engineering design of the ten percent transmission line amounting to 30 km in length where change in the original alignment was necessary as a result of the grievance from the local communities. An inception workshop was organized as a part of the contract on 30 May 2022 following which a walk-over survey was carried out from 30 June to 11 July 2022.

2.1.1.4 Preparation and Implementation of TL RAP and LRP

The procurement of services for TL Resettlement Action Plan (RAP) and Livelihood Restoration Program (LRP) preparation and implementation is in the advanced stage of finalization. This critical path activity will avoid and/or minimize any adverse impact of the involuntary resettlement on livelihood impacts on the project-affected people in ten districts of Nepal.

2.1.2 Substation Activity

Three new 400 kV indoor Gas-Insulated Substation (GIS) will be constructed under the Substation (S/S) Activity of the ETP. The Ratmate S/S will be constructed in Belkotgadhi Municipality of Nuwakot District, the New Damauli S/S in Damauli of Tanahun District, and the New Butwal S/S in Bhumahi of Nawalparasi (Bardaghat Susta West) District. Apart from these S/S, the transmission lines will also terminate at two other NEA S/S at Lapsiphedhi and New Hetauda. Technical details of these S/S are listed below:

| Names of S/S | Details of S/S |
|--------------|--|
| Ratmate | The Ratmate S/S will be a 400 kV gas-insulated S/S (GIS) and a 220 kV Gas Insulated S/S (GIS), in a one-and-a-half breaker bus configuration. It will include seven, 1-Ph, 400/ffl3/220/ffl3/33 kV, 167 MVA, autotransformers, and related control and protection systems. |
| New Butwal | The New Butwal S/S will be a 400 kV gas-insulated S/S (GIS) in a one-and-a-half breaker bus configuration. It will include two, 3-ph 400/220 kV, 315 MVA, autotransformers and related control and protection systems. |
| New Damauli | The New Damauli S/S will be a 400 kV gas-insulated S/S (GIS) in a one-and-a-half breaker bus configuration and will include seven (7), 1-Ph, 400/ffl3/220/ffl3/33 kV, 167 MVA, autotransformers, and related control and protection systems. |

The progress related to the S/S Activity are as follows:

2.1.2.1 IFB Finalization for D-B Contract

The bid documents for the S/S works contract had been finalized in the earlier fiscal year but had to be revised largely to provide for price adjustment as a result of volatility in the commodity prices because of delay caused by Covid-19 and other reasons.

2.1.2.2 Implementation of LRP in Ratmate



Mr. Khadga Bahadur Bisht, ED, MCA-Nepal, and Mr. Sunit Adhikari, ED, SAPROS Nepal, exchanging the contract on the implementation of LRP for Ratmate PAPs.

The implementation of the Livelihood Restoration Program (LRP) in Ratmate Substation site has begun after the signing of a contract with Support Activities for Poor Producers of Nepal (SAPPROS Nepal) on 2 March 2022. Two major deliverables, namely the Inception Report; and Baseline Survey and Consultation Report, have been submitted. The baseline household survey has set the stage for the actual implementation of the program that will include trainings and capacity-building activities for project affected people.

2.1.2.3 Coordination with NEA

Regular coordination meetings with NEA were held to exchange technical information including conceptual design drawings and documents with NEA's project managers at Ratmate, New Damauli, New Butwal and New Hetauda S/S.

2.1.3 Power Sector Technical Assistance Activity

The Power Sector Technical Assistance (TA) Activity will help strengthen the performance of Nepal's power sector institutions, including Electricity Regulatory Commission (ERC) and the Nepal Electricity Authority (NEA).

The TA to ERC will focus on supporting ERC to function as an independent electricity sector regulator, as well as build its capacity to bring transparency, efficiency, and competition into Nepal's power sector. Funds will be used to embed experts within the ERC to improve ERC's skills in rulemaking and dispute resolution in different regulatory areas (economic, technical, policy and legal).

The TA to NEA will focus on supporting NEA by improving its transmission business in the areas of regulatory cost recovery, improved grid operations, and better system planning which will increase the pace of investment required for transmission network capacity to meet growth in electricity supply and demand. This will lead to an increase in the reliability of the transmission network by reducing outages and power quality problems through improved asset management and network operations processes. Finally, it will support NEA to improve the financial viability of the power sector.

The progress related to Power Sector TA Activity are as follows:

Technical Assistance to ERC

The RFP for procurement of Consulting Services for Embedded (Resident) Advisors for ERC under ETP has been prepared as per the new Standard Bidding Document. The budget for TA to ERC has been finalized.

Technical Assistance to NEA

The RFP for procurement of Consulting Services for TA to NEA has been prepared. The budget for TA to NEA has been finalized. Additionally, the Project Cooperation Agreement between MCA-Nepal and NEA is in its final stage with the agreement document in NEA for approval from its board.

2.1.4 MCA Partnership Program Sub-Activity

The MCA Partnership Program (MPP) is the benefit-sharing component of the ETP. The program aims to build trust, rapport and share ETP benefits with local communities for smooth implementation and timely completion of the ETP.

The summary and progress related to the MPP Sub-Activity are as follows:

2.1.4.1 Preliminary Technical Survey for Thematic Area 1

MCA-Nepal conducted a preliminary technical survey for activities under Thematic Area 1 in the affected communities from September 2021 to March 2022. The survey was carried out in two teams in 93 wards of 29 municipalities within nine districts in coordination with NEA and ward representatives. The survey identified areas with no electricity. It also identified the need for rehabilitation of distribution lines, such as the number of wooden poles to be replaced, the number of transformers to be upgraded or added, an extension of an 11 kV line as well as the length of naked distribution lines (400 V or below) that needs to be replaced by covered conductors.

2.1.4.2 Discussion with other donors for coordination on Thematic Area 2

MCA-Nepal conducted meetings with donors (ADB, USAID, European Union, World Bank and Finish Embassy) for a possibility of coordination in order to implement activities under Thematic Area 2. The meetings focused on understanding the working area, plans and a possibility of partnership for the implementation of the activities in the thematic area.

