Monthly Progress Report

of

Amadablam Mini Hydro Subproject (911 kW),

Khumbu Pasanglhamu Rural Municipality, Ward No. 4.

Solukhumbu, Nepal

Submitted To: -

Alternative Energy Promotion Centre (AEPC)

Mini Grid Energy Access Project (MGEAP)

Central Renewable Energy Fund (CREF)

Siddhartha Bank Limited (SBL)

Khumbu Pasanglhamu Rural Municipality (KPLRM)

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July 2025

Monthly Progress Report of July 2025

1. Executive Summary

1.1 Brief Overview of the Project

Amadablam Mini Hydro Pvt. Ltd, Tilganga - 8, Kathmandu, an Energy Sector Company (ESCO) intends to implement Amadablam Mini Hydro Subproject in Khumbu PasangLhamu Rural Municipality-4, Solukhumbu district in Koshi Province, as a business /PPP model through technical and discussion in financial support of Government of Nepal and the World Bank through AEPC/MGEAP. The sub-project is in Sagarmatha National Park which lies on the trekking trail of Everest Base Camp which is one of the most popular tourist areas of Nepal. ESCO intended to provide electricity to households and other energy users such as Anchors/Business and Community. ESCO will be responsible for development, operation, maintenance, and management of the mini hydro plant. They will be functioning as a service provider and owner of the subproject.

Amadablam Mini Hydro Pvt. was changed to a public limited in 10th October 2023. This was done to facilitate the process of PPP model with Khumbu Pasanglhamu Rural Municipality. At present there are seven number of shareholders in the company, which also includes Beyul Hydro investment Pvt. Ltd. The office of Amadablam Mini Hydro Limited was located in Kapan, Nilopul, Kathmandu. Office location has been recently changed to Chandol, Kathmandu.

The subproject is to be implemented as a business model through the technical and financial support of the Government of Nepal and the World Bank through AEPC/MGEAP. Furthermore, the subproject is supported by Foreign, Commonwealth and Development Office (FCDO) through AEPC/NREP.

Amadablam Mini Hydro Project is a run of the river type (RoR) scheme located in ward no-4 of Khumbu Pasanglhamu Rural Municipality of Solukhumbu district. The project is located inside the core region of Sagarmatha National Park. The project utilizes water diverted from Cholunche Khola to generate 911 kW power. The design flow of the project is 250 lps and gross head is 471.87 m. Cholunche Khola is a perennial river which flows from the Himalaya peak on the Northern side of Solukhumbu district and is a tributary of the Imja River. The project site is located near Pangboche village of Solukhumbu district. The boundary coordinates of the project lie between latitude 27° 50' 50" N and 27° 51' 40" N and longitude 86° 47' 49" E and 86° 49' 19" E. The proposed intake site is located at 27°50'56.52"N, 86°49'6.15"E and an elevation of 4422 amsl. The powerhouse site is located at 27° 51 '12.98"N, 86° 47' 49.21"E and an elevation of 3951.18 amsl. The project will be serving 451 households.

Project Financials:

SN	Source of Fund	Amount (NRs.)
1	AEPC	
1.1	Subsidy (MGEAP)	128,307,000.00
1.2	VGF Support (SECF)	170,050,000.00
2	Loan from Partner Bank (Siddhartha Bank)	150,000,000.00
3	Equity of ESCO	90,544,638.89
4	Investment of RM	80,000,000.00
	Total Subproject Cost (1+2+3)	**618,901,638.89**

1.2 Summary of key accomplishments to date

1.2.1 Agreements between Stakeholders

ESCO and RM:

First agreement : 1st January 2024

First Amendment : 12th February 2025

Second Amendment : 15th April 2025

AEPC and ESCO : 29th March 2024

ESCO and Partner Bank:

Syndicated Credit Facilities Agreement : 7th January 2024

Supplementary Credit Facilities Agreement : 22th April 2025

1.2.2 Procurement

There have been few items remained as per the BoQ and AMHL has been working on to purchase through Best Commercial Practice. On 27th July 2025, the meeting was conducted at AEPC to discuss and address the issue for timely delivery of the work of AMHL. The quotations for the purchase of the power transformers and a remaining 50 kVA transformer have been collected whereas a report is being prepared. Other remaining items have also been prepared for purchasing through Best Commercial Practice and the detailed cost breakdown as per the DFS/DED has been shown in the annex.

1.3 Key Challenges Encountered and Solutions Implemented

Though the civil work has been going on during this month, the progress has not been satisfactory. The ongoing excavation works at the intake structures have deviated from the original design drawings, as confirmed by a joint survey conducted by the contractor in the presence of AMHL. As a result, strict instructions were issued to the contractor for immediate rectification. The previously excavated work has been halted, and excavation as per the approved design has now commenced. It has also been observed that no technical personnel are currently present at the site. AMHL is continuously urging the contractor to deploy qualified technical staff to the site without further delay. The civil construction materials were not sufficient at the site and proper bar schedule has not been provided yet by the contractor. Efforts have been going on to speed up the work.

About the transmission cables, the change will result in escalation of the cost of the product and hit the transportation cost by the comprehensive rate. AMHL has been reviewing the report and has been consulting with the experts and planning to address soon. The preliminary meeting between AMHL and AEPC has certainly addressed the issue but formal approval needs to be sought before initiation. It is also necessary to address the extension of line to the Mingbo village near the intake area wherein 3 enterprises exist which is missing in the DFS/DED. The detailed cost breakdown for the extension has been shown in the annex.

There has been some reluctance shown by the contractor of the EM component. Thus, first advance payment under APG has been initiated by opening the LC and the contractor has sent the draft APG for review but could not be completed till date.

2. Work Progress Overview

Amadablam Mini Hydro Limited is dissatisfied with the current work progress of the contractors. It is required to reschedule the work schedule prepared by the contractors for the coming days. So far, the commitment shown by the contractors are the only ray of hope.

