



Annual Report

Fiscal Year
2077/78 BS (2020/2021)

Millennium Challenge Account Nepal Development Board (MCA-Nepal)



ANNUAL REPORT

FY 2077/2078 BS (2020/2021)

**Millennium Challenge Account Nepal Development Board
(MCA-Nepal)**

MESSAGE FROM THE BOARD CHAIR



The Millennium Challenge Corporation (MCC) Nepal Compact is a five-year USD 500 million grant agreement signed between Government of Nepal, represented by Ministry of Finance and Government of United States of America, represented by MCC on 14 September 2017 for a program that aims to increase the availability and reliability of electricity and maintain road quality in Nepal, and facilitate power trade between Nepal and the region to help spur investments and accelerate economic growth. The Government of Nepal is investing an USD 130 million in the program, for a total of USD 630 million.

Nepal had to qualify and compete worldwide for the MCC Compact fund, and received the grant after having met MCC's rigorous conditions for good governance, economic freedom, and investing in citizens. The Electricity Transmission and Road Maintenance Projects under the Compact are priorities set by Nepal in consultation with civil society, private sector and numerous other stakeholders.

Both the projects are of high priority for the Government of Nepal and we have been allocating sufficient funds to move forward each year with preparatory field activities related to site access, one of the Conditions Precedent before the Compact goes into Entry-Into-Force. The Electricity Transmission Project, also a National Pride Project, will be transformative in Nepal's energy sector. The Government of Nepal has a long-term vision to improve the energy sector with increased supply of electricity and a reliable distribution network to scale-up industrial activities and boost the economy of the country. The transmission line to be constructed is a part of the Transmission System Development Plan of Nepal and will be significant in this context. Moreover, the transmission line will create a linkage between the power supply system of Nepal and India.

Meanwhile, it is noteworthy that Millennium Challenge Account Nepal Development Board (MCA-Nepal), the government entity under the Ministry of Finance, responsible for the management and implementation of the Compact, has made significant progress in the preparatory phase of the program during this fiscal year. Land acquisition has been completed at Ratmate, Nuwakot district for the construction of one of the three proposed sub-stations and a detailed and participatory report on Environmental Impact Assessment (EIA) has already been approved.

I would like to congratulate MCA-Nepal team for the achievements this fiscal year. I also thank MCC, other line ministries and Board members for their continuous support and contribution. I am confident that the projects under the Compact will open up a new chapter in the infrastructure development in Nepal and their implementation will start at the earliest.

I look forward to the success of the program.

Thank you.

Madhu Marasini
Secretary
Ministry of Finance
Government of Nepal

MESSAGE FROM THE EXECUTIVE DIRECTOR



I am pleased to share the Annual Report of the Millennium Challenge Account Nepal Development Board (MCA-Nepal) for the Fiscal Year 2077/78 BS. The report includes overall financial reporting done for the Government of Nepal (GoN), 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 2020 to 15 July 2021.

MCA-Nepal has made significant progress in the preparatory phase of implementing the Nepal Compact. However, the ratification of the Compact, a key Condition Precedent (CP), has yet to occur. MCA-Nepal is working with all relevant authorities to meet this important CP, so that the Entry-into-Force (EIF) date can be finalized and implementation activities can begin as soon as possible.

In the previous fiscal year (FY), the lockdown and travel restrictions imposed by the Government of Nepal (GoN) to combat the COVID-19 pandemic impacted MCA-Nepal preparatory field activities on multiple fronts, including its site access activities. As a result of the pandemic, MCA-Nepal also received notices of Force Majeure (FM) from its project contractors, consultants, and suppliers, further complicating field mobilization efforts. But after the reduction in the COVID-19 case numbers and easing of the lockdown, major field activities have resumed and major project tasks have been accomplished. Land acquisition for Ratmate Sub-station is in its final stage and compensation distribution is almost complete with 103 out of 109 compensation agreements already signed; the Environmental Impact Assessment (EIA) report is formally approved by the Ministry of Forest and Environment (MoFE) as of 29 April 2021; thirty-three (33) municipal-level consultations were undertaken from 7 February to 22 February 2021 to inform the local government of the MCA Partnership Program Sub-Activity scope; and a training on Falling Weight Deflectometer (FWD) was provided from 19 January to 12 February 2021 to the engineers of Department of Roads and Institute of Engineering.

MCA-Nepal operates through oversight from a Board which has representatives from the Government of Nepal (GoN), civil society, and private sector and during this fiscal year, six MCA-Nepal Board of Directors (“Board”) meetings were held. The Board deliberated on various agendas and provided approvals on items such as Terms of Reference (ToR) for advisors to be appointed to support Electricity Regulatory Commission (ERC), Social and Gender Integration Plan (SGIP), Anti-Fraud and Corruption (AFC) Action Plan (AP), Procurement Plan Version 5.1, and MCA-Nepal’s 12-month budget in correlation with FY 2078/79 GoN budget cycle, among others.

Furthermore, MCA-Nepal keeps capacity building as a high priority and adopts a variety of techniques to build staff capacity. MCA-Nepal Human Resource (HR) Manual puts in place an annual training plan and during this reporting period, major trainings and workshops were successfully completed as per the plan.

I take this opportunity to express my sincere gratitude to the Ministry of Finance and MCC for their relentless support in the preparatory phase of two huge infrastructure projects, which includes a national pride project for Nepal. I am also indebted to our Board Chair and members of the Board for their constant guidance in MCA-Nepal’s key undertakings. MCA-Nepal’s partnership with the Ministry of Energy, Water Resource and Irrigation, Department of Electricity Development, Ministry of Physical Infrastructure and Transport, Department of Roads, Roads Board Nepal, Ministry of Land Management, Cooperatives and Poverty Alleviation, and Ministry of Forest and Environment has yielded major outcomes in the past year, and we look forward to continued collaboration in the coming year.

Finally, I would like to acknowledge and thank MCA-Nepal team, MCC team, experts, advisors, technical partners and consultants for their tireless efforts and contribution in the achievements made so far.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Bisht', with a stylized flourish.

Khadga Bahadur Bisht
Executive Director
MCA-Nepal

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Executive Summary

This report covers the Nepali Fiscal Year 2077/78 BS (from 16 July 2020 until 15 July 2021). 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 executed the final Resettlement Action Plan (RAP) of Ratmate extended Sub-station footprints during this FY. As of 15 July 2021, 103 out of 109 Compensation Agreements (CA) has been signed with project affected families. Whereas, six (6) CAs remain to be signed, these CAs will be signed once the cases of unregistered land, pending court cases, and absentee owners are resolved. Additionally Project Affected Persons (PAP) were provided formal financial literacy training prior to opening their bank accounts for receiving the compensation. Bank accounts have been opened for 199 out 205 PAPs. Payment have been made against 101 out of 109 CAs, to a total of 194 PAPs in 318 transactions. The total payment during this fiscal year stood at NPR 1,412,709,368.

The Environmental Impact Assessment (EIA) report was formally approved by the Ministry of Forest and Environment (MoFE) on 29 April 2021. The EIA report is a major part of the project preparatory works now underway for the construction of transmission lines and sub-stations under the Electricity Transmission Project (ETP). MCA-Nepal also finalized the Environmental and Social Impact Assessment (ESIA) report during this FY. The ESIA provides more in-depth assessment of some environmental and social issues than required by an EIA report, and includes critical habitat screening, biodiversity management, security force management, indigenous people, and trafficking-in-persons (TIP) risk management components. The Social Gender Inclusion Plan (SGIP) was finalized as of 9 April 2021. The SGIP documents the gender and social inclusion strategies to be undertaken during the implementation of projects. The document has action plans to incorporate the gender and social inclusion concerns during project preparation including actions to maximize the project benefits and minimize the risks.