2.1.4.3 Development of ToR for Thematic Area 3

The Terms of Reference (ToR) for Thematic Area 3 has been prepared after a study was conducted based on the recommendation by PPTS Consultant for program design and feasibility assessment. MCA Nepal team is currently in the process of developing the RFP with the prepared ToR.

| | Thematic Area 1 | Thematic Area 2 | Thematic Area 3 |
|-------------------------|--|---|---|
| Proposed Area | Electricity Distribution System Augmentation and Extension | Off-Grid Electricity Solutions for Electrification and Drinking Water | Capacity Building for Enhanced Electricity Use |
| Proposed Sub-activities | -Grid extension -Pole/conductor replacement -Transformer upgradation | -Off-Grid solution to household -Support for drinking water supply | -Municipal Energy Plan -Capacity Building and Training |
| Current Status | -Needs identification and preliminary data collected -Preliminary technical survey completed, and data being analyzed | -Discussion ongoing internally as well as with external donors | -Needs identification and preliminary data collected -TOR finalized and developing the RFP |

2.2 Road Maintenance Project

The Road Maintenance Project (RMP) aims to strengthen road quality across Nepal's Strategic Road Network (SRN) through technical assistance and capacity building of the Department of Roads (DoR) and Roads Board Nepal (RBN), periodic road maintenance works on up to 305 km of the country's SRN, and provide a matching fund to encourage the expansion of Nepal's road maintenance budget.

To successfully implement the RMP while complying with the GoN and MCC policies, and technical, environmental and social standards, necessary expenditures for project management, environmental and social impact assessment and engineering and technical supervision will also be supported.

This section discusses the two major activities under RMP, namely the Technical Assistance activity, and the Strategic Roads Maintenance Works activity.

2.2.1 Technical Assistance Activity

The Technical Assistance Activity will provide technical assistance to the DoR and RBN related to road maintenance planning, assessment, and implementation to strengthen their capacity to plan and execute routine and periodic maintenance. The activities will focus on the areas of improved data collection and techniques; preparation of appropriate road maintenance plans driven by economic justification; improved prioritization of periodic maintenance; improved contracting and contracting management, including the integration of improved road safety features and improved project management. It will also include the transfer of modern road maintenance methods, technologies and business processes.

2.2.2 Strategic Road Maintenance Works Activity

The Strategic Road Maintenance Works Activity will complement and build upon the Technical Assistance Activity and includes two sub-activities:

Pavement Recycling

Under the Strategic Road Maintenance Activity, new pavement improvement technologies, namely, Full Depth Reclamation (FDR) and Superior Performing Asphalt Pavement (Superpave) will be adopted.

Matching Fund

To incentivize additional GoN spending on road maintenance, the MCC funding will also be used to establish a matching fund that provides two USD for every one USD the GoN spends above its current average annual amount for periodic road maintenance up to a total of USD 45 million over three years. The matching fund will be used to fund periodic road maintenance works.

The progress related to the RMP TA and Strategic Roads Maintenance Works activities are as follows:

2.2.2.1 Project Cooperation Agreement with Roads Boards Nepal

A Project Cooperation Agreement (PCA) between MCA-Nepal and RBN was signed on 9 May 2022 in the presence of representatives from both agencies. The PCA focuses on enhancing RBN's capability to manage collection of funds, allocation of resources and monitoring activities of road maintenance.



Mr. Khadga Bahadur Bisht, ED, MCA-Nepal, and Mr. Prem Prakash Khatri, ED, Roads Board, Nepal exchanging the PCA.

2.2.2.2 Inauguration of Laboratories in Department of Roads

MCA-Nepal completed the construction of laboratories for the storage and operation of the RMP equipment, namely; Asphalt Mix Design lab, Superpave Asphalt Lab, FWD Storage Lab and Saw Cutting & Core Drilling Equipment Lab in March 2022. The construction of lab buildings and installation of lab equipment in DoR is an important achievement for the project. The lab equipment will be specifically used for project related activities including regular training activities for DoR technicians in coordination with MCA-Nepal. The regular operation and maintenance, insurance, and associated activities will be conducted by MCA-Nepal while DoR will be responsible for regular functioning and safekeeping of the assets. Mr. Shiva Hari Sapkota, Director General, DoR was joined by Mr. Jonathan Brooks, Deputy Vice-President of Europe, Asia, Pacific and Latin America, MCC and Mr. Khadga Bahadur Bisht, Executive Director, MCA-Nepal for the inauguration of the laboratories at DoR on 26 April 2022.



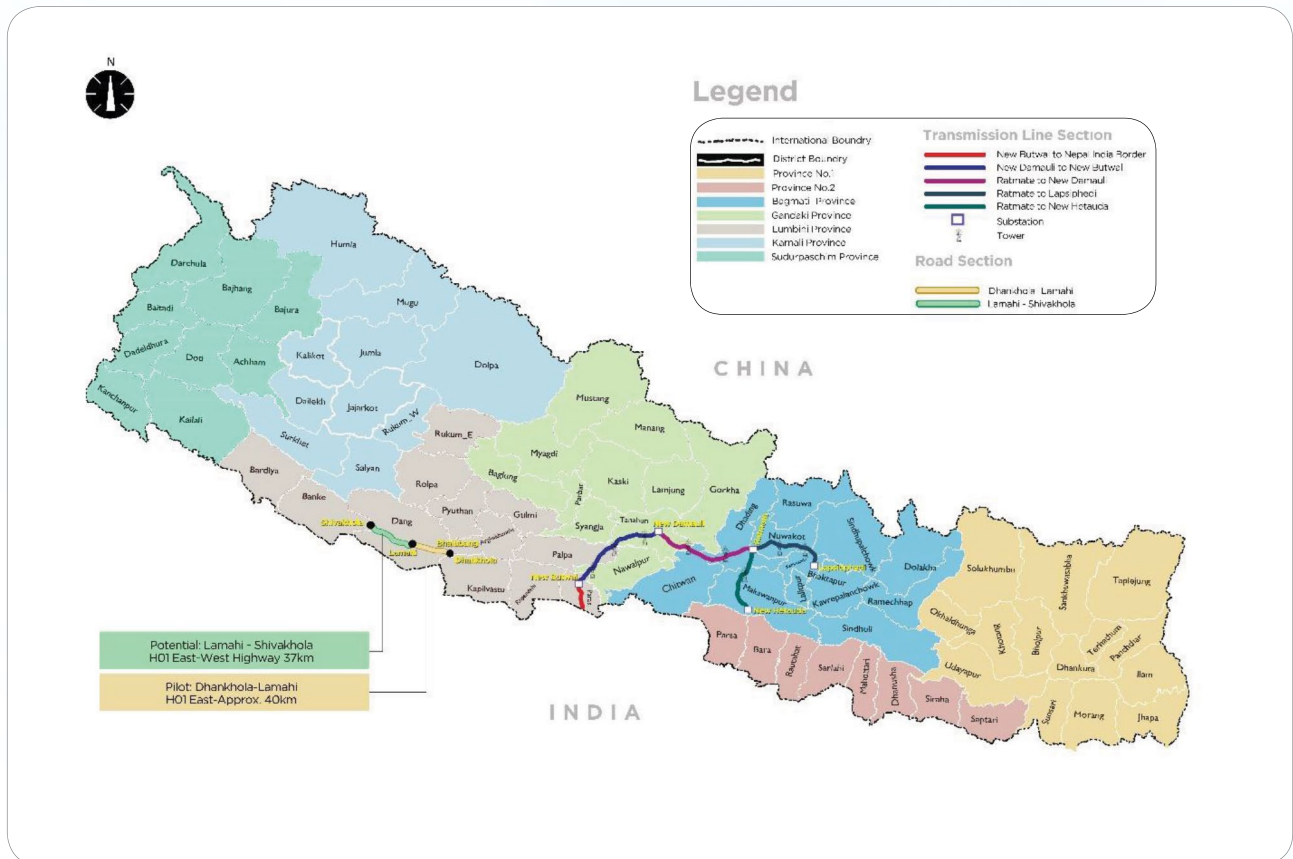
Mr. Jonathan Brooks, Deputy VP, MCC inaugurating a lab with RMP equipment at the Department of Roads.

