



MILLENNIUM CHALLENGE ACCOUNT NEPAL DEVELOPMENT BOARD (MCA-NEPAL)

MILLENNIUM CHALLENGE ACCOUNT NEPAL (“MCA-Nepal”)

Synopsis of Minutes of 29th Meeting of the Board of Directors of Millennium Challenge Account Nepal (MCA-Nepal)

Nature: Regular Meeting

MCA-N/BOD-M-29/25-09-2022

Date: Sunday, 25 September, 2022 (2079/06/09 BS)
Time: 8:30 AM
Place: Conference Room of the Secretary, Ministry of Finance at Singh Durbar,
Kathmandu
Notice Served: 20/09/2022 (04/06/2079 BS)

1. PRESENT

1.1. Members

- **Krishna Hari Pushkar**, Chairperson
And, Secretary, Government of Nepal, Ministry of Finance
Singhadurbar, Kathmandu
- **Madhu Prasad Bhetuwal**, Member
And, Joint Secretary, Ministry of Energy, Water Resources and Irrigation
- **Shiva Prasad Nepal**, Member
And, Joint Secretary, Ministry of Physical Infrastructure and Transport
Singhadurbar, Kathmandu
- **Kul Man Ghising**, Member
And, Managing Director, Nepal Electricity Authority
- **Surendra Kumar Mahto**, Member
And, Senior Advocate, Supreme Court of Nepal
- **Kumar Pandey, Member representing the Private Sector**
And, Chairman of the Board, National Hydro Power Company (NHPC)
- **Khadga Bahadur Bisht**, Member Secretary
And, Executive Director, MCA-Nepal

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1.2. Invitees

- **Ishwori Prasad Aryal**, Invitee
And, Joint Secretary, Government of Nepal, Ministry of Finance, International Economic Cooperation and Coordination Division (IECCD)
- **Sanjay Poudyal**, Invitee
Resident Country Director (Acting) – Nepal, Millennium Challenge Corporation

1.3. Others Attending

- **Rajib Dahal**
Chief Legal Officer, Millennium Challenge Account Nepal
- **Satyam Pathak**
Legal Advisor, Millennium Challenge Account Nepal

2. PRELIMINARY

- 2.1. The meeting of the Board of Directors was duly constituted on 25/09/2022, (2079/06/09 BS) after the notice was served in writing on 20/09/2022 (2079/06/04 BS).
- 2.2. The Chairperson welcomed all the members of the Board of Directors and other invitees attending the meeting.
- 2.3. The Chairperson reported that a quorum was present in accordance with Millennium Challenge Account Nepal Development Board Formation Order, 2074 (2018). The Chairperson apprised the board members on the latest situation at MCA – Nepal.
- 2.4. The Board Members declared that there is no Conflict of Interest (CoI) on any of the Agendas presented by MCA-Nepal, and all the members of the board attended the meeting.
- 2.5. Mr. Khadga Bahadur Bisht, Executive Director, Millennium Challenge Account Nepal updated on current activities of MCA-Nepal and presented the agendas to MCA-Nepal Board of Directors.

3. UPDATE ABOUT CURRENT ACTIVITIES OF MILLENIUM CHALLENGE ACCOUNT NEPAL

- Mr. Khadga Bahadur Bisht, Executive Director apprised MCA-Nepal Board of Directors of the major activities undertaken by MCA-Nepal.
- The Transmission Line land acquisition/resettlement (RAP/LRP) bid had been challenged by

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one bidder but on that, the Level 2 Authority ruled in favour of MCA-Nepal. MCA-Nepal has already signed the Contract with the winning bidder and the Commencement of Services has been already initiated.

- Following cabinet decision, unregistered land parcels at Ratmate substation has been transferred to MCA-Nepal's name and remaining land owner's own court case is in a process of out-of-court settlement. The payment with respect to unregistered lands has been completed.

4. AGENDA ITEMS AND BOARD'S DECISIONS/RESOLUTIONS

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

(A) Agenda One: Approval of Procurement Plan 6.2 to include Five Land Acquisition Consultants as Surge Staffs for Land Acquisition

(B) Agenda Two: Amendment of various contracts

4.2. Agenda One: Approval of Procurement Plan 6.2 to include Five Land Acquisition Consultants as Surge Staffs for Land Acquisition

4.2.1. MCC Program Procurement Guidelines (PPG) required to be followed by MCA-Nepal as a condition of the Compact states that MCA-Nepal shall periodically prepare a Procurement Plan for acquiring goods, works, and consultant and non-consultant services needed to implement the Compact. Compliance, satisfactory to MCC, with the approved Procurement Plan shall be a condition precedent to MCC disbursements or payments.