For the Electricity Transmission Project (ETP), all technical specifications of the transmission lines-related materials, construction standards together with the design report which are required for Invitation for Bids (IFB) along with the IFB document itself have been finalized. Likewise, the Request for Proposals (RFP) for Embedded Advisors as part of the technical assistance component of ETP has also been finalized. All finalized IFB and RFP documents are ready to launch at the appropriate time. For the Sub-stations Activity of the ETP, the road assessment survey to assess the status of road and bridges leading to the sub-station (S/S) construction sites has been completed. A contract agreement has been signed with the successful bidder to construct the barbed wire fence to secure the land procured for the construction of the Ratmate S/S. As a part of the Technical Assistance Activity under the ETP, a Project Cooperation Agreement (PCA) has been signed between Electricity Regulatory Commission (ERC) and MCA-Nepal for the implementation of Compact support activities to ERC.

The MCA Partnership Program (MPP) Sub-Activity Plan under the ETP has finalized three areas of support after conducting 33 municipal-level consultations from 7-22 February 2021, to inform the local government of the Sub-Activity scope and the various activities proposed under each thematic area.

For the Road Maintenance Project (RMP), an asphalt mix design laboratory room was built in January 2021. The equipment installation has been planned during late 2021 after resumption of normal international travels. Also one storage room for the Falling Weight Deflectometer (FWD) and a Superpave Bitumen Lab will be constructed by end of 2021. Onboarding of the consulting firm for the pilot road recycling design and construction supervision is in process. The Department of Roads (DoR) has signed a PCA with MCA-Nepal on 15 March 2021. As part of the PCA, a training on installation, application and data collection of a FWD was provided to the engineers of DoR and Institute of Engineering from 19 January to 12 February 2021. Subsequently, field data collection was conducted in the pilot road project location of Dhan Khola to Shiva Khola road sections.

Section 1

MCA-Nepal Overview

1.1 Organizational Description

The Millennium Challenge Account Nepal Development Board (MCA-Nepal) is a Government of Nepal (GoN) agency, formed under the Development Board Act 2013 BS (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 end of the Fiscal Year (FY) 2077/ 2078 BS:

1. Mr. Sishir Kumar Dhungana, Chairperson
Secretary, Government of Nepal, Ministry of Finance (MoF)
2. Mr. Keshab Kumar Sharma, Member
Joint Secretary, Ministry of Physical Infrastructure and Transport (MoPIT)
3. Mr. Madhu Prasad Bhetuwal, Member
Joint Secretary, Ministry of Energy, Water Resources and Irrigation (MoEWRI)
4. Mr. Hitendra Dev Shakya, Member
Managing Director, Nepal Electricity Authority (NEA)
5. Mr. Kumar Pandey, Private Sector Member
Chairman, National Hydro Power Company Limited (NHPC)
6. Mr. Gopal Khanal, Civil Society Member
Journalist
7. Mr. Khadga Bahadur Bisht, Member-Secretary
Executive Director, Millennium Challenge Account Nepal Development Board (MCA-Nepal)

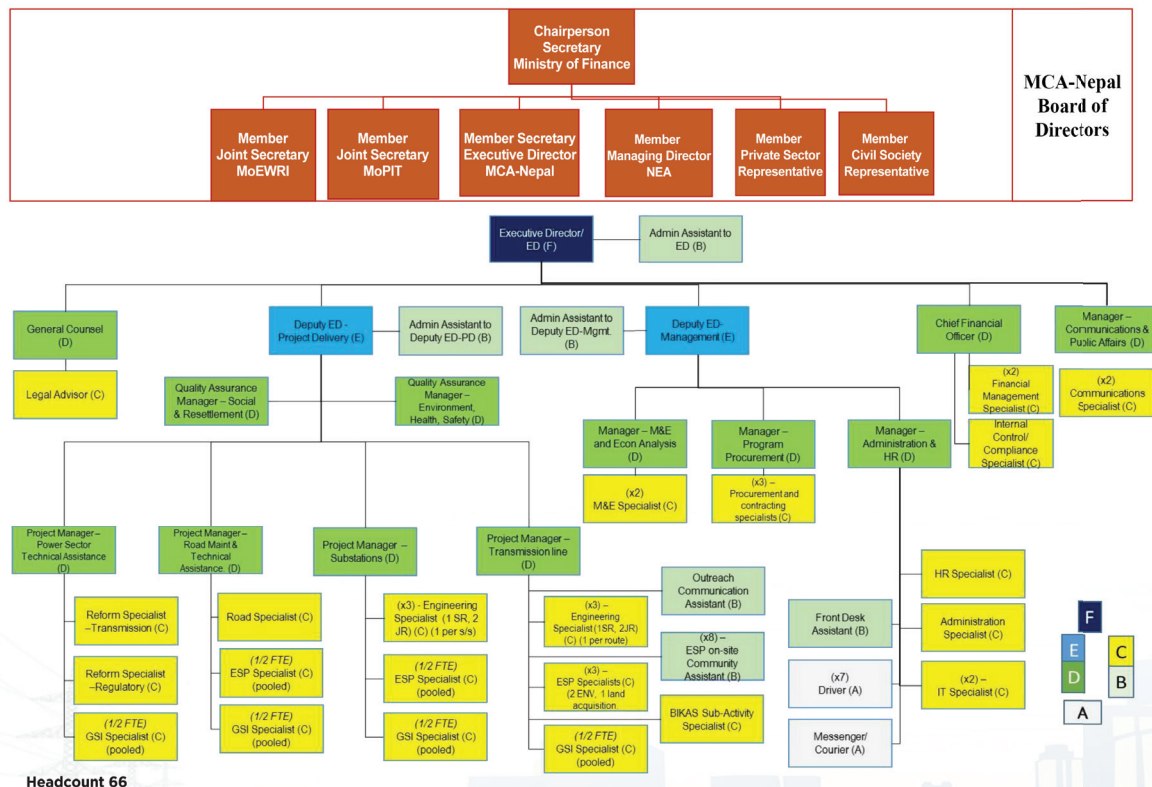
1.3 Board Meeting Highlights

In the Fiscal Year 2076/77 BS (From 16 July 2020 until 15 July 2021), six Board meetings were held, the agendas and decisions of the Board are presented in the table below:

Board Meeting	Date	Major Agendas and Decisions
18 th Meeting	10-Sep-2020	<ol style="list-style-type: none"> 1. Approval of Budget to cover the immediate requirement of MCA-Nepal. 2. The 19th Board Meeting on 18 September 2020 to discuss on the Action Plan until Entry-into-Force (EIF) and other outstanding agenda.
19 th Meeting	18-Sep-2020	<ol style="list-style-type: none"> 1. Approval of MCA-Nepal's 12-month budget in correlation with Government of Nepal (GoN) budget cycle Mid-July 2020 to Mid-July 2021 (As per Redbook for FY 2077/78 BS). 2. Procurement Plan (PP) Amendment No. 1 to PP Version 4.0. 3. Delegation of powers to Executive Director (ED) of MCA-Nepal to issue and implement Human Resources (HR) Manual for overall administration of the office and employees. 4. Approval to pay compensation against land acquisition at Ratmate, Nuwakot.