2.2.2.3 Pilot Road Recycling Design and New Technology Adaptation Report

The Pilot Road Recycling Design and New Technology Adaptation consultancy contract was signed on 14 October 2021 with Sweco Danmark A/S with Devtec Nepal as a sub-consultant. The consultant is working to prepare an engineering design report and carrying out Environmental and Social Performance (ESP) activities required for the RMP.

MCA-Nepal delivered a four-day workshop on FDR, Soils Cement Stabilization, and Superpave Mix Design to DoR, RBN and other concerned transport stakeholders in January 2022. MCA-Nepal will be conducting similar workshops on new pavement recycling technologies on an annual basis.

2.3 Project Areas



Section. 3

Environmental and Social Performance (ESP)

MCA-Nepal has identified the ESP as a key to ensure that the ETP and the RMP activities are implemented in accordance with the requirements of the MCC Environmental Guidelines and applicable national social and safeguards policies, and regulations of the GoN by identifying, analyzing and mitigating environmental and social issues/impacts, meeting regulatory requirements for environmental and social provisions, and engaging with stakeholders for inputs and building support for the projects.

The ETP is classified as Category A in accordance with MCC Environmental Guidelines (2010). Based on a preliminary evaluation, seven of the eight International Finance Corporation (IFC) Performance Standards (PS), which are incorporated by reference into the MCC Environmental Guidelines, will be applied in MCA-Nepal projects. There are some unavoidable environmental and social impacts of the ETP, such as tree cutting, land acquisition, and resettlement. However, all risks will be properly addressed through relevant compensation, mitigation or management measures to avoid or minimize impacts on sensitive environmental and social characteristics of the project areas.

The RMP is classified as Category B under MCC's Environmental Guidelines. The proposed activities have potentially limited adverse environmental or social risks, or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures. The environmental or social impact caused by construction activities, such as temporary road closures, excavation and borrow pits, noise, dust, and worker and community health and safety, will be managed through targeted environmental and social management plans based on the findings of an abbreviated environmental and social impact assessment.

3.1 Environment, Health and Safety

3.1.1 Initial Environmental Examination (IEE) for the RMP

The Environment Protection Act, 2019 and the Environment Protection Rule, 2020 of the GoN require proposed road maintenance works under the RMP conduct an Initial Environmental Examination (IEE). The Ministry of Physical Infrastructure and Transport (MoPIT) approved a ToR for the IEE, prepared by the Design Consultant Sweco Danmark A/S in April 2022 to pave way for relevant activities to be carried out in the field.

3.1.2 Forest Census for ETP

After the approval of the Environmental Impact Assessment (EIA) report for the ETP Project, MCA-Nepal applied for forest clearance and forest land-use permit to the Department of Electricity Development (DoED) in May 2021. Following the review by DoED, the applications were subsequently sent with a recommendation to the Ministry of Energy, Water Resources and Irrigation (MoEWRI) and Ministry of Forest and Environment (MoFE). As a result, the MoFE has dispatched a letter to the Department of Forests and Soil Conservation (DoFSC) and the Divisional Forest Offices of ETP project districts to initiate the work on forest census.

In line with the PCA signed with the MoFE, MCA-Nepal's request to the MoFE to authorize the Divisional Forest Offices (DFOs) in hiring interns required for forest census was approved and completed. MCA-Nepal has additionally hired a Forest Expert as a consultant for the census.

Furthermore, consultation meetings with government forestry officials from three provinces (Bagmati, Gandaki and Lumbini) to be affected by the ETP was organized in Kathmandu on 7-8 December 2021. The meetings discussed the forest census timeline, resource requirements and intern engagement plan for field verification work.

3.1.3 Health and Safety

MCA-Nepal continued to monitor the COVID-19 situation and enforce a COVID risk management protocol during the fiscal year. COVID-19 risk management plans for the RMP Design Consultant, Sweco Danmark A/S, and the 30 KM Survey Consultant POWERGRID were also approved by MCA-Nepal.

3.2 Social Safeguard and Resettlement

The implementation of the ETP will result in permanent land acquisition for the Ratmate S/S footprints, TL tower locations and associated facilities as per the Land Acquisition Act, 1977 AD of the GoN. In addition, required land for the TL Right-of-Way (RoW) will be obtained through easement under the provisions of the Electricity Act, 1992 AD and Electricity Rules, 1993 AD. These activities will result in involuntary resettlement (economic and physical displacement) and impact the livelihood of affected families in project areas.

One of the main objectives of International Finance Corporation Performance Standard (IFC PS) 5 on Land Acquisition and Involuntary Resettlement is to improve, or restore, the livelihoods and standards of living of displaced persons. Hence, in order to avoid and minimize and/or mitigate any adverse involuntary resettlement and livelihood impacts occurring as a result of project implementation, a Resettlement Policy Framework (RPF) has been formulated.

