



MILLENNIUM CHALLENGE ACCOUNT NEPAL (MCA-NEPAL)

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Synopsis of Minutes of 39th Meeting of the Board of Directors of Millennium Challenge Account Nepal (MCA-Nepal)

Nature: Emergency Meeting

MCA-N/BOD-M-39/21-12-2023

Date: Thursday, 21 December, 2023 (2080/09/05 BS)
Time: 2:45 PM
Place: Emergency Meeting at Conference Room of the Secretary, Ministry of Finance
Notice Served: Tuesday, 19 December 2023 (2080/09/03 BS)

1. Board Meeting Attended By Members

- **Dr. Krishna Hari Pushkar**, Chairperson
And, Secretary, Government of Nepal, Ministry of Finance
Singhadurbar, Kathmandu
- **Kul Man Ghising**, Member
And, Managing Director, Nepal Electricity Authority
- **Nabin Raj Singh**, Member
And, Joint Secretary, Ministry of Energy, Water Resources and Irrigation
Singhadurbar, Kathmandu
- **Arjun Suwal**, Alternate Member
And, Senior Divisional Engineer, Ministry of Physical Infrastructure and Transport
Singhadurbar, Kathmandu
- **Kumar Pandey**, Member, Representing the Private Sector
And, Chairman of the Board, National Hydro Power Company (NHPC)
- **Surendra Kumar Mahto**, Member representing the Civil Society
And, Senior Advocate, Supreme Court of Nepal
- **Khadga Bahadur Bisht**, Member Secretary
And, Executive Director, MCA-Nepal

The Government of Nepal established MCA-Nepal on 18 April 2018 under Development Board Act, 2013 BS as the accountable entity to implement a program co-funded by Nepal and US Government's Millennium Challenge Corporation.

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2. Invitees

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

3. Others Attending

- **Rajib Dahal**, Chief Legal Officer, MCA-Nepal
- **Satyam Pathak**, Legal Advisor, MCA-Nepal

4. PRELIMINARY

- 4.1. The meeting of the Board of Directors was constituted by conduct of Emergency Meeting by Circulation of Agendas on 21/12/2023 (2080/09/05 BS) after the notice was served in writing on 19/12/2023 (2080/09/03 BS).
- 4.2. This Notice was issued pursuant to Section 5(3) of the Millennium Challenge Account Nepal Development Board Formation Order, 2074 (2018). Further, the Notice was issued under Section 3.12 (b) for an emergency meeting under Millennium Challenge Account - Nepal Internal Conduct Bylaws, 2075 (2019).
- 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.

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5. AGENDA ITEMS AND BOARD'S DECISIONS/RESOLUTIONS

A. Agenda One: Approval of Contract Amendments

I. Contract amendment of MCA-N/ETP/QCBS/006 - Consultancy Services for Construction Supervision for Transmission Lines and Substations Activities for Electricity Transmission Project (Contract with WAPCOS Limited, India)

- 5.1. The contract amendments are for the approval of Board of Directors as per MCC Program Procurement Guidelines (PPG) P4.1.1 and as per Section 2.9 Program Implementation Agreement. The Contract amendments are requested for: *MCA-N/ETP/QCBS/006 - Consultancy Services for Construction Supervision for Transmission Lines and Substations Activities for Electricity Transmission Project* and for *MCA-N/ETP/LCS/001 - Forest Census and Field Verification*.
- 5.2. MCA-Nepal has entered into a Contract to procure Consultancy Services for Construction Supervision for Transmission Lines and Substations Activities for Electricity Transmission Project (MCA-N/ETP/QCBS/006) on 29 September 2022.
- 5.3. After the completion of the evaluation and negotiations of the submitted technical and financial proposals, the Parties agreed to amend the contract by adding the additional scope of Services with an additional cost. This Amendment is expected to start immediately after the signing of the amendment of the Contract.
- 5.4. The Board of Directors RESOLVED that the Board provides in principle concurrence on assigning additional works based on the necessity. The Board recognizes that allocated budget is already available. On the Contract price amendment, after utilizing of this, it should be presented to the Board as per the MCC Procurement Guidelines. Based on it, the Board instructed MCA-Nepal to expedite the contract amendment and activities under the amended contract.

II. Contract amendment of MCA-N/ETP/LCS/001- No Cost Extension of Consultancy Services for Forest Census and Field Verification

- 5.5. MCA-Nepal has entered into a Contract to procure Consultancy Services for Forest Census and Field Verification (MCA-N/ETP/LCS/001) on 27 February 2023. The contract would expire on 12 January 2024. Given the current status of the work, the Contract needs no cost extension till end of May 2024.
- 5.6. In this regard, for the Extension of Consultancy Services Contract for Forest Census and Field Verification (MCA-N/ETP/LCS/001), the board instructed MCA-Nepal Executive Director to make necessary decision based on delegation of authority.

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B. Discussion on alternatives and options for expediting transmission line bids

- 5.7. Transmission line 315 km alignment was divided in 3 lots, and bids were invited on these three lots: Lot 1: Lapsiphedhi-Ratmate-Hetauda, Lot 2: Ratmate- Damauli and Lot 3: Damauli-Butwal and Butwal to- Border (18KM) as an option.
- 5.8. Technical bids were opened on 22 May, and Financial Bids were opened on 5 September 2023. Lot 3 contained cross-border 18 Km section that was put as an Option. Bids for all lots were rejected after MCC's recommendation on October 10 citing "substantially higher bid prices" as per PPG including that of Lot 3 and the X-Border Option in it.
- 5.9. In this circumstances, with the realization that the cross-border transmission line bids need to be expedited; the Executive Director presented to the board various alternatives to expedite the cross-border section of the transmission line. The Executive Director informed the Board that MCA-Nepal will soon seek formal written approval from MCC on the best alternative option for expediting the said section. Upon receipt of MCC response, the Executive Director will present the most suitable option for expediting the cross-border 18 Kms Line to the Board for Board's information.

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 signing of these Minutes.

7. CLOSE

There being no further business, the members of Board of Directors did not have to consider any other agendas. The meeting closed at 4.00 PM.

This minute is prepared by:

Rajib Dahal, Chief Legal Officer, MCA-Nepal

This minute is prepared and signed on: 03/01/2024