20 th Meeting	27-Nov-2020	<ol style="list-style-type: none"> 1. Approval of Terms of Reference (ToR) for advisors to be appointed to support Electricity Regulatory Commission (ERC). 2. Approval of Social and Gender Integration Plan (SGIP) document. 3. Approval of the amendment of employee bylaws as per MCA-Nepal HR Manual to include provisions for performance based incentives for MCA-Nepal. 4. Approval for the amendment of employment agreements.
21 st Meeting	26-Feb-2021	<ol style="list-style-type: none"> 1. Approval to amend MCA-Nepal PP Version 4.2. 2. Approval of Anti-Fraud and Corruption (AFC) Action Plan (AP). 3. Approval to extend time and cost of Project Preparation and Technical Supervision (PPTS) Service contract due to increase of scope of services. However, MCA-Nepal has decided not to exercise this extension. 4. Amendment of employee bylaws. 5. Approval of performance evaluation for the year 2020.
22 nd Meeting	17-May-2021	<ol style="list-style-type: none"> 1. Approval of MCA-Nepal PP Version 5.0. 2. Approval of material agreements (extension of Procurement Agent [PA] agreement, approval of independent audit agreement, and Project Cooperation Agreement [PCA] with ERC). 3. Approval of reappointments of Board members representing private sector (Board Member and Alternate Member) and civil society (Alternate Member). 4. Small contract extensions (only time extension, no financial implication).
23 rd Meeting	9-Jul-2021	<ol style="list-style-type: none"> 1. Approval of PP Version 5.1. 2. Approval of MCA-Nepal 12-month budget in correlation with GoN budget cycle Mid-July 2021 to Mid-July 2022. 3. Small contract extensions (only time extension, no financial implication). 4. Closure of bank account opened by OMCN (Office of Millennium Challenge Account Nepal).

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 a 400 kV double circuit Quad Moose overhead electricity transmission line spanning approximately 315 km, and three new sub-stations (S/S) at Ratmate, New Damauli and New Butwal. The 400 kV transmission line will also connect with two other sub-stations under construction by NEA at Lapsiphedi and New Hetauda. The project, which includes Nepal's second major planned India interconnection (from New Butwal, Nepal to Gorakhpur, India), will be another significant component of Nepal's electricity transmission infrastructure. Support under the ETP also comprises technical assistance (TA) activities to strengthen the performance of Nepal's power sector.

To successfully implement 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 ETP 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 to facilitate cross-border power trade with India. This section discusses the four major activities under ETP, namely the Transmission Lines Activity, Sub-stations Activity and Power Sector Technical Assistance Activity, and the Millennium Challenge Account (MCA) Partnership Program Sub-Activity.

2.1.1 Transmission Lines Activity

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

The summary and progress related to Transmission Lines Activity are as follows:

Invitation for Bids (IFB) finalization for Design-Build (D-B) Contract

All technical specifications of the TL-related materials, construction standards together with the design report which are required for Invitation for Bids (IFB) along with the IFB documents itself have been finalized. Besides that, the communication strategy required before launching the bids is in the advanced stage of finalization.

Request for Proposal (RFP) for Construction Supervision Engineer for Transmission Line (TL) and Sub-station (S/S) Works

MCA-Nepal has decided to procure a separate consultant for the construction supervision of the D-B contractors' activity. The Level of Effort (LoE) based budget and the Request for Proposal (RFP) document for the procurement of consulting services for the construction supervision of TL and S/S construction activity has been finalized.

Cross Border Agreement

The draft Joint Venture shareholder agreement for setting up an entity to implement the cross border TL was approved by NEA and submitted to the Cabinet of Ministers by the MoEWRI for final approval.

Additional Survey and Corridor Sharing with Nepal Electricity Authority (NEA)

An RFP is under preparation for the procurement of consulting services to carry out detailed survey and an engineering design for sections of the 400 kV Quad Moose double circuit TL line alignments which had to be changed taking into account environmental and social considerations.

Engagement of Technical Evaluation Panel (TEP) Members

The procurement of the pool of consultants for the engagement of technical evaluation panel (TEP) members for TL, S/S and TA bid evaluation have been completed.

2.1.2 Sub-stations Activity

Three new 400 kV indoor gas-insulated sub-stations (GIS) will be constructed under the Sub-stations (S/S) Activity of the ETP: the Ratmate S/S to be located at Ratmate of Belkotgadhi Municipality in Nuwakot District, the New Damauli S/S to be located at Damauli in Tanahun District, and the New Butwal S/S to be located at Bhumahi in Nawalparasi West District. Apart from the three sub-stations, the transmission lines will also terminate at two other NEA sub-stations at Lapsiphedhi and New Hetauda. The technical details of the sub-stations are listed below.

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

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

IFB Finalization for D-B Contract

The bid documents for the sub-stations work contract have been finalized by MCA-Nepal.

Road Assessment Survey

The road assessment survey to assess the status of roads and bridges leading to the sub-station construction sites has been completed. The consultant completed the field survey and submitted the final report with the findings along with the recommendations. The final report has been approved by MCA-Nepal and the contract has been formally closed.

Ratmate Boundary Wall

The contract agreement to construct the barbed wire fence to secure land procured for sub-station construction at Ratmate has been signed. Notice to Proceed (NTP) has not yet been provided to the contractor, and will be issued after the verification of resettlement completion.

Project Cooperation Agreement (PCA) with NEA

A draft Project Cooperation Agreement (PCA) has been prepared and shared with NEA management. Several rounds of discussions have been held between MCA-Nepal and NEA to finalize the draft PCA. The agreed draft agreement will be signed after securing necessary approval from the MCA-Nepal Board.

Coordination with NEA

Regular coordination with different NEA projects are being held for the smooth operation and exchange of technical information. The conceptual design drawings and documents are being shared regularly right from the design phase with NEA's project managers at Ratmate, New Damauli, New Butwal and New Hetauda sub-stations.

2.1.3 Power Sector Technical Assistance Activity

The Power Sector Technical Assistance (TA) Activity will help to strengthen the performance of Nepal's power sector institutions, including the 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 rule making, 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 increase in the reliability of the transmission network by reducing outages and power quality problems through improved asset management and network operations process. Finally it will support NEA to improve the financial viability of the power sector.



Mr. Khadga Bahadur Bishit, ED, MCA-Nepal and Mr. Dilli Bahadur Singh, Chairperson, Electricity Regulatory Commission, exchanging the Project Cooperation Agreement on April 12, 2021.

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

Technical Assistance to the ERC

- The Project Cooperation Agreement (PCA) between MCA-Nepal and the Electricity Regulatory Commission (ERC) was signed on 12 April 2021. The PCA establishes an operational partnership to support the ERC through activities in strategic guidance, substantive regulatory reviews, studies and analysis including developing a tariff methodology, cost-of-service study, grid code, market rules, developing regulatory framework, and other technical requirements, including fundamental logistic support such as basic IT equipment and operating systems (Regulatory Information Management System and a Docket Management System) etc.
- Based on a Need Assessment Report, the activities and budget for ERC have been finalized and agreed upon by ERC and approved by MCA-Nepal. The RFP including the Terms of Reference (ToR) for embedded advisors are also being finalized.

Technical Assistance to NEA

- Based on a Needs Assessment Report, all proposed activities for NEA Technical Assistance (TA) have been finalized. The Terms of Reference (ToR), Level of Effort (LoE) and the budget has been revised as per the comments made by NEA and is in the advanced stage of finalization. Once final, it will be shared with NEA for a final review. Evaluation criteria for RFP for TA to NEA is also in the advanced stage of finalization. The PCA document covering the TA to NEA support areas is also in the advanced stage of finalization.