4.2.2. The MCA-Nepal Board of Directors had approved the Procurement Plan Version 6.1 by the 28th meeting of the Board of Directors held on 27/07/2022 (2079/04/11 BS). The approved Procurement Plan requires revision and amendments due to ongoing procurement for various projects.

4.2.3. Any amendments and updates to the Procurement Plan have to be approved by the MCA-Nepal Board of Directors.

4.2.4. The Current amendment of Procurement Plan is necessitated by the fact that MCA-Nepal needs additional 5 (five) land acquisition expert consultants to complete the Site Access Conditions Precedent ("Site Access CP") and to meet the Entry into Force Date ("EIF") in August 2023.

4.2.5. After considering the future activities of MCA-Nepal, the Board of Directors approved the amended Procurement Plan Version 6.0 after assessing the detailed back-up documents forming part of the Procurement Plan.

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4.3. Agenda Two: Agenda Two: Amendment of various contracts

4.3.1. The contract amendments are presented to the board for the approval for extension of Contracts of Land Acquisition Expert (2 Nos.) – Contract Agreements for additional 10 months, and change in name of Procurement Agent Agreement, Fiscal Agent Agreement and Bank and Financial Services Agreements.

4.3.2. This agenda is presented for decision for the following reasons:

- The MCC Program Procurement Guidelines (PPG) P4.1.1 necessitates MCA Entity to ensure that all procurement actions described in PPG for goods, works, consulting services, and non-consulting services (including information systems) shall be subject to the prior approval of MCA Nepal board of directors.
- OMCN/Proc/001-Procurement Agent Services, OMCN/Proc/002-Fiscal Agent Services and OMCN/Proc/004- Banking and Financial Services Agreement are Material Agreements as per Section 2.9 Program Implementation Agreement and are subject to approval of MCA Nepal board of directors.

4.3.3. After considering the agendas, the Board of Directors approved the Contract Amendment (Change of Name of Procurement Agent Agreement, Fiscal Agent Agreement and Bank and Financial Services Agreements) on the existing Contracts, and extension of Contracts of Land Acquisition Experts by 10 months to employ these land acquisition expert consultants to complete the Site Access Conditions Precedent (“Site Access CP”) and to meet the Entry into Force Date (“EIF”) in August 2023.

5. AGENDAS FOR DISCUSSION/ INFORMATION

5.1. Compact Budget and Scope Modification (Discussion Agenda)

5.1.1. In continuation of discussion held in 28th Board Meeting on descopeing of New Butwal-India/Nepal border, board members discussed on modification on the scope required in The Compact. MCA-Nepal Executive Director presented all the correspondences with NEA on Butwal-Border line handover to NEA.

5.1.2. On this issue, NEA Managing Director (one of the board members of MCA-Nepal) also highlighted the significance of New-Butwal S/S to Nepal-India Border Section of the 18 Kms. Transmission Line (TL) and stressed that this section is highly significant to NEA considering the PPAs (Power Purchase Agreements) it has entered with many Power Producers. NEA Managing Director stated that NEA would be in a position to construct this Section with its own fund, *if required*, to match the Construction timeline with India Section of Transmission Line from Nepal-India border to Gorakhpur, India. The representative from Ministry of Energy, Water Resources and Irrigation (one of the board members of MCA-Nepal) also highlighted on steps taken by

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Ministry of Energy, Water Resources and Irrigation (MoEWRI) to expedite this Section of Transmission Line.

5.1.3. All the Board Members agreed that this section of the line has to be expedited and it is better if NEA does construct it by the time India section of the cross-border line is completed. On this, the Board requested Ministry of Finance (MoF) to initiate necessary correspondence with MCC.

6. RECORDING OF THE DISCUSSIONS AND DECISIONS

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

7. CLOSE

There being no further business the meeting was then closed at 9.30 AM.

This minute is prepared and signed on: 30/09/2022.

Minutes Prepared by: _____.

Rajib Dahal,

Chief Legal Officer, Millennium Challenge Account Nepal