2.1 Activities

2.1.1 Human Resource Management

As of June, the Amadablam Mini Hydro Limited (AMHL) team has successfully onboarded and formally appointed all key personnel, representing a major milestone in the company's organizational development and internal coordination. To support this progress, a structured staff monitoring system has been implemented to ensure the efficient execution of both administrative and field operations.

2.1.2 Meetings and Events

Monthly Staff Meeting July

The regular monthly staff meeting of Amadablam Mini Hydro Ltd. (AMHL) was held on 22nd July 2025 at the AMHL office in Kathmandu. The meeting was attended by staff members from various departments as well as representatives from the Board of Directors. The session served as a collaborative platform to review the overall project progress for Fiscal Year 2081/82 and to assess the monthly achievements and challenges.

Key agenda items included:

- **Project Progress Review**
  Comprehensive updates were provided by the field and technical teams on ongoing construction activities. The meeting acknowledged steady advancements in various project components while identifying areas requiring enhanced coordination and timely intervention.

- **Experience Sharing and Feedback**
  Site staff shared their practical experiences, ongoing challenges, and constructive suggestions. This open and transparent exchange helped reinforce a sense of shared responsibility and mutual support.

- **Operational and Performance Strategies**
  Discussions were held on strategies to improve project execution, ensure resource optimization, and enhance operational efficiency. The importance of team collaboration, proactive planning, and timely decision-making was underscored.

- **Planning and Prioritization**
  The meeting focused on defining realistic goals and priorities for the upcoming month, aligning with the broader project timeline to maintain momentum across all fronts.

- **Environmental and Social Safeguards (ESS)**
  The ESS Officer provided an update on compliance and ongoing activities. Key topics included Occupational Health and Safety (OHS), the status of the Grievance Redress Mechanism (GRM), and land document verification.

- **Labor and Site Management**
  The team reviewed labor book management practices and discussed necessary improvements for maintaining accurate and up-to-date records.

- **Technical and Construction Updates**
  Civil contractor's site engineer provided updates on rebar stock availability, headrace pipe status, and readiness for powerhouse excavation.
  Finalization of the earthing design and its timely availability at site was addressed.
  Review of Bar Bending Schedule (BBS) to ensure alignment with actual site requirements.

- **Contractor Work Schedules**
  A revised and realistic work implementation schedule was presented and discussed for the Hydro-Mechanical (HM) Contractor, Civil Contractor, and Transmission & Distribution (T&D) Contractor. The goal is to synchronize timelines and improve inter-contractor coordination to prevent delays and bottlenecks.

<u>Meeting with Dr. Bikash Nakarmi and Dr. Sanjeev Maharjan</u>

On 28th July 2025, a meeting was held at the AMHL meeting hall with Dr. Bikash Nakarmi, Vice President of Tianlu Flying Auto, China, and Dr. Sanjeev Maharjan, Professor at the Institute of Engineering, Pulchowk Campus. The discussion focused on the feasibility analysis of using drones for transporting materials to the project site, as well as relocating already delivered materials to designated locations within the site.

Key topics addressed during the meeting included the technical and logistical challenges of drone-based delivery in high-altitude terrain, cost implications, maintenance requirements, and regulatory constraints. Given Nepal's strict drone regulations—especially in national parks and near airport zones—it was noted that special permissions would be required from both the Civil Aviation Authority of Nepal (CAA Nepal) and the Sagarmatha National Park authorities. Additional considerations included drone flight duration, battery performance under high-altitude and cold weather conditions, and the overall reliability of drone operations in unpredictable mountain weather. The meeting concluded with an agreement to further explore the regulatory process and conduct a more detailed cost-benefit analysis to assess the practicality of drone logistics for the project.

Overall, the meeting was well-organized, forward-focused, and instrumental in advancing innovative solutions for the project. Further technical and regulatory feasibility studies, as recommended, will help turn this promising concept into a practical implementation plan.

Meeting with Electro-Mechanical contractor Poseidon, SA, Greece

A virtual meeting was held on 10th July 2025 at the AMHL meeting hall between representatives of Amadablam Mini Hydro Ltd. (AMHL) and Poseidon S.A., Greece, the electro-mechanical contractor for the project. The purpose of the meeting was to review the current status of electro-mechanical (EM) components and ensure alignment on key deliverables, timelines, and technical coordination. Discussions covered equipment procurement, design approvals, delivery schedules, and installation readiness.

The contractor confirmed that the Advance Payment Guarantee (APG) had been approved by Allianz Bank, Germany, though the official draft was still pending. AMHL stressed the urgency of receiving the draft to proceed with the initial payment and initiate procurement workflows. Regarding equipment procurement, Poseidon confirmed that all major components had been ordered, and fabrication was underway. AMHL requested a detailed procurement status update showing each component's stage—procured, in production, or ready for dispatch.

The contractor noted that major equipment drawings (turbine, generator, control panels) had been submitted, with some already approved and others under review. AMHL emphasized the importance of receiving all remaining drawings, including auxiliary and installation-specific documents, by 5th August 2025 to stay aligned with the civil construction timeline. Following the finalization of the powerhouse layout, AMHL requested confirmation of the exact positioning of EM equipment. Poseidon agreed to provide detailed layout drawings, including elevation and anchoring specifications.

Lastly, AMHL reiterated that the next milestone payment (20%) would be processed upon approval of all required design documents. The contractor acknowledged this and committed to timely submission to support smooth project execution.

2.2 Summary of Completed and Ongoing Tasks

The civil construction works at the AMHL project have advanced notably, with core excavation works going on at both intake and desanding structures. Coordination with hydro-mechanical and electro-mechanical teams remains strong, enabling the integration of critical components such as headrace pipes, penstock alignment, and powerhouse structures. With transportation logistics being actively managed and joint planning underway, the project remains on track to achieve its next set of milestones.