2.1.4 MCA Partnership Program Sub-Activity

The MCA Partnership Program (MPP) is the benefit-sharing component and a Sub-Activity 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:

Data Collection for Sub-Activity Plan Report

With the finalization of the MCA Partnership Program Framework, further data collection for preparation of the Sub-activity Plan report was done through consultations with relevant agencies for each thematic area. As a result, the overall need for specific activities within each thematic area in all affected wards were identified.

Consultation with Municipalities and Wards

Thirty-three municipal-level consultations were undertaken from 7-22 February 2021 to inform local governments on the Sub-activity scope, various activities proposed under each thematic area, and the process through which wards are expected to finalize the activities within a stipulated time. Each consultation was conducted at the respective affected municipality. In areas where there were many wards within the affected municipalities, the wards were divided for multiple consultations. Representatives from municipalities, wards, NEA Distribution Centers participated in the consultations. Following the municipal-level consultations, the wards further consulted with their communities, including Community Forest User Groups (CFUG), Water User Groups (WUG), and women's groups, amongst others, to prioritize MPP thematic area activities for their respective wards. In total 91 ward-level consultations were completed.



Local people from Dhading being oriented on MCA-Nepal Partnership Program on February 08, 2021

Finalization of the Sub-Activity Plan Report

The Sub-Activity Plan report has been finalized with the proposal of following three thematic areas as areas of support under MPP:

Thematic Area 1: Electricity Distribution System Augmentation and Extension

This area focuses on increasing electricity access and enhancing the distribution system's reliability to maximize electricity benefits. The activities included in this thematic area are:

- i) grid extension,
- ii) pole replacement,
- iii) transformer replacement, and
- iv) conductor and conductor accessory replacement.

Thematic Area 2: Off-Grid Electricity Solutions for Electrification and Drinking Water

This area includes two activities:

- i) providing off-grid solutions to those households where grid extension may not be technically or financially feasible, and
- ii) conducting feasibility and design for access to drinking water for communities.

Thematic Area 3: Capacity Building for Enhanced Electricity Use

This area includes two activities:

- i) building or enhancing capacity of institutions and individuals within the ETP wards on productive end-uses of energy, and
- ii) supporting preparation of Municipal Energy Plans (MEP) at the municipality level and skills trainings focusing on the promotion of end-uses of electricity at the individual level.

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 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 training and capacity building activities will focus in 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. The training and capacity-building provided will also entail 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 adapted. This sub-activity will be undertaken using new technology which has the potential to address some of the issues associated with carrying out works on narrow roads, namely traffic congestion, difficult work conditions and extended construction times. This sub-activity is proposed to be tested and evaluated before Entry- into -Force (EIF) of the Compact to inform the remaining program design for the Strategic Road Maintenance Works Activity.

Matching Fund

To incentivize additional GoN spending on road maintenance, the MCC funding will 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 summary and progress related to the RMP Technical Assistance and Strategic Roads Maintenance Works activities are as follows:

Project Cooperation Agreement (PCA) with DoR

The Project Cooperation Agreement (PCA) between the Department of Roads (DoR) and MCA-Nepal was signed on 15 March 2021. As part of the PCA between the DoR and MCA-Nepal, a training on installation, application and data collection of a Falling Weight Deflectometer (FWD) was provided to the engineers of DoR and Institute of Engineering from 19 January 2021 to 12 February 2021. Field data collection was conducted in the pilot road project location of Dhan Khola to Shiva Khola road sections,

a total length of 77 km. Annual deflection measurements in National Highways of Nepal will be undertaken immediately after the monsoon season in order to make an assessment that will inform the pavement maintenance and rehabilitation projects.



Mr. Khadga Bahadur Bisht, ED, MCA-Nepal (right), Mr. Tulasi Prasad Sitaula, Consultant (Center) and Mr. Troy Kofroth, Country Director-Nepal, MCC (left) inspecting the Falling Weight Deflectometer in Quality Resource and Development Center, DoR, Lalitpur on March 05, 2021.

Construction of Laboratory and Storage Room

An asphalt mix design laboratory room with a dimension of 6x5 m was built in January 2021 at the Quality Resource and Development Center, DoR, Lalitpur. The equipment installation has been planned for a later date in 2021 after resumption of normal international travels. Additionally, one storage room for the FWD and a Superpave Bitumen Lab will be constructed in the same resource center by the end of 2021.

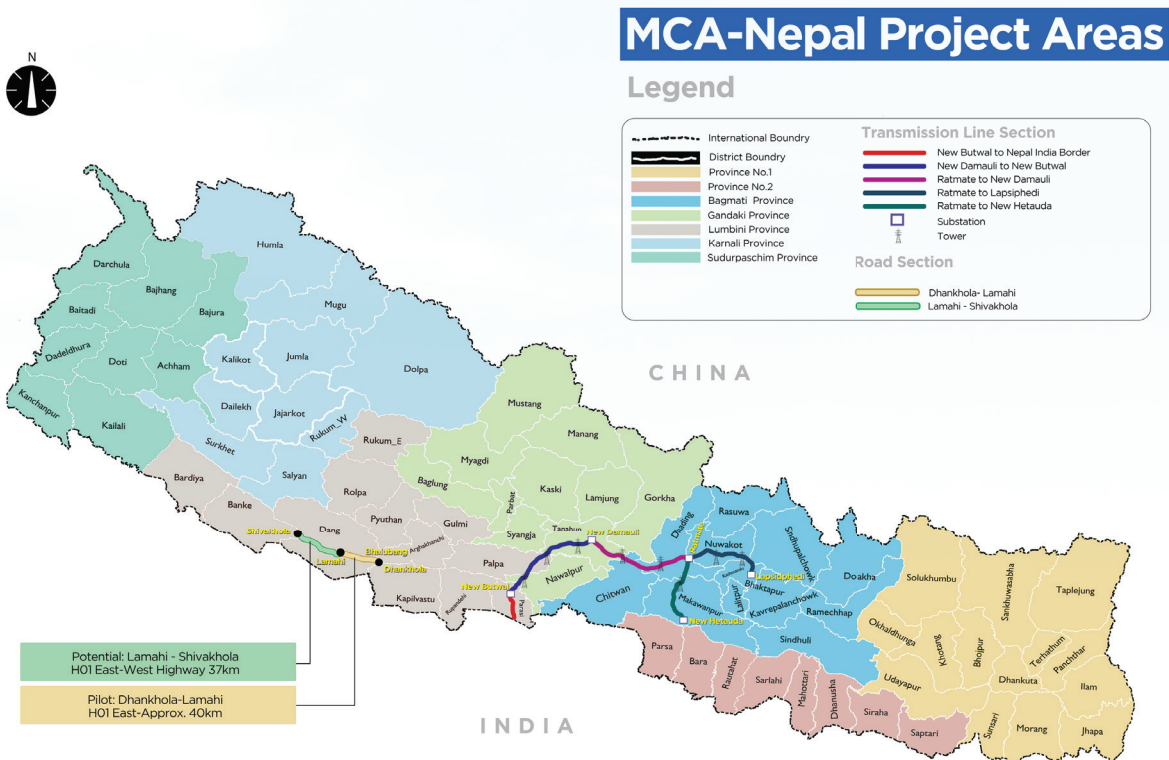


Road engineers with MCC and MCA-Nepal officials after a closing ceremony of FWD Training on February 12, 2021.

Pilot road recycling design and new technology adaptation report

On boarding of the consulting firm for the pilot road recycling design and construction supervision is in process after the opening of technical and financial proposals. Reports on new technology adaptation in the Nepali context have been prepared by RMP experts, namely in Soil Cement Stabilization (SCS), FDR and Superpave.

