



MILLENNIUM CHALLENGE ACCOUNT NEPAL (MCA-NEPAL)

MILLENNIUM CHALLENGE ACCOUNT NEPAL (“MCA-Nepal”)

Synopsis of Minutes of 45th Meeting of the Board of Directors of Millennium Challenge Account Nepal (MCA-Nepal)

Nature: Regular Meeting

MCA-N/BOD-M-45/01-12-2024

Date: Sunday, 01 December 2024 (2081/08/16 BS)

Time: 3.00 PM

Place: Meeting at Conference Room of the Secretary, Ministry of Finance

Notice Served: Wednesday, 20 November 2024 (2081/08/05 BS)

1. Board Meeting Attended by Members

- **Dr. Ram Prasad Ghimire**, Chairperson
And, Secretary, Government of Nepal, Ministry of Finance
Singhadurbar, Kathmandu
- **Bhimarjun Adhikari**, Member
And, Joint Secretary, Ministry of Physical Infrastructure and Transport
Singhadurbar, Kathmandu
- **Jeebachh Mandal**, Member
And, Joint Secretary, Ministry of Energy, Water Resources and Irrigation, Singhadurbar,
Kathmandu
- **Kumar Pandey**, Member, Representing the Private Sector
And, Chairman of the Board, National Hydro Power Company (NHPC)

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

2. Invitees

- **Dhani Ram Sharma**, Invitee
And, Joint Secretary, Government of Nepal, Ministry of Finance, International Economic Cooperation and Coordination Division (IECCD)
- **Sanjay Poudyal**, Invitee
And, Deputy Resident Country Director MCC in Nepal Millennium Challenge Corporation, US Embassy, Kathmandu

3. Others Attending

- Homkanta Bhandari, Under Secretary, Government of Nepal, Ministry of Finance, International Economic Cooperation Coordination Division
- Satyam Pathak, Chief Legal Officer, MCA-Nepal

4. PRELIMINARY

- 4.1.** The meeting of the Board of Directors was constituted by conduct of Meeting by Circulation of Agendas on Sunday, 01 December 2024 (2081/08/16 BS) after the notice was served in writing on Wednesday, 20 November 2024 (2081/08/05 BS).
- 4.2.** This Notice was issued pursuant to Section 5(3) of the Millennium Challenge Account Nepal Development Board Formation Order, 2074 (2018).

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- 4.3.** 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 provided their consent to initiate the discussion on the agenda.
- 4.4.** Executive Director provided a progress updates on Electricity Transmission Line (TL) Activities, Substation (SS) Activities, Road Maintenance Project (RMP), ESP and Forest Clearance, Land Acquisition and Resettlement Activities.

5. AGENDA ITEMS AND BOARD'S DECISIONS/RESOLUTIONS

5.1. Agenda One: Approval of Procurement & Grants Plan Package 8.6 (PGPP 8.5)

- 5.1.1.** Accountable Entity Procurement Policy & Guidelines, MCC-DCO-2008.37.8, Effective January 1, 2024 (herein after “AE PPG or 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. It also provides the matrix of approval authorities and threshold in monetary value of the contracts for which board approval is required.
- 5.1.2.** Section 3.6 (a) of Nepal Compact provides that the Government will ensure that the procurement of all goods, works, and services by the Government or any Provider to implement the Program will be in accordance with MCC's Program Procurement Guidelines.
- Further, Section 2.6(a) of the Project Implementation Agreement (PIA) provides that MCA-Nepal will comply with the MCC Program Procurement Guidelines in the procurement (including solicitation) of all goods, works and services and the award and administration of contracts in furtherance of the Compact.

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Section 5.2.1 of Accountable Entity Procurement Policy & Guidelines (AE PPG) provides that changes to the Procurement & Grants Plan Package require approval as set out in Attachment A, PPG Approval Matrix.

5.1.3. The approved PGPP requires revision and amendments due to ongoing procurement for various projects. The PGPP 8.5 was approved by the Board in its 44th Meeting of the Board of Directors held on 07 October, 2024 (2081/06/21 BS). The annexed document titled as “Attachment I” provides background and justification to items where amendments are being caused in the PGPP.