2.2.1 Civil Works

Significant progress has been made in civil construction activities, with approximately 90% of the excavation work completed following rectification in accordance with the original design drawing during the reporting period. The civil contractor, CRC Nepal – D.L. Structure & Builders JV, has mobilized additional materials and manpower to carry out site works efficiently, with continuous coordination with the hydro-mechanical and electro-mechanical contractors to align all interconnected activities.

a. Headworks Construction and Material Mobilization

Construction work at the headworks area has commenced in full swing. The transportation and collection of essential construction materials—including reinforcement bars, cement, plywood for formwork, gabion boxes, stone, aggregate, and sand—are ongoing to maintain steady progress. Materials are being stockpiled on-site in anticipation of upcoming construction phases to minimize logistical delays.

b. Intake and Gravel Trap

Excavation for the intake structure and gravel trap has been successfully completed. This milestone prepares the way for subsequent foundational activities. Soling work—a preparatory process that involves placing crushed stones to stabilize the base—has already begun and is currently in progress. Once soling is completed, the contractor will immediately proceed with Plain Cement Concrete (PCC) works. This staged execution ensures a solid and stable foundation for the structural elements of the intake. To improve efficiency and reduce on-site mixing workload,

arrangements are being made to deliver ready concrete mix directly to the site, expediting the casting process for foundation and structural elements.

c. Desanding Basin cum Forebay

Similarly, excavation for the desanding basin cum forebay has also been completed. Soling work at this location is in progress, following the same technical sequence as the intake. After the soling is completed, PCC work will commence without delay. These measures are critical to ensure proper foundation stabilization and structural integrity. The timely completion of this phase is essential to facilitate the next stages of structural concreting and equipment installation.

d. Headrace Pipe Coordination and Planning

In coordination with the hydro-mechanical contractor, Maa Shakti Engineering and Hydropower Pvt. Ltd., the civil team has emphasized the urgent need for timely delivery of the headrace pipes. This delivery is crucial to prevent schedule slippages, especially at the intake and desanding basin locations, where pipe-laying and backfilling need to follow closely after foundational works. The pipes are currently under manufacturing and will be transported as per the construction timeline to support continuity in civil works.

e. Penstock Pipe Alignment and Excavation

A joint site visit along the penstock alignment was conducted in mid-July by both the civil and hydro-mechanical contractors. A reconnaissance survey was carried out to assess material management and transportation logistics to the site. The hydro-mechanical contractor has planned to fabricate all bends at Surke.

The penstock alignment layout has been completed up to 500 meters, including 12 anchor blocks, which has facilitated the commencement of excavation and pipe laying. This visit marks a critical step in ensuring accurate layout and effective technical coordination prior to the initiation of penstock trenching.

Post-alignment, the civil contractor will initiate trench excavation along the finalized route. This preparatory work is essential to facilitate timely installation of penstock pipes, avoiding interruptions in the integrated construction schedule. In parallel, the hydro-mechanical contractor is finalizing agreements with helicopter service providers to begin airlifting penstock pipes from Surke to the project site. This is expected to start in mid-September 2025, aligning with the trenching and installation schedule.

f. Powerhouse Construction

The contractor has conducted the layout survey for the powerhouse in the presence of AMHL. With this completed, the civil contractor is now prepared to begin footing excavation works. Following the excavation, the electrical team will proceed with the installation of the earthing mat. Commencing construction at this stage is essential to ensure the timely installation of mechanical and electrical equipment in the subsequent phases.

2.2.2 Hydro-Mechanical Works

A detailed survey of the penstock pipe alignment was conducted by the Hydro-Mechanical (HM) contractor in mid-July 2025 to ensure the timely execution of project activities. This was followed by a joint site visit carried out by both the civil and hydro-mechanical contractors along the proposed penstock alignment in accordance with DFS-DED. The purpose of the visit was to verify the alignment layout, resolve any site-related technical issues, and confirm the readiness of the terrain for excavation and pipe installation. During this period, a reconnaissance survey was also undertaken to evaluate the material management and transportation logistics required for the project site, particularly considering the complex geography and limited access routes.

As part of the implementation strategy, the HM contractor has decided to fabricate all penstock bends at Surke. This approach will ensure quality control of the components and reduce the complexity of on-site welding at higher altitudes. To date, alignment has been completed for approximately 500 meters of the penstock route, including the construction of 12 anchor blocks. This progress has enabled the civil contractor to commence trench excavation and pipe laying work in the designated areas. Accurate alignment and anchoring are essential milestones that provide the basis for seamless trenching and installation activities. Following the completion of alignment, the civil contractor will initiate trench excavation along the finalized route. This phase of work is critical in supporting the hydro-mechanical schedule, ensuring that pipe installation is conducted without delay.

In parallel, the HM contractor, in coordination with ESCO, is finalizing transportation of logistics to airlift penstock pipes from Surke to the high-altitude project site. Helicopter-based transportation is expected to begin in mid-September 2025, aligning with the overall construction timeline and allowing for a coordinated start to installation activities. However, the project has faced some constraints due to transportation restrictions on the airlift by the government of Nepal to the subproject site till mid-September. To address these challenges, ESCO has been working closely with the HM contractor and helicopter service providers. A coordination meeting was recently held at the AMHL office to discuss the transport of penstock pipes with varying

dimensions and weight capacities. The discussion focused on how best to optimize transportation routes, schedule lifting operations, and determine feasible welding and bending points at roadhead locations. The aim is to ease on-site handling and minimize disruptions at the project site. Key issues such as altitude, payload limits, weather windows, and staging zones were addressed to ensure effective execution during the upcoming logistics and installation phase.

In summary, the penstock alignment and initial preparations are progressing steadily. The excavation and trenching work by the civil contractor is expected to begin in August 2025, followed by the first phase of pipe airlifting in mid-September. Continued collaboration among the civil, HM, and logistics teams is essential to maintain progress and avoid delays. Finalizing transport logistics and preparing for on-site handling remain top priorities in ensuring smooth installation and the overall timely completion of hydro-mechanical works.

2.2.3 Electro-Mechanical Works

Following the virtual coordination meeting held on 10th July 2025 between Amadablam Mini Hydro Ltd. (AMHL) and Poseidon S.A., Greece, steady and structured progress continues on the electro-mechanical front of the project. The Advance Payment Guarantee (APG) has been officially approved by Allianz Bank, Germany. The draft APG was shared with AMHL by Mr. Manish Prasad Acharya, the Nepal representative of Poseidon S.A., on 26th July 2025 for review. AMHL has finalized the draft and returned it for issuance. The finalized APG document is now awaited to enable the release of the initial advance payment, which is essential to formally initiate procurement and manufacturing activities.