2.3 Project Areas



Section 3

Environment and Social Protection

MCA-Nepal has identified Environment and Social Protection (ESP) as a key area to ensure ETP and RMP activities are implemented in accordance with the requirements of the MCC Environmental Guidelines by identifying, analyzing and mitigating environmental and social challenges, meeting regulatory requirements for environmental and social standards, 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 to sensitive environmental and social characteristics of the project areas.

The RMP is classified as Category B under MCC's Environmental Guidelines where 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. 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.

The ETP affects three provinces, 10 districts, one sub-metropolis, 11 municipalities and 18 rural municipalities. To assess impacts of the ETP on the environment (physical, biological, and socio-economic and cultural) and devise measures to enhance positive impacts and minimize adverse impacts, an Environmental Impact Assessment (EIA) was conducted by MCA-Nepal as per the Environmental Act and Rule of the GoN.

3.1 Environmental Impact Assessment (EIA)

MCA-Nepal follows GoN environmental act and regulations while implementing its projects. The Environment Protection Act (EPA) 2053 BS and Environment Protection Regulation (EPR) 2054 BS requires electricity transmission projects to conduct an EIA. MCA-Nepal conducted an EIA for ETP based on the above act and regulation, and prepared and submitted the EIA report to the Department of Electricity Development (DoED) on 24 March 2020 to initiate the EIA approval process. During this fiscal year, MCA-Nepal continued to work with the DoED, MoEWRI, and the Ministry of Forests and Environment (MoFE) for the approval of the EIA report.

Prior to the formal review of the report by MoFE, the initial report was distributed widely eliciting comments from the general public. The report was made available in all 10 District Coordination Committees (DCC) and 30 sub-metropolis/municipalities/rural municipalities affected by the ETP, and several libraries in Kathmandu. The report was also published in MoFE and MCA-Nepal websites. A public notice was published in a national daily, Nagarik, informing the public about the availability of the report in above locations, and requesting them to send comments on the report within seven days.

The MoFE EIA review committee members did a formal review of the EIA report and provided comments which were addressed by MCA-Nepal. A high-level meeting chaired by the MoFE Secretary also discussed the report. The participants of this meeting included senior officials of the MoFE, MOEWRI, MoF, and independent experts. Following this meeting, a final review committee meeting chaired by the Joint Secretary of Biodiversity and Environment Division of the MoFE held on 13 April 2021, decided to forward the EIA report for approval, after addressing few additional comments raised by reviewers during the meeting. The report was approved by the MoFE on 29 April 2021 through a ministerial-level decision. The final report has been published on the MCA-Nepal website and made public.



Mr. Shyam Upadhyaya, Quality Assurance Manager - Environment, Health and Safety, briefing on the EIA Study Report at the Ministry of Forest and Environment.

3.2 Environmental and Social Impact Assessment (ESIA)

In addition to the GoN rules and regulations, MCA-Nepal is also required to follow MCC Environmental Guidelines and IFC PS on Environmental and Social Sustainability. MCC and IFC guidelines required ETP to conduct an Environment and Social Impact Assessment (ESIA). ESIA provides more in-depth assessments of few environmental and social issues than required by the EIA, and includes critical habitat screening, biodiversity management, security force management, indigenous people, and trafficking-in-persons(TIP) risk management components. MCA-Nepal finalized the ESIA report during this fiscal year.

3.3 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 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 livelihood of affected families in project areas.

One of the main objective of 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 with the objective of avoiding and minimizing and/or mitigating 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 for the three TL segments (Lapsiphedi-Ratmate TL Segment; Ratmate-New Hetauda TL Segment; Ratmate-New Damauli-Indian 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 PAPs.

A Resettlement Implementation Consultant (RIC) was hired to implement the RAP in the land 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. Transfer of ownership of 181 private parcels (17.67 ha) out of a total of 189

parcels (18.43 ha) have been completed. Remaining private land to be acquired is 0.76 ha comprising four unregistered parcels (0.37 ha), three parcels (0.39 ha) with pending court cases and one parcel (0.009 ha) belonging to an absentee project affected person (PAP). Further, there are six parcels (1.83 ha) of government land, and process has been initiated to get the consent from the Government of Nepal to use such parcels of land for the sub-station purpose.

Out of a total of 109 compensation agreements (CA) to be signed, 103 numbers of CAs have already been signed with project affected families (PAF). Whereas, six (6) CAs remain to be signed, these CAs will be signed once the cases of unregistered land, pending court cases and absentee are resolved. The PAPs have also been provided formal financial literacy training prior to opening their bank accounts for receiving the compensation. The bank accounts have been subsequently opened for 199 PAPs (out of 205 total). Payment has been made to 194 PAPs against 101 CAs (out of 109 total) through a total of 318 transactions. The total amount paid, as of 12 July 2021, stands at NPR 1,412,709,368.

The demolition of structures by the PAPs within the sub-station boundary has begun, and the PAPs have started to relocate. This process was however hampered by the second wave of COVID-19 pandemic, with Nuwakot District, and specifically Belkotgadhi Municipality identified as hard hit areas by the local health authorities. Demolition of structures and relocation of PAPs is expected to gather momentum once COVID-19 situation is under control and after the end of the monsoon season this year.



Project affected people from Ratmate, Nuwakot participating in the process of land acquisition.

Section 4

Gender and Social Inclusion

Gender and Social Inclusion (GSI) is a key 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.

MCC's Gender Integration Guidelines require the development of a Social and Gender Integration Plan (SGIP) during the preparatory period for Compact implementation to strategically systemize GSI across Compact projects. The SGIP is built on the findings of the initial social and gender assessments during the Compact development and activities are planned in order to maximize the impacts and achieve intended results. GSI analysis and inputs are provided in all the design and update of thematic subjects in ESP, MPP and in the ToR preparations.

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

Finalization of the Social and Gender Integration Plan (SGIP)

The draft Social and Gender Inclusion Plan (SGIP) document, which incorporated inputs received from government officials and external stakeholders, was presented to the MCA-Nepal Board on 27 November 2020. The SGIP documents the gender and social inclusion strategies to be undertaken during the implementation of ETP and RMP. The document has action plans to incorporate gender and social inclusion concerns during project preparation including actions to maximize project benefits and minimize risks. The SGIP was finalized as of 9 April 2021.

Trafficking-in-Persons (TIP) Risk Management Plan Finalization

The EIA report highlighted a high risk of TIP in ETP locations, requiring preparation of a TIP Risk Management Plan as a part of the ESIA in compliance with the MCC Counter Trafficking-in-Persons (C-TIP) Policy. Thus, a TIP Risk Management Plan was developed to mitigate and manage the risk of TIP that may occur during project activities. The plan was approved by MCA-Nepal on 3 March 2021.

Environmental, Social, Health and Safety Management Plan (ESHSMP) Update

The Environmental, Social, Health and Safety Management Plan (ESHSMP) for ETP was prepared and finalized in 2019 which detailed the requirement of TIP related updates as per the TIP Risk Management Plan. During this fiscal year, major updates from the TIP Risk Management Plan was included in the ESHSMP for review.

Section 5

Grievance Redress Mechanism

MCA-Nepal's Grievance Redress Mechanism is designed to manage complaints and concerns raised by stakeholders regarding 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.