The RPF, which was approved by the MCA-Nepal Board on 2 September 2019, outlines principles, entitlements and compensation as mitigation measures against the impacts. The RPF is a guidance document to avoid and minimize and/or mitigate any adverse involuntary resettlement and livelihood impacts occurring as a result of project implementation. The RPF is also aligned to applicable national social and safeguards policies, and regulations of the GoN on land acquisition, compensation and resettlement for permanent land acquisition, and easement for RoW as well as to the IFC PS 5 on Land Acquisition and Involuntary Resettlement (and IFC PS 7 on Indigenous Peoples as appropriate), MCC Environmental Guidelines and MCC Gender Policy (2011). Resettlement activities of MCA-Nepal involve the preparation of four Resettlement Action Plans (RAP) and Livelihood Restoration Program (LRP) including three TL segments (Lapsiphedi - Ratmate TL Segment; Ratmate - New Hetauda TL Segment; Ratmate - New Damauli - New Butwal - Nepal-India Border TL Segment) and one for the Ratmate S/S. Implementation of RAP and LRP are mandatory provisions under IFC Performance Standards and MCC Guidelines for Project Affected Persons (PAP).

RAP and LRP have been developed and are being implemented in Ratmate S/S following the provision in the RPF. A Resettlement Implementation Consultant (RIC) was hired to implement the RAP in the land area acquired for the Ratmate S/S. The acquisition of 20.27 ha of land for Ratmate S/S is substantially completed except for a few difficult cases. The transfer of ownership of 186 private parcels (18.049 ha) out of a total of 189 parcels (18.43 ha) has been completed. The remaining private lands to be acquired involve three disputed parcels (0.39 ha) under the jurisdiction of the district court. The process to acquire six government land parcels (1.83 ha) has been initiated.

A total of 109 compensation agreements were determined to be signed according to the initial data of the RAP survey. It increased to 113 due to Mohi cases, splitting of families, and conflicts among PAPs. Out of the 113 Compensation Agreements (CA), 112 numbers of CAs have already been signed with project-affected families, whereas one CA remains to be signed. This CA will be signed once the pending court case is resolved. The PAPs have also been provided formal financial literacy training prior to opening their bank accounts for receiving the compensation. Bank accounts have been subsequently opened for 104 PAPs (out of 205 total). Payments have been made to 194 PAPs against 108 CAs (out of 113 total) through 340 transactions. The total amount paid, as of 15 July 2022, stands at NPR 1,443,136,529.86

The process of relocation and demolition of structures by the PAPs within the Ratmate S/S boundary has begun. This process was however delayed by the second wave of the COVID-19 pandemic within Nuwakot District, and specifically, Belkotgadhi Municipality, identified as a hard-hit area by the local health authorities. A notice to vacate acquired land was published after consultation with the District Administration Office along with other district stakeholders prior to the start of the process.

The ETP has provisions for livelihood restoration, which requires that affected livelihoods of project affected people be restored at least to pre-project levels or preferably improved. With this provision, the Livelihood Restoration Program (LRP) for the Ratmate PAPs has begun via MCA-Nepal's consultant, SAPPROS Nepal. A baseline household survey of the PAPs as well as the municipality and district level inception meetings in Belkotgadhi Municipality and Nuwakot district were respectively conducted. The baseline survey has determined 262 project affected people as eligible for the LRP.



Ratmate LRP Project Inception Meeting at Baghkor, Belkotgadhi Municipality, Nuwakot.



A staff of SAPPROS Nepal, MCA-Nepal consultant for the implementation of LRP, carrying out a household survey in Nuwakot.

Section 4

Gender and Social Inclusion

Gender and Social Inclusion (GSI) is a requisite in the design and implementation of MCA-Nepal projects. The MCC Gender Policy and MCC Gender Integration Guidelines (2016) provide overall guidance on specific operational requirements, procedures and milestones, roles and responsibilities for GSI at all stages of Compact development and implementation.

The major activities undertaken during the reporting period are briefly presented below:

4.1 Preparation and Design of Trafficking in Persons (TIP) Risks Management Plan for the RMP

The preparation and design of the Trafficking Risks Management Plan including TIP Risk Assessment Methodology development, TIP Risk Assessment, and TIP Risk Management Plan for the RMP Project has begun. Risks assessment activities for TIP within the RMP Pilot Project area started in December 2021. The activities needed to develop a Risk Assessment Methodology – conducting field consultation to collect information, assess and categorize risk – are ongoing.

4.2 Engagement with TIP Stakeholders for ETP

The draft TIP Risk Management Plan of ETP is being reviewed and will be updated targeting the EIF and onboarding of ETP D-B contractors. MCA-Nepal has listed institutions in Nepal working in the sector and conducted meetings with Shakti Samuha, an NGO with field presence in districts where the ETP Project will be implemented. MCA-Nepal also organized a meeting with the Ministry of Women, Children and Senior Citizens to provide information on the scope of TIP work for the ETP.

4.3 Guidelines for Environmental and Social Management System (ESMS)

Guidelines on Prevention and Management of TIP; Prevention of Sexual Harassment; Prevention of Gender Based Violence; and Non-employment of Children have been drafted. These guidelines, which will be uploaded in the ESMS, will be the guiding documents for contractors, consultants or any institution working for MCA-Nepal. A separate document on operationalizing Counter-TIP Policy has also been drafted with an intent to simplify the compliances to be made by small contracts.

4.4 Assessment of Women's Employment in Infrastructures

MCC commissioned an assessment study to understand women's employment in infrastructure sectors in Nepal. The study was led by MCC Due Diligence Consultant and was conducted in May and June 2022. The study interviewed government entities such as infrastructure executing agencies, donor communities, private sectors implementing projects, and trade unions and associations. Two field trips were arranged - one for RMP and another for ETP with a focus on the New Butwal-Bardaghat section of TL and S/S activity. Men and women laborers, sub-contractors, petty contractors and the NEA team were interviewed in the field. MCA-Nepal GSI Specialists facilitated the assessment in the field with an objective to understand the possibility to promote and increase women's employment during the implementation phase of the projects. A report has been drafted based on the study.



A community consultation meeting on TIP risk assessment at Sisniya, Dang.



A consultant interviewing women laborers at New Butwal-Bardaghat section for the TL and S/S activity in Nawalparai (Bardaghat Susta West).

Section 5

Grievance Redress Mechanism

MCA-Nepal's Grievance Redress Mechanism is designed to manage complaints and concerns raised by stakeholders regarding the project activities or its impacts in a systematic way. While it is a formal platform whereby communities can register their concerns, it also allows MCA-Nepal and other project proponents to be informed on issues raised in order to find an amicable solution in a timely manner. Grievances may take the form of specific complaints on actual damages or injuries, general concerns about project activities or incidents, and impacts or perceived impacts. Likewise, stakeholder engagement is fundamental to building trust with the communities where projects will be implemented.