Poseidon S.A. has confirmed that all major electro-mechanical components—including the turbine, generator, and control panels—have been ordered. Fabrication work is underway at various stages. AMHL has requested a detailed procurement progress report categorizing items as procured, in production, or ready for dispatch, to enable synchronization with site-based civil and hydro-mechanical works. Design documentation is progressing well. Several key drawings have already been submitted and approved, while the remaining documents are under final technical review. AMHL has reiterated the requirement to receive all outstanding design drawings—particularly for auxiliary systems and installation details—by 5th August 2025, to maintain the construction schedule at the powerhouse.

With the powerhouse layout now finalized, AMHL has requested detailed equipment positioning drawings, including plan and elevation views, anchoring specifications, and interface integration details, to support coordination with structural and civil works. A comprehensive delivery and logistics schedule is also awaited to ensure timely transportation and mobilization of equipment,

considering the project's remote and elevated site conditions. Furthermore, AMHL has confirmed that the next milestone payment contributing 20% of the contract value—will be processed upon formal approval of the complete set of design documents. Both AMHL and Poseidon S.A. have reaffirmed their commitment to maintaining close coordination and ensuring timely and efficient execution of the remaining phases of the electro-mechanical scope.

2.2.4 Transmission & Distribution Works

During this month, a comprehensive review and analysis of the list of required materials for the project which needed to be purchased was carried out. As part of the procurement process, we initiated the procurement of 650 kVA power transformers and a 50 kVA station transformer through the Best Commercial Practice (BCP) method. Quotations were requested from three reputed transformer suppliers, and the offers are currently under evaluation. Following the final selection, all relevant documentation will be submitted to AEPC for approval, after which the procurement process will proceed.

During the design review, it was identified that the cable connection from the station transformer to the trash rack had been omitted from the DFS-DED. Accordingly, a variation was prepared to account for this. Additionally, the Amadablam Base Camp/Mingbo area, located just above the intake site, had not been included in the original distribution plan. Upon request from the local residents, an estimation for supplying electricity to this area was prepared and has been submitted to AEPC for review purposes through the Project Manager. Regarding the HT cable submitted by the contractor, technical verification revealed that one of the proposed cables was not suitable, while the other was technically acceptable but priced significantly higher. Consequently, our team directly reached out to multiple cable suppliers to identify a more technically and financially feasible option. Following AEPC's technical clearance on the distribution transformers and LT cable of KPLRM, the procurement process for these components has also been initiated by the contractor.

With respect to the second advance payment, all required documents have been submitted by the contractor, except for the Advance Payment Guarantee (APG), which remains pending due to internal issues on their end. This delay has temporarily halted the application process for the second advance payment. However, the contractor has committed to addressing this matter promptly. Looking ahead, upon the contractor's appointment of a designated electrical engineer, a joint site visit will be conducted for a detailed site assessment. An individual site assessment report will be prepared and submitted accordingly afterwards.

2.2.5 Environment & Social Safeguard

This section provides an update on the progress of environmental and social safeguards implemented at the project site. Environmental, health, and safety (EHS) rules are being followed at all ESCO construction sites. Workers have been given personal protective equipment (PPE) and life insurance to keep them safe and protected. First aid boxes are maintained on-site following clear guidelines to ensure that all medicines are properly stored and are not expired. The installation of project area delineation and construction signage has been completed at the site. Project information boards are currently being printed and are expected to be delivered and installed on-site as soon as printing is finalized. Labor camps consisting of tents have been established in accordance with site conditions. Housekeeping and waste management practices are being maintained effectively to ensure a safe and clean working environment. The Occupational Health and Safety (OHS) checklist and supporting photographs are attached in **Annex 2.**

Key Activities during this Month

- **Review of Environmental Reports**

Reviewed the Environmental Impact Assessment (EIA) and Environmental and Social Impact Assessment (ESIA) reports to ensure that site activities are carried out in full compliance with the Environmental and Social Management Plan (ESMP).

- **Follow-up on Land-Related Documents**

Coordinated with the Ministry of Forest and Environment (MOFE) on AMHL land-related documentation. The documents are currently with MOFE's Law Department for further processing.

- **Relocation of the Construction Site Office**

Relocating from the Head Office in Kathmandu to the project site office (Mingbo) to ensure compliance with Occupational Health and Safety (OHS) standards and to oversee activities in accordance with the Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP), and Environmental Impact Assessment (EIA) at the construction site.

- **Orientation to the labor Regarding occupational health and safety**

An orientation was conducted for laborers on Occupational Health and Safety (OHS) practices, emphasizing safety as the top priority on-site. The session covered the proper use of Personal Protective Equipment (PPE), providing clear instructions on correct PPE usage to ensure

maximum protection. Additionally, the importance of maintaining good housekeeping practices to keep the construction site safe, organized, and free of potential hazards was highlighted.

- **Installation of Construction Signage and Project Area Delineation**

Construction signage and project area delineation have been installed on-site, providing clear demarcation of project activities and defining the authorized work zone. This helps laborers and visitors easily identify the exact project boundaries, allowing them to work confidently and safely without any uncertainty.

- **Waste Management at the Construction Site**

Kitchen waste is being managed properly by collecting all kitchen refuse in a designated pit, which is covered with soil daily. The pit is barricaded to prevent potential hazards. Other solid wastes are collected, segregated, and managed following the principles of waste reduction, reuse, and recycling. Collected waste will be transported to the Pangboche waste collection site for safe disposal.

- **Construction Site Labor Logbook Management**

The labor logbook is maintained at the site, recording laborers' entry and exit times, names, and securely storing their government-issued documents such as citizenship certificates.