The Grievance Redress Mechanism (GRM) and Stakeholder Engagement Plan (SEP) have been prepared 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 of demonstrating informed consultation and inclusive participation for the duration of the projects. 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 projects and its impacts are 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. 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, this fiscal year, 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 responsible for timely notifying and discussing within relevant team 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 appeal 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 Registration

- A grievance database has been created and posted on MCA-Nepal's Share Point/Drive to allow the team to review all grievances and provide input on a regular basis.
- 68 grievances related to ETP have been registered at MCA-Nepal so far.
- Among the registered grievances, eight have been resolved and closed, seven were not accepted in the first tier and need a second round of consultation.
- Responses have been developed for additional 23 grievances but resolution is pending due to restriction in mobility and the COVID-19 pandemic.
- Remaining registered grievances are directly related to compensation and alignment shifts and will be addressed after additional survey and 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.

Section 6

Anti-Fraud and Corruption

The Compact 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 [AFC] 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 for staff and management of MCA-Nepal, working closely with its project partners (or implementing entities), 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 has been developed to address the highest priority risks listed in the AFC risk assessment matrix and provides a detailed road map to include additional measures to mitigate risks identified during the assessment. The AFC Action 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. During this Fiscal Year, MCA-Nepal worked to create awareness about MCA-Nepal AFC Action Plan principles with the development of communication materials such as posters with the acquisition of a local contact number to record complaints on possible fraud and corruption activities.

Apart from the Compact and the Program Implementation Agreement (PIA) governing MCA- Nepal operations, more detailed subject related policies, activities and processes are in place to govern the organization. Some of these policies, activities and processes are listed below:

- Audit Plan
- Bid Challenge System
- Independent Fiscal and Procurement Agents
- MCA-Nepal Fiscal Accountability Plan (FAP)
- MCA-Nepal Procurement Operations Manual (POM)
- MCA-Nepal Contract Administration and Management Manual (CAMM)
- MCA-Nepal Bid Challenge System
- MCA-Nepal Conflict of Interest Policy
- MCA-Nepal HR Manual
- MCA-Nepal Performance Management System
- MCC Cost Principles for Government Affiliates
- MCC Monitoring and Evaluation (M&E) Policy
- MCC Program Procurement Guidelines (PPG)
- MCC Standard Bidding Document (SBD)

Section 7

Risks 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 at regular intervals to identify emerging risks, and monitor and manage the mitigation strategies for existing risks. Detailed risk identification will also be done at key Compact life cycle process events, such as EIF, major new procurements and contractor start-ups, key project execution milestones, and project closure planning.

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. Existing and emerging high-level result risks will also be incorporated into the MCA-Nepal Monitoring and Evaluation Plan.

The following points discuss some major risks and challenges faced by MCA-Nepal during the reporting period.

COVID-19

In the last fiscal year, due to the lockdown and travel restrictions imposed by the GoN to combat the COVID-19 pandemic, MCA-Nepal field activities were impacted on multiple fronts; this included field activities related to site access. Due to the pandemic, MCA-Nepal also received notices of Force Majeure from various ETP and RMP contractors, consultants, and suppliers, including its PPTS consultant, complicating field mobilization efforts. However, after the reduction in the number of COVID-19 cases and easing of the lockdown, major field activities resumed. MCA-Nepal has also continued to update and implement its internal COVID-19 contingency plan and office resumption plan for the phased reopening of physical office premises, based on the COVID-19 situation.

Parliamentary Ratification of Compact

MCA-Nepal has made significant progress in the preparatory phase of implementing the Compact. However, due to the delay in achieving parliamentary ratification, a key CP for EIF, timely implementation of the projects has been stalled. MCA-Nepal is working with all relevant authorities to achieve the parliamentary ratification of the Compact, in addition to meeting other CPs, so that implementation activities can begin as soon as possible.

Entry-Into-Force (EIF)

The target EIF date for the implementation of the Compact set for 30 June 2020 (16 Ashad 2077 BS) was not achieved due to delays in parliamentary ratification of the Compact. The GoN is leading preparations to determine a new EIF date based on timelines to meet the remaining CPs. The future EIF date would be the earliest possible date that provides reasonable assurance for the successful conclusion of the Compact within the five-year timeline; following EIF, all implementation activities must be completed within five years, as there are no provisions for time extension or cost increase.

Section 8

Capacity Building

MCA-Nepal adopts variety of techniques to build capacity of its staff. The MCA-Nepal HR Manual has put in place a training plan which is updated annually and administered by the Human Resource (HR) unit. During this reporting period, the major trainings and workshops that were successfully completed are highlighted below.

FIDIC Training

The FIDIC training was organized to equip MCA-Nepal staff with the knowledge and awareness of FIDIC standards in contracting. The training, facilitated by a FIDIC resource person, was provided to relevant MCA-Nepal staff, MCC Resident Country Mission (RCM), the Fiscal Agent (FA) and the Procurement Agent (PA). A total of 35 participants completed the training virtually from 7 December 2020 to 18 December 2020.

Gender and Social Inclusion (GSI) Training

The GSI training was organized to help build understanding on the overall aspect of GSI integration in project implementation and compliance. The training, facilitated by the MCA-Nepal GSI team was provided to all MCA-Nepal staff on 17 July 2020.

Human Resource Management Information System (HRMIS) Training

The Human Resource Management Information System (HRMIS) training was organized after the launch of the system that has automated day-to-day HR functions like attendance, leave, staff profile, payroll administration, recruitment and selection. A total of 10 modules were delivered by MCA-Nepal HR unit to all MCA-Nepal staff in three batches with a separate session for supervisors having approval authority and completed on 20 July 2020.

Contract Administration Management Manual (Camm) Training

The Camm training was organized to provide practical guidance on managing contracts and use of Procurement Operations Manual (POM). The virtual training led by MCA-Nepal's Procurement team and Procurement Agent was conducted from 7 September 2020 to 11 September 2020.

Integrated Project Management (IPM) Workshop

MCC's Integrated Project Management (IPM) team organized two virtual workshops for MCA-Nepal staff based on the MCC IPM toolkit. Out of five modules in the toolkit, the workshop focused on two modules - Responsibility Assignment Matrix (RAM) and Contract Management (CM). The RAM module helped equip staff with skills to identify and assign clear and agreed roles and responsibilities among functions within and outside of MCA-Nepal. The CM module helped build staff capacity on developing contract management plans, managing consultants and contractors, and effective contract negotiation. All core staff of MCA-Nepal, Fiscal Agent and Procurement Agent took part in the workshop organized on 23, 25 February 2021 and 9, 18 March 2021 respectively.

Section 9

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 2076/77 BS.