The Grievance Redress Mechanism (GRM) and Stakeholder Engagement Plan (SEP) have been prepared accordingly and are being implemented as per the requirements of the MCC Environmental Guidelines, MCC Gender Policy and Gender Integration Guidelines, MCC C-TIP Policy, Guidance on the Implementation of Involuntary Resettlement (2008), IFC PS, applicable GoN rules and regulations, and best practices from other projects in Nepal with an intent to demonstrate informed consultation and inclusive participation for the duration of the project. The purpose of SEP is to enable the project to identify key stakeholders early on, especially women, socially excluded, marginalized and vulnerable communities; understand sensitivities within each stakeholder groups; and develop appropriate engagement mechanism to ensure communities are aware of the project and its impacts; consulted on a regular basis; and establish a two-way communication through regular meetings via MCA-Nepal's district based offices.

There are several ways through which communities can register grievances in MCA-Nepal projects. MCA-Nepal's former Consultant PPTS had initially set up a Public Information Centre (PIC) in each affected district as a grievance cell. PICs were set up in locations close to proposed alignment in affected municipalities. In addition, MCA-Nepal district field offices, located in the district headquarters or around the project affected areas also serve as a grievance cell. At present, only MCA-Nepal field offices run by ESP-CAs operate as grievance cell after demobilization of the PPTS team. Despite careful consideration in setting up grievance cells in locations accessible to most communities, given the geographic spread of the proposed ETP, it was observed that access still remained a constraint. Therefore, a mechanism was established whereby communities can choose to register grievances remotely. Grievances can now be registered in person or by phone, letter or email at the district office of MCA-Nepal, or directly reported to the central office in Kathmandu. Grievance registers are maintained at the district offices with a copy at the central office. The ESP-CAs in field offices record complaints and report to the Grievance Coordinator for a timely redress working with relevant teams at MCA-Nepal, or further escalation for appropriate solution. The GRM is organized into three tier levels of decision-making bodies to address grievances of increasing scale and/or complexity. If the complainant is not satisfied with MCA-Nepal's decision-making response at the Tier-1 Level, the decision can be appealed. The appeals process will escalate the grievance to the Tier-2 Level, which is chaired by the Ward Chair. Similarly, a Tier-3 Level committee is also formed which is chaired by the Chief District Officer (CDO) in case the claimant is not satisfied with the response provided by the Tier-2 grievance committee. MCA-Nepal maintains a grievance log that tracks all grievances from filing to resolution.

Grievance Status

- ◆ A grievance database has been created and posted on the project's SharePoint/Drive to allow the project team to review all grievances and provide input on a regular basis.
- ◆ 70 grievances have been registered so far (June 2022) at the MCA-Nepal office regarding the ETP project.
- ◆ Among the registered grievances, eight have been signed off, and seven have not been resolved in the first tier and will require escalation to the second tier.
- ◆ The remaining registered grievances are directly related to compensation and will be addressed during RAP implementation.

During the fiscal year, MCA-Nepal continuously monitored the registered grievances with regular follow-ups with the complainants and associated stakeholders by respective ESP-CAs in district field offices.



MCA-Nepal GRM team with project affected people at the field to understand the ground scenario in Nuwakot district.



A district-level stakeholder consultation conducted in Tanahun with district authorities and project-affected people to address their grievances.

Section 6

Anti-Fraud and Corruption

MCA-Nepal projects will be implemented in line with the Government of Nepal's anti-fraud and corruption related regulations, and additionally, MCA-Nepal will also follow MCC's Policy on Preventing, Detecting and Remediating Fraud and Corruption in MCC Operations (2009) (or the MCC Anti-Fraud and Corruption Policy). The policy prohibits any fraud and corruption, which include acts of coercion, collusion, corruption, fraud, and obstruction of investigation into allegations of fraudulent or corrupt practices, in the solicitation and use of MCC funds.

To achieve the objective of addressing instances of fraud and corruption during implementation of program and project activities, MCA-Nepal has developed an Anti-Fraud and Corruption (AFC) Action Plan. The plan has established an appropriate framework to ensure the effective prevention, detection and remediation of fraud and corruption.

It encompasses all stakeholders involved in the implementation of the projects and includes the MCA-Nepal Board and staff, project partners, as well as MCA-Nepal contractors/consultants for works, goods and services. The plan will address the highest priority risks listed in the AFC risk assessment matrix and provides a detailed roadmap with measures to mitigate identified risks. The plan complements an array of internal policies adopted by MCA-Nepal in conjunction with MCC, to promote good governance, strengthen internal controls and deter fraudulent and corrupt practices in MCA-Nepal operations.

Section 7

Risk and Challenges

MCA-Nepal has undergone an internal risk identification process and developed program and project-level risk registers that detail all execution risks anticipated during the preparatory and implementation phases of the Compact. Internal risk review meetings are held monthly to identify emerging risks and monitor and manage the mitigation strategies for existing risks.

Besides the program and project risks documented in the risk registers, the Compact also identifies overarching assumptions and risks associated with the achievement of high-level results.

The following points discuss some major risks and challenges MCA-Nepal identified during the reporting period :

Entry-Into-Force (EIF)

Post the ratification of the Compact, the Entry into Force (EIF) date for the implementation of the Compact i.e. to begin all construction works has been set for August 2023. MCA-Nepal is responsible to complete the projects under the Compact within five years after the date of EIF. Preparatory activities that support Compact implementation are underway and include Environmental Impact Assessment (EIA), Resettlement Action Plan, redress of grievances on transmission line alignment, land acquisition, forest census among others. Completion of these preparatory works allow for quick and unhindered enforcement of construction contracts and thereby enhances the probability of project completion within the agreed five-year period. MCA-Nepal may risk timely execution of the Compact if preparatory activities are not completed prior to the target date set for EIF.

Resource deficit

The delay in the ratification and the increase in the material cost especially that of metals over the last one-and-a-half year have impacted the project budget. Unless the metal commodity prices come down, it may challenge the delivery of the project activities within the originally estimated budget. The MCA-Nepal team is involved in a rigorous exercise to map the actual deficit in the current budget and potential ways to mitigate it.