- **Construction Site Emergency Contact Number Update**

Emergency contact numbers have been updated at the construction site to ensure prompt rescue in case of any emergency or injury. However, phone network coverage is not available on-site but can be accessed approximately 10 minutes away from the construction area**.**

- **Installation and Enforcement of Code of Conduct for Workers on Construction Site**

Laborers receive daily orientations on the code of conduct, which clearly outlines acceptable and prohibited behaviors on the construction site. The code of conduct has clearly displayed at the site for continuous reference. Furthermore, laborers have signed self-declaration forms acknowledging their understanding of the code, including their commitment to preventing sexual harassment and exploitation.

- **Monthly and Weekly Meetings with Office Staff and EHS Meetings with AEPC and World Bank**

AMHL holds monthly meetings on the first Tuesday of each month and weekly meetings every Friday, during which updates on Occupational Health and Safety (OHS) activities at the site are

shared, along with discussions on plans for the upcoming month and week. Additionally, the Environmental, Health, and Safety (EHS) monthly meetings, held by AEPC, provide a platform to share OHS-related information and receive feedback from both the World Bank and AEPC, helping to ensure that the implementation of work complies with EIA, ESIA, and ESMP requirements.

- **Communication and Coordination with Contractor Team**

Coordination and communication with the contractor and contractor representative are actively maintained on-site concerning Occupational Health and Safety (OHS), site housekeeping, waste management, availability of PPE, labor insurance policies, timely installation of the project information board, and other activities related to the construction labor code of conduct.

3. Monthly Financial Progress Report

This report provides a detailed account of the financial progress of the Amadablam Mini Hydro Project for the month of July 2025. It captures key financial activities and developments across various funding and financial management components that are critical to the ongoing implementation of the project. The report outlines significant developments related to subsidy disbursement from the Alternative Energy Promotion Centre (AEPC), bank loan arrangements, equity fund utilization and reimbursement, procurement financing through Letter of Credit (LC), and the management of bank guarantees. These financial measures are instrumental in maintaining momentum across all major project components—civil, hydro-mechanical, and electro-mechanical.

3.1 AEPC Subsidy and Viability Gap Funding (VGF) Support

On July 11, 2025, a subsidy amount of NPR 32,967,114.09 (Nepalese Rupees Thirty-Two Million Nine Hundred Sixty-Seven Thousand One Hundred Fourteen and Paisa Nine Only) was credited to the AEPC AMADABLAM SUBSIDY ACCOUNT (Account No. 55508914281) maintained at Siddhartha Bank Limited**.** This disbursement corresponds to the payment of the first running bill amounting to NPR 66,588,941.73 (Nepalese Rupees Sixty-Six Million Five Hundred Eighty-Eight Thousand Nine Hundred Forty-One and Paisa Seventy-Three Only**)** submitted by Maa Shakti Engineering and Hydropower Pvt. Ltd. However, the payment to the contractor is currently in process, pending the final decision of the Board meeting of Amadablam Mini Hydro Limited.

With this latest disbursement, the project has received a total subsidy of NPR 92,638,514.09 (Nepalese Rupees Ninety-Two Million Six Hundred Thirty-Eight Thousand Five Hundred

Fourteen and Paisa Nine Only**)** to date, which marks a positive financial milestone and significantly supports the project's ongoing implementation.

3.2. Update on Electro-Mechanical Procurement – July Progress

In July, the Letter of Credit (LC) for the electro-mechanical component was officially opened under LC No. MT700-001ILSF250702002. As per the agreed terms, the 10% advance payment to the supplier, Poseidon SA (Greece), will be released once the Advance Payment Guarantee (APG) in favor of the ESCO is received.

However, there has been a notable delay in the submission of the APG by the supplier. To date, Poseidon SA has provided only a draft version of the APG for reference. The final APG is expected to be submitted shortly, upon which the advance payment process will be promptly initiated.

3.3 Advance for Operational Expense – Second Lot Disbursement

Following the adjustment of the first lot operational advance, the second lot amounting to NPR 2,391,689.80 (In Words: Nepalese Rupees Two Million Three Hundred Ninety-One Thousand Six Hundred Eighty-Nine and Paisa Eighty Only) was received on 3 July 2025 in the account of Amadablam Mini Hydro Limited maintained at Siddhartha Bank (Account No. 55506334597). The amount was efficiently utilized to cover operational expenses in a timely manner, ensuring the smooth continuation of project activities.

We are currently in the process of preparing the claim for this second lot advance, which will be submitted shortly.

3.4 Equity Contributions

During this month, the ESCO made an additional equity contribution of NPR 2,400,000.00, increasing its total contribution from NPR 37,930,000.00 to NPR 40,330,000.00. The equity contribution from Khumbu Pasanglhamu Rural Municipality remains unchanged at NPR 4,000,000.00. These equity contributions continue to support ongoing project activities, and the previously deposited funds remain intact in the designated project accounts.

3.5 Conclusion

In July 2025, the Amadablam Mini Hydro Project recorded notable financial progress. A subsidy amount of NPR 32,967,114.09 (Nepalese Rupees Thirty-Two Million Nine Hundred Sixty-Seven Thousand One Hundred Fourteen and Paisa Nine Only) was received from AEPC, bringing the total subsidy received to NPR 92,638,514.09 (Nepalese Rupees Ninety-Two Million Six Hundred Thirty-Eight Thousand Five Hundred Fourteen and Paisa Nine Only). The Letter of Credit for

electro-mechanical procurement was opened, though the advance payment is pending submission of the final Advance Payment Guarantee (APG) by the supplier. Advance for the operational expenses were supported by the second lot disbursement of NPR 2,391,689.80 (Nepalese Rupees Two Million Three Hundred Ninety-One Thousand Six Hundred Eighty-Nine and Paisa Eighty Only). Additionally, the ESCO increased its equity contribution by NPR 2,400,000.00 (Nepalese Rupees Two Million Four Hundred Thousand Only), further strengthening the project's financial base. These developments continue to drive the timely implementation of key project components.