For FY 2077/78 BS, below are some snapshots and detailed financials in NPR:

A. FY 2077/78 BS expenditure snapshot (in NPR):

Expenses by Project Activity			
Project /Activity	GoN	MCC	Total
ELECTRICITY TRANSMISSION PROJECT	1,424,975,511.13	457,595,494.00	1,882,571,005.14
ROAD MAINTENANCE PROJECT	4,171,835.44	61,532,927.13	65,704,762.58
MONITORING AND EVALUATION			
PROGRAM MANAGEMENT & ADMINISTRATION	199,860,866.25	183,715,285.56	383,576,151.81
Total	1,629,008,212.83	702,843,706.70	2,331,851,919.53
Expenses by Recurring / Capital			
RECURRING EXPENSES	207,886,894.75	174,335,639.17	382,222,533.92
CAPITAL EXPENSES	1,421,121,318.08	528,508,067.53	1,949,629,385.61
Total	1,629,008,212.83	702,843,706.70	2,331,851,919.53



नेपाल सरकार
अर्थ मन्त्रालय
मिलेनियम च्यालेन्ज एकाउण्ट नेपाल (एमसिए-नेपाल)
कार्यालय कोड नं.: ३०५००३५०४
दातु निकायगत बजेट र खर्चको आर्थिक विवरण
आ.ब. २०७७/७८



म.ले.प.फा.नं. २१४

बजेट मुल शीर्षक नं.: ३०५००१०८३

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

आयोजना रहेको स्थान: लालदरवार कन्भेन्सन सेन्टर, याक एण्ड यती कम्प्लेक्स, दरवार मार्ग, काठमाण्डौ

खर्च शीर्षक न	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
२२१११	पानी तथा विजुली	४,४००,०००	५,७००,०००	१०,१००,०००	२,९२३,४६२.०७	-	२,९२३,४६२.०७	१,४७६,५३७.९३	५,७००,०००.००	७,१७६,५३७.९३
२२११२	संचार खर्च	१,१००,०००	-	१,१००,०००	६२३,०५४.६६	-	६२३,०५४.६६	४७६,९४५.३४	-	४७६,९४५.३४
२२२१२	इन्धन (कार्यालय प्रयोजन)	३,०००,०००	४,१००,०००	७,१००,०००	२९४,८८१.९९	-	२९४,८८१.९९	२,७०५,११८.०१	४,१००,०००.००	६,८०५,११८.०१
२२२१३	सवारी साधन मर्मत खर्च	१,९००,०००	१,३००,०००	३,२००,०००	५३४,७४१.३०	-	५३४,७४१.३०	१,३६५,२५८.७०	१,३००,०००.००	२,६६५,२५८.७०
२२२१४	बिमा तथा नवीकरण खर्च	१६,४००,०००	२,५००,०००	१८,९००,०००	७,४११,१४८.७१	-	७,४११,१४८.७१	८,९८८,८५१.२९	२,५००,०००.००	११,४८८,८५१.२९
२२२१५	अन्य सम्पत्तिहरूको संचालन तथा सम्भार खर्च	२,४००,०००	४,६००,०००	७,०००,०००	२३३,६१९.५९	-	२३३,६१९.५९	२,१६६,३८०.४१	४,६००,०००.००	६,७६६,३८०.४१
२२३११	मसलन्द तथा कार्यालय सामग्री	२,५००,०००	३,२००,०००	५,७००,०००	१,१२५,७५२.७०	-	१,१२५,७५२.७०	१,३७४,२४७.३०	३,२००,०००.००	४,५७४,२४७.३०
२२३१४	इन्धन - अन्य प्रयोजन	१००,०००	१००,०००	२००,०००	-	-	-	१००,०००.००	१००,०००.००	२००,०००.००
२२३१५	पत्रपत्रिका, छपाई तथा सूचना प्रकाशन खर्च	४,९७०,०००	६,९००,०००	११,८७०,०००	६३६,३४१.९३	४९,९६४.००	६८६,३०५.९३	४,३३३,६५८.०७	६,९००,०००.००	१०,३३३,६५८.०७
२२४११	सेवा र परामर्श खर्च	२,५५,४५०,०००	५६६,९००,०००	८,२१,५५०,०००	१६०,६७४,४१८.९८	१७०,५१८,९८८.३७	३३१,१९३,४०७.३५	९४,७७५,५८१.०२	३,९५,५८१,०११.६३	४,९०,३५६,५९९.६५
२२४१२	सूचना प्रणाली तथा सफ्टवेयर संचालन खर्च	५००,०००	१,४००,०००	१,९००,०००	-	१,३१६,९१४.८०	१,३१६,९१४.८०	५००,०००.००	८३,०८५.२०	१,५००,०००.००
२२४१३	करार सेवा शुल्क	२,४००,०००	४,८००,०००	७,२००,०००	१,१०४,८९४.०४	-	१,१०४,८९४.०४	१,२९५,१०५.९६	४,८००,०००.००	६,०९५,१०५.९६
२२४१९	अन्य सेवा शुल्क	१,१००,०००	-	१,१००,०००	-	-	-	१,१००,०००.००	-	१,१००,०००.००
२२५११	कर्मचारी तालिम खर्च	-	५७,१००,०००	५७,१००,०००	-	२,४४९,७७२.००	२,४४९,७७२.००	-	५४,६५०,२२८.००	५७,१००,०००.००
२२५१२	सोप विकास तथा जनचेतना तालिम तथा गोष्ठी सम्बन्धी खर्च	-	२५,३००,०००	२५,३००,०००	-	-	-	-	२५,३००,०००.००	२५,३००,०००.००
२२५२२	कार्यक्रम खर्च	५०,९३०,०००	११७,९००,०००	१६८,८३०,०००	१,२०३,५०९.९५	-	१,२०३,५०९.९५	४९,७२६,४९०.०५	११७,९००,०००.००	१६९,६२६,४९०.०५
२२६१२	भ्रमण खर्च	६,१५०,०००	७४,४००,०००	८०,५५०,०००	२,९३६,२३०.९७	-	२,९३६,२३०.९७	३,२१३,७६९.०३	७४,४००,०००.००	७७,६१३,७६९.०३
२२७११	विविध खर्च	२,७००,०००	१,४००,०००	४,१००,०००	४०४,८४७.८४	-	४०४,८४७.८४	२,२९५,१५२.१६	१,४००,०००.००	३,६९५,१५२.१६
२८१४२	घर भाडा	२९,७००,०००	१५,२००,०००	४४,९००,०००	२७,५८१,६७४.०७	-	२७,५८१,६७४.०७	२,११८,३२४.९३	१५,२००,०००.००	४४,९००,०००.००
२८१४३	सवारी साधन तथा मेशिनर औजार भाडा	१,५००,०००	१,२००,०००	२,७००,०००	१९८,३१४.९५	-	१९८,३१४.९५	१,३०१,६८५.०५	१,२००,०००.००	२,५०१,६८५.०५
जम्मा		३८६,२००,०००	८९२,४००,०००	१,२७८,६००,०००	२०७,८८६,८९४.७५	१७४,३३५,६३९.१७	३८२,२२२,५३३.९२	१७९,३१३,१०५.२५	७१८,०६४,३६०.८३	८९२,३७७,३६६.०८

तयार गर्ने:
दस्तखत:

नाम/थर: भवानि प्रसाद जवाली
पद: वित्त व्यवस्थापन विज्ञ
मिति: २०७८/०४/०६

लेखा प्रमुख:
दस्तखत:

नाम/थर: पुष्प कान्त अधिकारी
पद: प्रमुख वित्त अधिकृत
मिति: २०७८/०४/०६

कार्यालय प्रमुख:
दस्तखत:

नाम/थर: खड्ग बहादुर बिष्ट
पद: कार्यकारी निर्देशक
मिति: २०७८/०४/०६



नेपाल सरकार
अर्थ मन्त्रालय

मिलेनियम च्यालेञ्ज एकाउण्ट नेपाल (एमसिए-नेपाल)

कार्यालय कोड नं.: ३०५००३५०४
दातृ निकायगत बजेट र खर्चको आर्थिक विवरण
आ.व. २०७७/७८



म.ले.प.फा.नं. २१४

बजेट मुल शीर्षक नं.: ३०५००१०८४

कार्यालय/आयोजनाको नाम: मिलेनियम च्यालेञ्ज एकाउण्ट नेपाल (एमसिए-नेपाल)

आयोजना रहेको स्थान: लालदरवार कन्भेन्सन सेन्टर, याक एण्ड यती कम्प्लेक्स, दरवार मार्ग, काठमाण्डौ