COVID-19

Although most of the staff are vaccinated now, the risk of COVID-19 infection persists. MCA-Nepal is regularly updating and implementing its internal COVID-19 contingency plan in the office and field based on government directives. Since February 2022, MCA-Nepal is operating 100% work from the office.

The unpredictability of COVID-19 surges may pose a risk to the timely completion of the project if contractors/consultants' performances are affected. This risk may be lessened if contractors/consultants prepare a COVID risk mitigation plan in compliance with MCA-Nepal standards as part of contractual obligation, before implementation of the contract.

Section 8 Financial Statement

The Government of Nepal's Office of the Auditor General (OAG) as the constitutional body conducts the audit of MCA-Nepal. The OAG has completed the audit of MCA-Nepal for FY 2077/78.

For FY 2078/79, below are some snapshots and detailed financials in NPR.

A. FY 2078/079 expenditure snapshot (in NPR):

| Expenses by Project / Activity | | | |
|---------------------------------------|-----------------------|-----------------------|-----------------------|
| Project / Activity | GoN | MCC | Total |
| ELECTRICITY TRANSMISSION PROJECT | 38,027,211.60 | 61,931,679.43 | 99,958,891.03 |
| ROAD MAINTENANCE PROJECT | 12,620,786.82 | 69,509,741.30 | 82,130,528.12 |
| MONITORING AND EVALUATION | - | - | - |
| PROGRAM MANAGEMENT AND ADMINISTRATION | 146,572,756.14 | 244,642,299.67 | 391,215,055.81 |
| Total | 197,220,754.56 | 376,083,720.40 | 573,304,474.96 |
| Expenses by Recurring / Capital | | | |
| Expenses Heading | GoN | MCC | Total |
| RECURRENT EXPENSES | 151,589,425.67 | 262,818,431.45 | 414,407,857.12 |
| CAPITAL EXPENSES | 45,631,328.89 | 113,265,288.95 | 158,896,617.84 |
| Total | 197,220,754.56 | 376,083,720.40 | 573,304,474.96 |

B. FY 2078/079 detailed Annual Financial Report

1. Recurring



नेपाल सरकार
अर्थ मन्त्रालय
मिलेनियम च्यालेन्ज एकाउण्ट नेपाल विकास समिति (एमसिए-नेपाल)
कार्यालय कोड नं.: ३०५००३५०८
दातु निकालात ब्रनेट र खर्चको आर्थिक विवरण
आ.सं. २०७८/७९ (२०२९/३२)



म.सं.स.सं.सं. २९४

ब्रनेट मुल शीर्षक नं. ३०५००९०८३ (चालू खर्च)

कार्यालय/आयोजनाको नाम: मिलेनियम च्यालेन्ज एकाउण्ट नेपाल विकास समिति (एमसिए-नेपाल)

आयोजना रहेको स्थान: तालचौर बन्धनमन सेन्टर, जाक एण्ड पनी कम्प्लेक्स, दरबार मार्ग, काठमाडौं

| खर्च शीर्षक नं. | नाम | अभिम बजेट | | | खर्च | | | बाँकी | | |
|-----------------|--|-------------|--------------|--------------|------------------|-----------------|-----------------|-----------------|----------------|-----------------|
| | | नेपाल सरकार | एम सि ति | जम्मा | नेपाल सरकार | एम सि ति | जम्मा | नेपाल सरकार | एम सि ति | जम्मा |
| | | | सो भु अनुदान | | | सो भु अनुदान | | | | |
| २२९११ | बाँकी तथा त्रिजुली | ५,७००,००० | २,८००,००० | ८,५००,००० | ४७५,२००,०० | १,४३३,४९९,०९ | १,४३३,४९९,०९ | ५,२६६,५००,९९ | १,३६६,५००,९९ | ७,०९९,९९९,९९ |
| २२९१२ | संचार खर्च | ७००,००० | - | ७००,००० | ४४३,९२२,८४ | - | ४४३,९२२,८४ | २५२,०३७,९६ | - | २५२,०३७,९६ |
| २२९१३ | ईमेल (कार्यालय प्रयोग) | २,७००,००० | ४००,००० | ३,१००,००० | १४५,९००,०९ | २९७,३७३,०० | ३६३,२७३,०९ | २,५५४,०९९,९९ | ९८२,६२७,०० | ३,५३६,७२६,९९ |
| २२९१४ | समाधि साधन समित खर्च | ५,७००,००० | २००,००० | ६,९००,००० | ४४४,३३०,९७ | ९२८,८५५,५५ | ५७३,१८६,७२ | ४,२५५,६६९,८३ | ७९,९४४,४५ | ४,३३५,६१४,२८ |
| २२९१५ | मिमा तथा नमीकाल खर्च | १२,०००,००० | - | १२,०००,००० | ७,९४८,३७३,९० | - | ७,९४८,३७३,९० | ४,०५६,६२६,९० | - | ४,०५६,६२६,९० |
| २२९१६ | मैलिन तथा उपकरणको संचालन तथा बर्षत | १,९००,००० | - | १,९००,००० | ५५८,९०९,६५ | - | ५५८,९०९,६५ | - | - | ५५८,९०९,६५ |
| २२९१७ | अन्य सम्पत्तिको संचालन तथा सम्भार खर्च | ५००,००० | २,९००,००० | ३,४००,००० | - | ७८,४९७,९८ | ७८,४९७,९८ | ५००,०००,०० | २,०२९,५८२,०२ | २,५२९,५८२,०२ |
| २२९१८ | सतलक तथा कार्यालय सामग्री | ३,९६४,००० | ५००,००० | ४,४६४,००० | ८९९,८८२,४४ | २,२६६,३९०,८८ | ३,१६६,२७३,३२ | ३,९०२,९९७,४६ | (९,७६६,३९०,८८) | ९,३३६,७०६,५८ |
| २२९१९ | इन्धन - अन्य प्रयोग | १००,००० | - | १००,००० | - | - | - | १००,०००,०० | - | १००,०००,०० |
| २२९२० | पत्रपत्रिका, छापाई तथा फुलाका प्रकाशन खर्च | ६,७००,००० | ५,९००,००० | १२,६००,००० | ६८४,४७६,५८ | १,९२३,९३८,८९ | १,९२३,९३८,८९ | ३,८५४,४१०,४२ | ४,७७८,३४९,९९ | ६,६३२,७६०,४१ |
| २२९२१ | सिमा र परामर्श खर्च | २५,४,३९८,८४ | १६८,२००,००० | २,६९,६९८,८४ | १२०,३०५,२२५,०९ | २३९,४६३,६०७,२९ | ३५९,७६८,८३२,३० | १,३४,०९६,६२२,९९ | (६,३२६,३६०,२९) | ७०,८००,०९५,०० |
| २२९२२ | सूचना प्रणाली तथा सफ्टवेयर संचालन खर्च | १,०००,००० | ६००,००० | १,६००,००० | ४९५,२०५,०० | २,९६९,४५७,०९ | २,५७४,७३२,०९ | ५८४,७२५,०० | (९,५६९,४५७,०९) | (९८,५७३,२०९) |
| २२९२३ | कार्य सेवा शुल्क | १,९००,००० | ३,५००,००० | ५,४००,००० | ८९२,९५९,०९ | १,०५७,०७९,४४ | १,९५०,०३८,५३ | १,००७,८४०,९९ | २,४४२,९२८,५६ | ३,४५०,७६९,४४ |
| २२९२४ | अन्य सेवा शुल्क | ६००,००० | - | ६००,००० | ९५,०००,०० | - | ९५,०००,०० | ५०५,०००,०० | - | ५०५,०००,०० |
| २२९२५ | कर्मचारी तालिम खर्च | - | ३,४८०,००० | ३,४८०,००० | - | - | - | ३,४८०,०००,०० | - | ३,४८०,०००,०० |
| २२९२६ | वीथ विकास तथा जर्नेकल तालिम तथा गेष्टी सम्बन्धी खर्च | - | ६,३००,००० | ६,३००,००० | - | - | - | ६,३००,०००,०० | - | ६,३००,०००,०० |
| २२९२७ | कार्यालय खर्च | ४३,९८९,००० | ६३,०००,००० | १,०६,९८९,००० | १,७८९,७०९,८९ | १,९७९,९३८,०७ | २,९६९,६३९,८८ | ४२,९९९,२९८,९९ | ६९,८२०,०६९,९३ | १,००,०९९,३६०,९२ |
| २२९२८ | प्रयोग खर्च | ३३,२५९,९५२ | ५९,६००,००० | ९२,८५९,९५२ | २,०३४,९७२,२६ | ४,६८७,८५९,९९ | ६,७२२,०९९,९७ | ३९,२२९,९७९,७४ | ५,४९९,९२९,५९ | ८६,९२९,९०९,८३ |
| २२९२९ | निविड खर्च | १,६००,००० | - | १,६००,००० | २६९,४७७,६६ | - | २६९,४७७,६६ | १,३३०,५२२,३४ | - | १,३३०,५२२,३४ |
| २२९३० | भार भाडा | २०,४००,००० | ६,५००,००० | २६,९००,००० | १,४४३,२९३,८४ | १,७००,०७५,४२ | ३,१४३,३६९,२६ | ५,९६८,७०६,९६ | (१,०५०,०७५,४२) | (४,५३४,०२९,२६) |
| २२९३१ | समाधि साधन तथा मैलिनर औजार भाडा | २,४००,००० | १,९००,००० | ४,३००,००० | ६९,५७०,३९ | - | ६९,५७०,३९ | २,३३०,४२९,६९ | १,९००,०००,०० | ३,४३०,४२९,६९ |
| जम्मा | | ३९६,५००,००० | ३५५,५००,००० | ७५२,०००,००० | १,५९९,५८९,४२५,६७ | २,६२,८९८,४३९,४५ | ४,९४,४०७,५७९,९२ | २,४३,५६८,६७५,९८ | ९,२,६८९,५६८,५५ | ३,३६,२५०,२४४,५३ |