4. Quality Assurance and Quality Control

AMHL is planning to collect the penstock sample and send it for testing in the lab for strength tests. AMHL is planning to test the bifurcation by Computational Fluid Dynamics (CFD) test before dispatch to the site. The joint team of HM contractor and AMHL has conducted the site verification of the penstock alignment wherein the contractor has measured the bend angles as well.

AMHL has strongly instructed the civil contractor to test the construction materials and concrete during construction and shall be monitored by the technical team.

5. Risks and Mitigation Measures

a) Technical Risks

There is a high risk of weather conditions during construction and we have lagged a few months as well. AMHL has been discussing with the contractors to provide the updated realistic project implementation schedule incorporating the work delays due to weather. There has also been a problem with the transportation of goods and services to site due to weather conditions and administrative issues related to the transportation by helicopter during this month as well.

b) Financial Risks

- Risk: Financing and Interest Rate Risk & Cost Overrun Risk
- Mitigation Measures:
  - Contingency funds, fixed-price contracts, and regular cost reviews.
  - Conduct regular financial audits and cost monitoring.

c) Climatic and Environmental Risks

- Risk: Extreme weather events, natural disasters, regulatory changes, environmental impact concerns.
- Mitigation Measures:
  - Implement climate-resilient infrastructure.
  - Develop disaster recovery and emergency response strategies.

6. Challenges and Recommendations

Transportation restrictions have impacted construction timelines, mobility and transport of heavy machinery and materials to the project areas. Postponement of supply and timely delivery of equipment as per the contract has obviously halted the project development.

7. Next Steps/Work Plan

Planned Activities about ESS for the August, 2025

- Reformulation of Grievance Redress Committee (GRC)
- Installation of Project Information Board
- Monitoring of Construction Site Compliance with EIA, ESIA, and ESMP

Factory Visit of EM contractor by the Board Members

Upon invitation from the EM contractor, the board has decided and suggested two board members to plan for the factory visit of the Poseidon SA in Greece during the next month. AMHL is working on finalizing the tasks to be carried out during the stay and checklist being prepared for the visit.