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	१५,७००,०००	-	१५,७००,०००	-	-	-	१५,७००,०००.००	-	१५,७००,०००.००
३१११३	निर्मित भवनको संरचनात्मक सुधार	२,५००,०००	-	२,५००,०००	२,०४९,८८०.७८	-	२,०४९,८८०.७८	४५०,११९.२२	-	४५०,११९.२२
३११२१	सवारी साधन	-	११,४००,०००	११,४००,०००	-	-	-	११,४००,०००.००	११,४००,०००.००	११,४००,०००.००
३११२२	मेशिनरी तथा औजार	२८,०५०,०००	४८,४६३,०००	७६,५१३,०००	१,६४१,१६८.७१	४४,५०२,६३९.८१	४६,१४३,८०८.५२	२६,४०८,८३१.२९	३,९६०,३६०.१९	३०,३६९,१९१.४८
३११२३	फर्निचर तथा फिब्रर्स	२,४००,०००	८,५००,०००	१०,९००,०००	१,६२३,११८.२६	-	१,६२३,११८.२६	७७६,८८१.७४	८,५००,०००.००	९,२७६,८८१.७४
३११३४	कम्प्युटर सफ्टवेयर निर्माण तथा खरीद खर्च एवं अन्य बौद्धिक सम्पत्ती प्राप्ति खर्च	२४,८५०,०००	५६,७००,०००	८१,५५०,०००	३,०९७,७८२.००	३४१,०३६.४४	३,४३८,८१८.४४	२१,७५२,२१८.००	५६,३५८,९६३.५६	७८,१११,१८१.५६
३११५१	सडक तथा पुल निर्माण	-	१,२००,०००	१,२००,०००	-	-	-	१,२००,०००.००	१,२००,०००.००	१,२००,०००.००
३११५३	विद्युत संरचना निर्माण	-	३,७६३,७३७,०००	३,७६३,७३७,०००	-	-	-	३,७६३,७३७,०००.००	३,७६३,७३७,०००.००	३,७६३,७३७,०००.००
३११७२	पूँजीगत अनुसन्धान तथा परामर्श	३७८,०००,०००	५०६,१६१,०००	८८४,१६१,०००	-	४८३,६६४,३९१.२८	४८३,६६४,३९१.२८	३७८,०००,०००.००	२२,४९६,६०८.७२	४००,४९६,६०८.७२
३१४११	जग्गा प्राप्ति खर्च	२,०७९,८१७,०००	-	२,०७९,८१७,०००	१,४१२,७०९,३६८.३३	-	१,४१२,७०९,३६८.३३	६६७,१०७,६३१.६७	-	६६७,१०७,६३१.६७
जम्मा		२,५३१,३१७,०००	४,३९६,१६१,०००	६,९२७,४७८,०००	१,४२१,१२१,३१८.०८	५,२८,५०८,०६७.५३	१,९४९,६२९,३८५.६१	१,११०,१९५,६८१.९२	३,८६७,६५२,९३२.४७	४,९७७,८४८,६१४.३९
चालु जम्मा		३८७,२००,०००	८९२,४००,०००	१,२७९,६००,०००	२०७,८८६,८९४.७५	१७४,३३५,६३९.१७	३८२,२२२,५३३.९२	१७९,३१३,१०५.२५	७१८,०६४,३६०.८३	८९७,३७७,४६६.०८
कुल जम्मा		२,९१८,५१७,०००	५,२८८,५६१,०००	८,२०७,०७८,०००	१,६२९,००८,२१२.८३	७०२,८४३,७०६.७०	२,३३१,८५१,९१९.५३	१,२८९,५०८,७८७.१७	४,५८५,७१७,२९३.३०	५,८७५,२२६,०८०.४७

तयार गर्ने:
दस्तखत:

नाम/थर: भवानी प्रसाद जवाली
पद: वित्त व्यवस्थापन विज्ञ
मिति: २०७८।०४।०६

लेखा प्रमुख:
दस्तखत:

नाम/थर: पुष्प कान्त अधिकारी
पद: प्रमुख वित्त अधिकृत
मिति: २०७८।०४।०६

कार्यालय प्रमुख:
दस्तखत:

नाम/थर: खड्ग बहादुर बिष्ट
पद: कार्यकारी निर्देशक
मिति: २०७८।०४।०६

List of Abbreviations

AE	Accountable Entity
AFC	Anti-Fraud and Corruption
CAMM	Contract Administration Management Manual
CFUG	Community Forest User Group
CLO	Community Liaison Officer
CP	Condition Precedent
C-TIP	Counter Trafficking-In-Persons
D-B	Design-Build
DCS	Distribution Centre
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
ESHSMP	Environment, Social, Health and Safety Management Plan
ESIA	Environmental and Social Impact Assessment
ESP	Environment and Social Protection
ESP-CA	Environmental and Social Performance On-Site Community Assistant
FA	Fiscal Agent
FAP	Fiscal Accountability Plan
FDR	Full-Depth Reclamation
FIDIC	International Federation of Consulting Engineers
FM	Force Majeure
FWD	Falling Weight Deflectometer
FY	Fiscal Year
GIS	Gas-Insulated Sub-station
GoN	Government of Nepal
GRM	Grievance Redress Mechanism
GSI	Gender and Social Inclusion
HR	Human Resource
HRMIS	Human Resource Management Information System
IEE	Initial Environmental Examination
IFB	Invitation for Bid
KM	Kilometer
KV	Kilovolt
LoE	Level of Effort
LRP	Livelihood Restoration Program
IFC	International Finance Corporation
IPM	Integrated Project Management
MCA	Millennium Challenge Account
MCA-Nepal	Millennium Challenge Account Nepal Development Board
MCC	Millennium Challenge Corporation
M&E	Monitoring and Evaluation
MPP	MCA Partnership Program
MoEWRI	Ministry of Energy, Water Resources and Irrigation
MoF	Ministry of Finance
MoFE	Ministry of Forestry and Environment
MoPIT	Ministry of Physical Infrastructure and Technology
MVA	Megavolt Ampere
NHPC	National Hydro Power Company Limited
NTP	Notice to Proceed
OMCN	Office of Millennium Challenge Nepal
PAF	Project Affected Family

PAH	Project Affected Household
PAP	Project Affected Person
PCA	Project Cooperation Agreement
PIA	Project Implementation Agreement
PIC	Public Information Centre
PP	Procurement Plan
PPG	Program Procurement Guidelines
PPTS	Project Preparation and Technical Supervision
POM	Procurement Operations Manual
PS	Performance Standards
RAM	Responsibility Assignment Matrix
RAP	Resettlement Action Plan
RBN	Roads Board Nepal
RFP	Request for Proposal
RIC	Resettlement Implementation Consultation
RoW	Right-of-Way
RPF	Resettlement Policy Framework
SBD	Standard Bidding Document
SCS	Soil Cement Stabilization
SEP	Stakeholder Engagement Plan
SGIP	Social and Gender Integration Plan
S/S	Sub-station
SoW	Scope of Work
Superpave	Superior Performing Asphalt Pavement
TA	Technical Assistance
TIP	Trafficking-in-Persons
TL	Transmission Line
ToR	Terms of Reference
WUG	Water User Group

Fostering economics growth with better access
to electricity and roads



Millennium Challenge Account Nepal Development Board

2nd & 3rd Floor, East Wing, Lal Durbar Convention Center
Yak & Yeti Complex, Durbar Marg, Kathmandu, Nepal
+977-01-4238353/4238392 | info@mcanp.org | www.mcanp.org