5.1.4. PGPP 8.6 requires Board approval as per Attachment A, PPG Approval Matrix, Planning, Solicitation, Evaluation and Award table, (PPG page-61); and Material Changes table (PPG page-66). Based on which, this Amendment to PGPP is a Material Change to the PGPP as this is an addition of a procurement line item with estimated value equal to or greater than \$200,000 using a method of procurement other than Direct Contracting or Sole Source Selection. Hence, it has to be approved by the Board (Procurement and Grants Committee of Governing Body).

5.1.5. RESOLVED THAT the Board of Directors approves the Procurement and Grants Plan Package (PGPP) 8.6.

5.2. Agenda Two: Approval for Contract Amendments

5.2.1. Section 3.6 (a) of Nepal Compact provides that the Government will ensure that the procurement of all goods, works, and services by the Government or any Provider to implement the Program will be in accordance with MCC's Program Procurement Guidelines.

Further, Section 2.6(a) of the Project Implementation Agreement (PIA) provides that MCA-Nepal will comply with the MCC Program Procurement Guidelines in the procurement (including solicitation) of all goods, works and services and the award and administration of contracts in furtherance of the Compact.

5.2.2. Contract amendments are required for the contracts, the details of the contracts along with the justification for requirement of board approval under AE PPG, is provided with the agenda.

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5.2.3. RESOLVED THAT the Board of Directors approves the amendments to contracts provided in the agenda.

5.3. Agenda Three: Approval of the Extension of Banking and Financial Services Agreement:

5.3.1. MCA-Nepal has existing contract for Banking and Financial Services. As per the requirements of the Compact, banking and financial Services are required until the end of the Compact. Therefore, MCA-Nepal intends to extend the Banking and Financial Services contract.

5.3.2. RESOLVED THAT the Board of Directors approves the extension of Banking and Financial Services Agreement until end of Compact period.

5.4. Agenda Four : Right of Way (RoW) land parcels related Restriction Notice Publication:

5.4.1. MCA-Nepal has collected and is in the process of verification of land parcels, falling under the transmission line conductors (Right of Way- RoW), along the alignment of line - in ten (10) districts. As the parcels will be verified district-wise, several Restriction Notices may be required to be published.

5.4.2. The Board of Directors recognizing challenges posed by the requirements has decided to liaise with Ministry of Finance (MoF) to explore the possibility of expediting the process.

5.5. Agenda Five: Approval of the Resignation of the Alternate Board Member Representing Civil Society

5.5.1. Pursuant to Section 3 of Millennium Challenge Account Nepal Development Board (Formation) Order, 2074 (2018), (the “MCA-N Formation Order”) an individual representing the civil society is one of the members of the Board of MCA-Nepal. Annex I (Program Description) of the Compact in Section C under the heading Implementation Framework also states that the Board of Directors of MCA-Nepal comprises of seven voting members including the representative from the civil society.

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5.5.2.A member representing the Civil Society (Alternate Board Member) in MCA-Nepal Board of Directors has submitted a formal resignation letter.

5.5.3.Any change of any member of the Board member serving as the Chairperson or in the composition or size of the Board, and the filling of any vacant seat of any member of the Board (including any non-voting invitee) has to approved by the Board of Directors.

5.5.4.RESOLVED THAT the Board of Directors hereby approves the resignation of alternate member representing the Civil Society to the MCA-Nepal Board of Directors.

6. Information Agenda:

6.1. Ex-Post Waiver of AE PPG for the Delayed CPPR:

6.1.1.The Board acknowledges the submission of the Ex-Post Waiver to MCC for the delayed contractor performance evaluations (CPPRs). The Board is informed that the waiver has been granted by MCC, and the No Objection (NO) was received from MCC.

6.2. Ex-Post Waiver of AE PPG for Ratification of the Application of Floating Exchange Rate:

6.2.1.The Board acknowledges the submission of the Ex-Post Waiver to MCC for the ratification of the application of the floating exchange rate. The Board is informed that the waiver has been granted by MCC, and the No Objection (NO) was received from MCC.

7. RECORDING OF THE DISCUSSIONS AND DECISIONS

7.1. RESOLVED THAT the Board of Directors directs the Executive Director to record these minutes with

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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 signing of these Minutes.

8. CLOSE

There being no further business, the members of Board of Directors did not have to consider any other agendas. The meeting closed at 5.00 PM.

This minute is signed on 23 December 2024

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