8. Appendices

ANNEX 1: Photographs about activities

Figure 1. Monthly Staff Meeting at AMHL Office

Figure 2. Meeting with World Bank team

Figure 3: Meeting with Utility Drone team

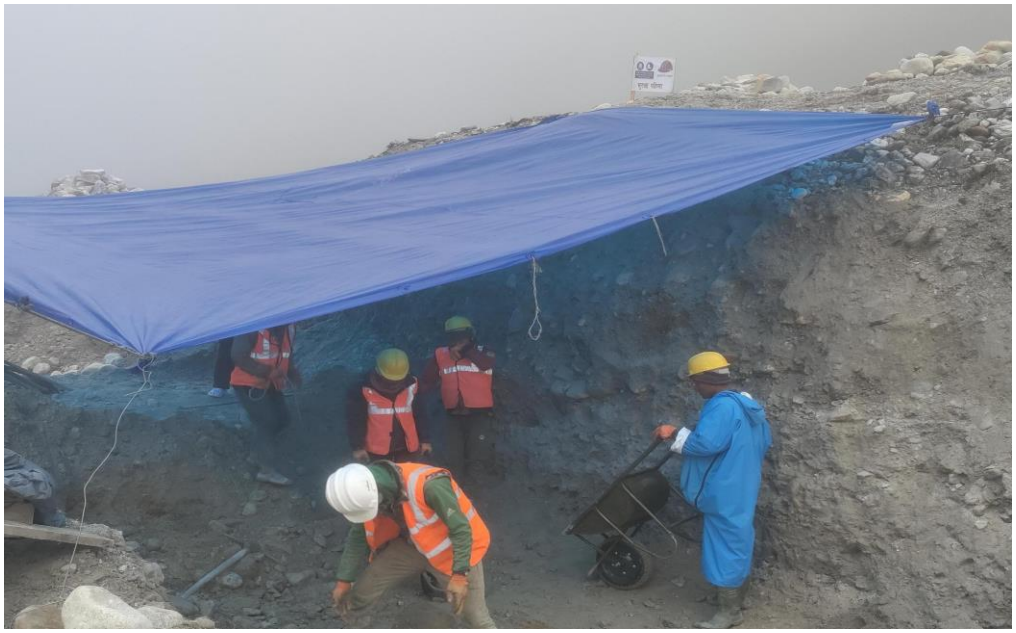


Figure 4: Excavation at headworks area

Figure 5: Preparation of construction materials

Figure 6: Site Verification by Surveyors' Team

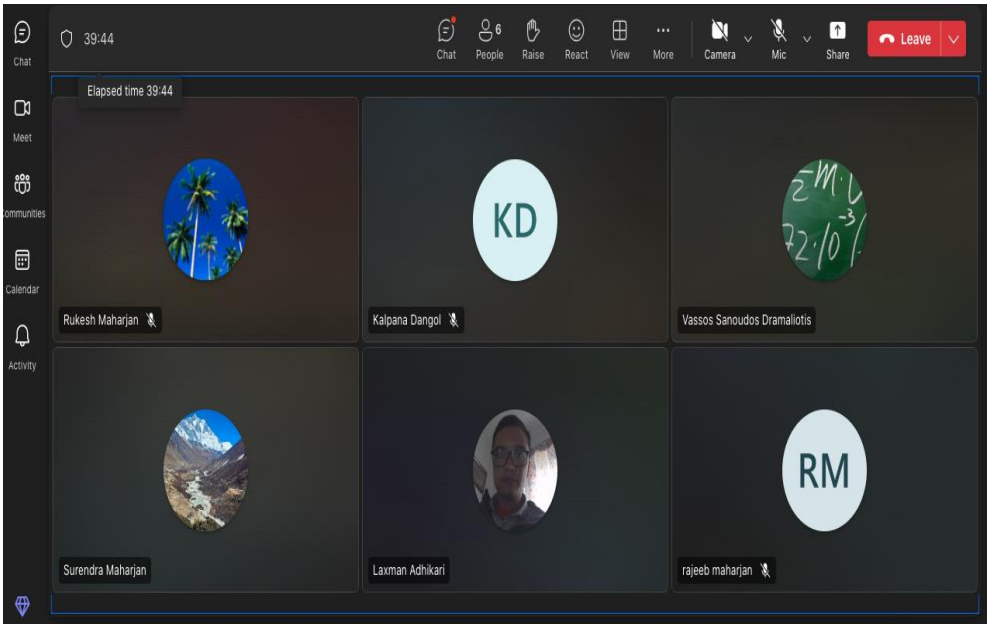


Figure 7. Meeting with Electro-Mechanical Contractor

ANNEX 2: Environment health and safety status at project site

S.N.	Activities	Implementation Status	Remarks/Details
1.	**Occupational Health and Safety (OHS) Measures**		
1.1	No. set of PPE available at Subproject	Yes	
1.2	PPE Provided to workers	Yes	
1.3	Helmet, Gloves, Jackets, Harness and Boots	Yes	
1.4	First Box with sufficient medicines at site	Yes	
2.	**Human Resources at Subproject**		
2.1	Project Manager	Yes	Active supervision and frequent field visit as required
2.2	Environmental and Social Safeguard Staff	Yes	Available at project site
2.3	Mechanical Engineer	Yes	Available at project site
2.4	Civil Engineer	Yes	Available at project site
2.5	Electrical Engineer	Yes	Available at project site
2.6	Insurance of Workers	Yes	Group Insurance
2.7	Workers /Labor	Yes	Available at project site

S.N.	Activities	Implementation Status	Remarks/Details
1.	**Occupational Health and Safety (OHS) Measures**		
1.1	No. set of PPE available at Subproject	Yes	
1.2	PPE Provided to workers	Yes	
1.3	Helmet, Gloves, Jackets, Harness and Boots	Yes	
1.4	First Box with sufficient medicines at site	Yes	
2.	**Human Resources at Subproject**		
2.1	Project Manager	Yes	Active supervision and frequent field visit as required
2.2	Environmental and Social Safeguard Staff	Yes	Available at project site
3.	**Information Board and Suggestion Box**		
3.1	Information Board of Subproject	NA	Install after the project office has been established at the site Will be implemented at site within 15 days
3.2	Suggestion Box	Available at project site	
4.	**Community Consultation**		

S.N.	Activities	Implementation Status	Remarks/Details
1.	**Occupational Health and Safety (OHS) Measures**		
1.1	No. set of PPE available at Subproject	Yes	
1.2	PPE Provided to workers	Yes	
1.3	Helmet, Gloves, Jackets, Harness and Boots	Yes	
1.4	First Box with sufficient medicines at site	Yes	
2.	**Human Resources at Subproject**		
2.1	Project Manager	Yes	Active supervision and frequent field visit as required
2.2	Environmental and Social Safeguard Staff	Yes	Available at project site
4.1	Number of Consultation Conducted	NA	Will be implemented at site within 15 days.
4.2	Number of People Participated in Consultation	NA	Will be implemented at site within 15 days
5.	**Grievance Redress Mechanism**		
5.1	Grievance Redress Committee Formed	Yes	
5.2	Name of designated Grievance/ SEA/SH Handing Focal Person	Kalpana Dangol	Appointed from June,2025
5.3	Grievance Registration Book	Yes	

S.N.	Activities	Implementation Status	Remarks/Details
1.	**Occupational Health and Safety (OHS) Measures**		
1.1	No. set of PPE available at Subproject	Yes	
1.2	PPE Provided to workers	Yes	
1.3	Helmet, Gloves, Jackets, Harness and Boots	Yes	
1.4	First Box with sufficient medicines at site	Yes	
2.	**Human Resources at Subproject**		
2.1	Project Manager	Yes	Active supervision and frequent field visit as required
2.2	Environmental and Social Safeguard Staff	Yes	Available at project site
5.4	Record of Grievance Received (If any)	Not Received any till date.	
6.	**Placement of Signage**		
6.1	Signage at Subproject Site	Yes	
6.2	Suggestion Box	Available at site	Register are placed at the construction site
7.	**Waste Management/Material Storage**		
7.1	Waste Disposable Designated Area	Yes	Pit is available at site for disposal of food

S.N.	Activities	Implementation Status	Remarks/Details
1.	**Occupational Health and Safety (OHS) Measures**		
1.1	No. set of PPE available at Subproject	Yes	
1.2	PPE Provided to workers	Yes	
1.3	Helmet, Gloves, Jackets, Harness and Boots	Yes	
1.4	First Box with sufficient medicines at site	Yes	
2.	**Human Resources at Subproject**		
2.1	Project Manager	Yes	Active supervision and frequent field visit as required
2.2	Environmental and Social Safeguard Staff	Yes	Available at project site
			wastes from the labor kitchen, other solid waste is collected at the sack.
7.2	Material Storage Designated Area	Yes	Cement and other chemicals are stored in enclosed areas to avoid environmental contamination.