कार्यालय
संस्थापक
नाम/पता: मिलेनियम च्यालेन्ज विकास समिति
पता: विकास विकास विकास
मिति: २०७९/०९/०९

कार्यालय
संस्थापक
नाम/पता: मिलेनियम च्यालेन्ज विकास समिति
पता: विकास विकास विकास
मिति: २०७९/०९/०९

कार्यालय
संस्थापक
नाम/पता: मिलेनियम च्यालेन्ज विकास समिति
पता: विकास विकास विकास
मिति: २०७९/०९/०९

2. Capital

स.सं.प.का.नं. २१४



नेपाल सरकार
अर्थ मन्त्रालय

मिलेनियम च्यालेन्ज एकाउण्ट नेपाल विकास समिति (एमसिए-नेपाल)

कार्यालय कोड नं.: ३०४००३४०४

दातृ निकायगत प्रोजेक्ट र खर्चको आर्थिक विवरण

आ.क्र. २०७८/७९ (२०२१/२२)



प्रोजेक्ट मुल शीर्षक नं.: ३०४००१०८४ (पूँजिगत खर्च)

कार्यालय/आयोजनाको नाम: मिलेनियम च्यालेन्ज एकाउण्ट नेपाल विकास समिति (एमसिए-नेपाल)

आयोजना रहेको स्थान: लालदरवार कन्भेन्सन सेन्टर, याक एण्ड पती कम्प्लेक्स, दरबार मार्ग, काठमाडौं

| खर्च शीर्षक नं. | नाम | अन्तिम बजेट | | | खर्च | | | बाँकी | | |
|-----------------|---|---------------|--------------------------|---------------|----------------|--------------------------|-----------------|-----------------|--------------------------|------------------|
| | | नेपाल सरकार | एम सि सि सो भु अनुदान | जम्मा | नेपाल सरकार | एम सि सि सो भु अनुदान | जम्मा | नेपाल सरकार | एम सि सि सो भु अनुदान | जम्मा |
| ३१११२ | भवन निर्माण | ६,९१३,००० | - | ६,९१३,००० | - | - | - | ६,९१३,०००.०० | - | ६,९१३,०००.०० |
| ३१११३ | निर्मित भवनको संरचनात्मक सुधार | ३,२००,००० | ४,६७९,००० | ७,८७९,००० | - | २,९०९,३५६.९५ | २,९०९,३५६.९५ | ३,२००,०००.०० | १,७६९,६४३.०५ | ४,९६९,६४३.०५ |
| ३११२१ | सवारी साधन | २,४००,००० | - | २,४००,००० | - | - | - | २,४००,०००.०० | - | २,४००,०००.०० |
| ३११२२ | मेशिनरी तथा औजार | ५१,७६७,९५० | ३४,१०६,००० | ८५,८७३,९५० | १४,८१६,०००.३७ | ४,३०२,१३६.६८ | १९,११८,१३७.०५ | ३६,९५१,९४१.६३ | २९,८०३,८०५.३२ | ६६,७५५,८०५.९५ |
| ३११२३ | फर्निचर तथा फिक्चर्स | १,७६४,०५० | २,३६०,००० | ४,१२४,०५० | - | १११,१४०.०० | १११,१४०.०० | १,७६४,०५०.०० | २,२४८,८६०.०० | ४,०१२,९१०.०० |
| ३११३४ | कम्प्युटर सफ्टवेयर निर्माण तथा खरीद खर्च एवं अन्य औद्योगिक सम्पत्ती प्राप्ति खर्च | ३,३८५,००० | ६३,१९०,००० | ६६,५७५,००० | - | १८४,४१६.०० | १८४,४१६.०० | ३,३८५,०००.०० | ६३,००५,५८४.०० | ६६,३९०,५८४.०० |
| ३११३५ | पूँजीगत अनुसन्धान तथा परामर्श | २९,४१७,००० | ३७०,६४०,००० | ६६४,८१०,००० | - | १०५,७५८,२३९.३२ | १०५,७५८,२३९.३२ | २९,४१७,०००.०० | २६,४,८८९,७६०.६८ | ६५९,०५९,७६०.६८ |
| ३११४१ | सडक तथा पुल निर्माण | - | ९०२,७००,००० | ९०२,७००,००० | - | - | - | - | ९०२,७००,०००.०० | ९०२,७००,०००.०० |
| ३११४३ | विजुत संरचना निर्माण | - | ६,३५९,०२५,००० | ६,३५९,०२५,००० | - | - | - | - | ६,३५९,०२५,०००.०० | ६,३५९,०२५,०००.०० |
| ३१४११ | जग्गा प्राप्ति खर्च | २५०,०००,००० | - | २५०,०००,००० | ३०,८१५,३२०.५२ | - | ३०,८१५,३२०.५२ | २१९,१८४,६७९.४८ | - | २१९,१८४,६७९.४८ |
| जम्मा | | ६१३,६००,००० | ७,७३६,७००,००० | ८,३५०,३००,००० | ४५,६३१,३२८.८९ | ११३,२६५,२८८.९५ | १५८,८९६,६१७.८४ | ५,६७,९६८,६७९.११ | ७,६२३,४३४,७११.०५ | ८,१९१,४०३,३८२.१६ |
| चालू जम्मा | | ३९६,५००,००० | ३५५,५००,००० | ७५२,०००,००० | १५१,५८९,४२५.६७ | २६२,८१८,४३१.४५ | ४१४,४०७,८५७.१२ | २४३,५६८,६७५.९८ | ९२,६८१,५६८.५५ | ३३६,२५०,२४४.५३ |
| कुल जम्मा | | १,०१०,१००,००० | ८,०९२,२००,००० | ९,१०२,३००,००० | १९७,२२०,७५४.५६ | ३७६,०८३,७२०.४० | ५,७३,३०५,४७४.९६ | ८,११,५३७,३४७.०९ | ७,७१६,११६,२७९.६० | ८,५२७,६५३,६२६.६९ |

तयार गन:

दस्तावेज:

नाम/थर: भवनि प्रसाद ज्ञवाजी

पद: वित्त व्यवस्थापन विज्ञ

मिति: २०७९/०४/०६

तयार गन:

दस्तावेज:

नाम/थर: निर्मल कुमार खतिवडा

पद: प्रमुख वित्त अधिकृत

मिति: २०७९/०४/०६

तयार गन:

दस्तावेज:

नाम/थर: खड प्रसाद शिवा

पद: कार्यकारी निर्देशक

मिति: २०७९/०४/०६

List of Abbreviations

| | |
|-----------|--|
| AFC | Anti-Fraud and Corruption |
| CA | Compensation Agreements |
| CFUG | Community Forest User Group |
| CP | Conditions Precedent |
| C-TIP | Counter Trafficking-In-Persons |
| D-B | Design-Build |
| DFO | Division Forest Office |
| DoED | Department of Electricity Development |
| DoR | Department of Roads |
| EIA | Environmental Impact Assessment |
| EIF | Entry-Into-Force |
| EPA | Environment Protection Act |
| EPR | Environment Protection Regulation |
| ERC | Electricity Regulatory Commission |
| ESHSM | Environment, Social, Health and Safety Management Plan |
| ESMS | Guidelines for Environmental and Social Impact Assessment |
| ESP | Environmental and Social Performance |
| ESP-CA | Environment and Social Performance On-Site Community Assistant |
| FDR | Full-Depth Reclamation |
| FWD | Falling Weight Deflectometer |
| FY | Fiscal Year |
| GIS | Gas-Insulated Substation |
| GoN | Government of Nepal |
| GRM | Grievance Redress Mechanism |
| GSI | Gender and Social Inclusion |
| IEE | Initial Environmental Examination |
| IFB | Invitation for Bid |
| km | Kilometer |
| kV | Kilovolt |
| LRP | Livelihood Restoration Program |
| IFC | International Finance Corporation |
| MCA-Nepal | Millennium Challenge Account Nepal |
| MCC | Millennium Challenge Corporation |
| MPP | MCA Partnership Program |
| MoA | Memorandum of Association |
| MoEWRI | Ministry of Energy, Water Resources and Irrigation |
| MoF | Ministry of Finance |
| MoFE | Ministry of Forest and Environment |
| MoPIT | Ministry of Physical Infrastructure and Transport |
| NEA | Nepal Electricity Authority |
| OAG | Office of the Auditor General |

| | |
|-----------|---|
| PAF | Project Affected Family |
| PAP | Project Affected Person |
| PCA | Project Cooperation Agreement |
| PGCIL | Power Grid Corporation of India Limited |
| PIC | Public Information Centre |
| PPTS | Project Preparation and Technical Supervision |
| PS | Performance Standards |
| RAP | Resettlement Action Plan |
| RBN | Roads Board Nepal |
| RFP | Request for Proposal |
| RIC | Resettlement Implementation Consultation |
| RoW | Right-Of-Way |
| RPF | Resettlement Policy Framework |
| SEP | Stakeholder Engagement Plan |
| SGIP | Social and Gender Integration Plan |
| S/S | Substation |
| Superpave | Superior Performing Asphalt Pavement |
| TA | Technical Assistance |
| TIP | Trafficking-In-Persons |
| TL | Transmission Line |
| ToR | Terms of Reference |

Fostering economic growth with better access to electricity and roads



Millennium Challenge Account Nepal

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