Annex 3: Photographs of Occupational Health and Safety (OHS) Measures

Figure: Food Waste Management Practices at construction site

Figure: Waste Management Practices at construction site

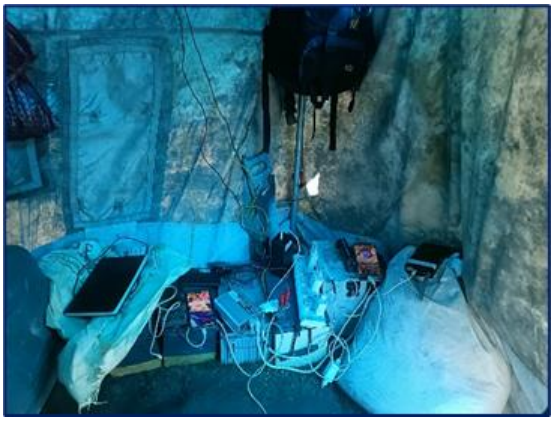


Figure: Solar Facilities at Construction Site

Figure: Labor Kitchen Camp

Figure: Labor camp and Material Storage in Tent

Figure: Labor are working at construction site

Figure: Existing Construction Signages

Figure: Labor are working at construction site

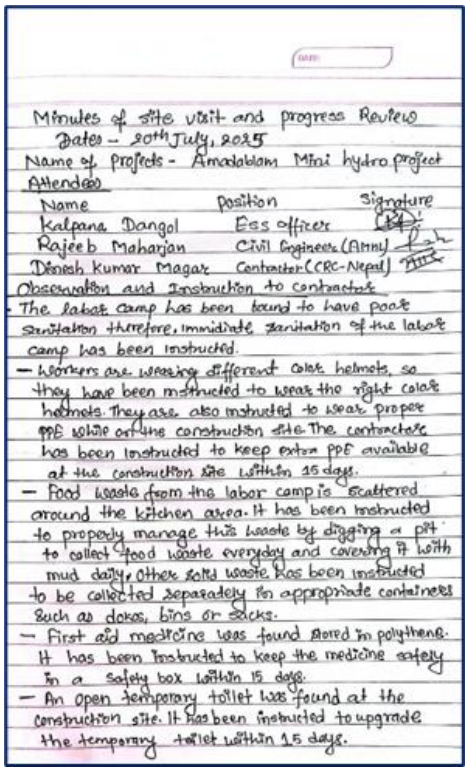
Figure: Demarcation of Project Area

Figure: Installation of construction Signages

Figure: Installation of Signages	Figure: OHS Orientation at site in Tent
	

Figure: First Aid Facilities at site

Potable Water at Construction Site	Existing Toilet Block
	

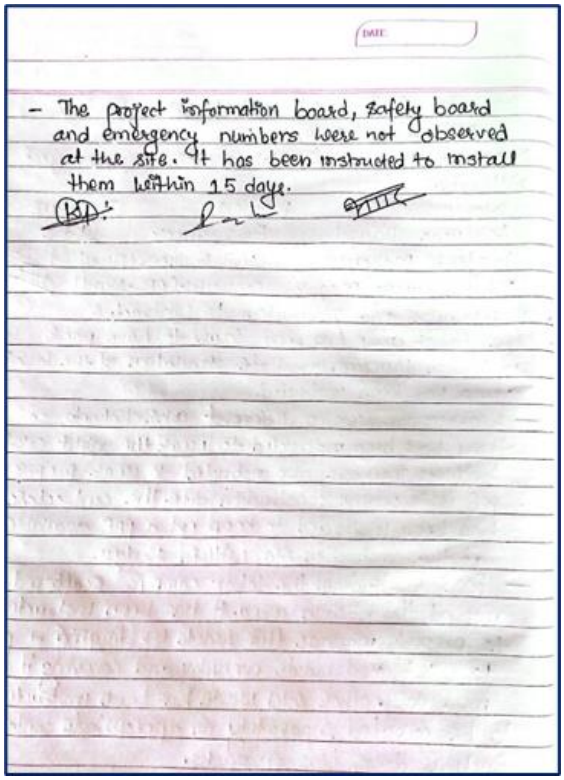


Minutes of site visit and progress Review
Dates – 20th July, 2025
Name of projects - Amadablam Mini hydro project
Attendees

Name	position	Signature
Kalpana Dangol	Ess officer	
Rajeeb Maharjan	Civil Engineer (AMH)	
Dinesh Kumar Magar	Contractor (CRC-Nepal)	

Observation and Instruction to contractor

- The labor camp has been found to have poor sanitation therefore, immidiate sanitation of the labor camp has been instructed.
- Workers are wearing different color helmets, so they have been instructed to wear the right color helmets. They are also instructed to wear proper PPE while on the construction site. The contractor has been instructed to keep extra PPE available at the construction site within 15 days.
- Food waste from the labor camp is scattered around the kitchen area. It has been instructed to properly manage this waste by digging a pit to collect food waste everyday and covering it with mud daily. Other solid waste has been instructed to be collected separately in appropriate containers such as dokos, bins or sacks.
- First aid medicine was found stored in polythene. It has been instructed to keep the medicine safely in a safety box within 15 days.
- An open temporary toilet was found at the construction site. It has been instructed to upgrade the temporary toilet within 15 days.



- The project information board, safety board and emergency numbers were not observed at the site. It has been instructed to install them within 15 days.

Figure: Meeting minutes during site visit

Annex 4: Revised Work Implementation Schedule

Revised Work Implementation Schedule for the Entire Project, Including HM Contractor, Civil Contractor, and T&D Contractor

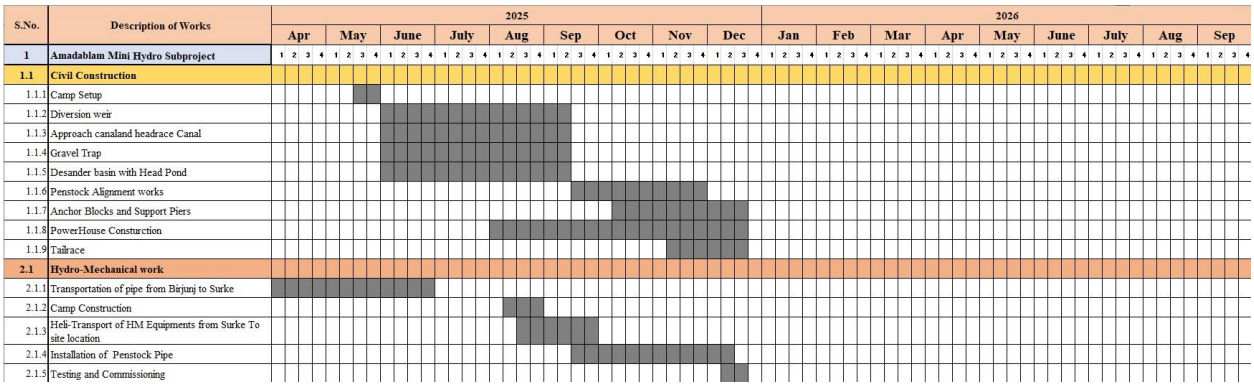


Fig 1. Updated Work Implementation Schedule of the Project

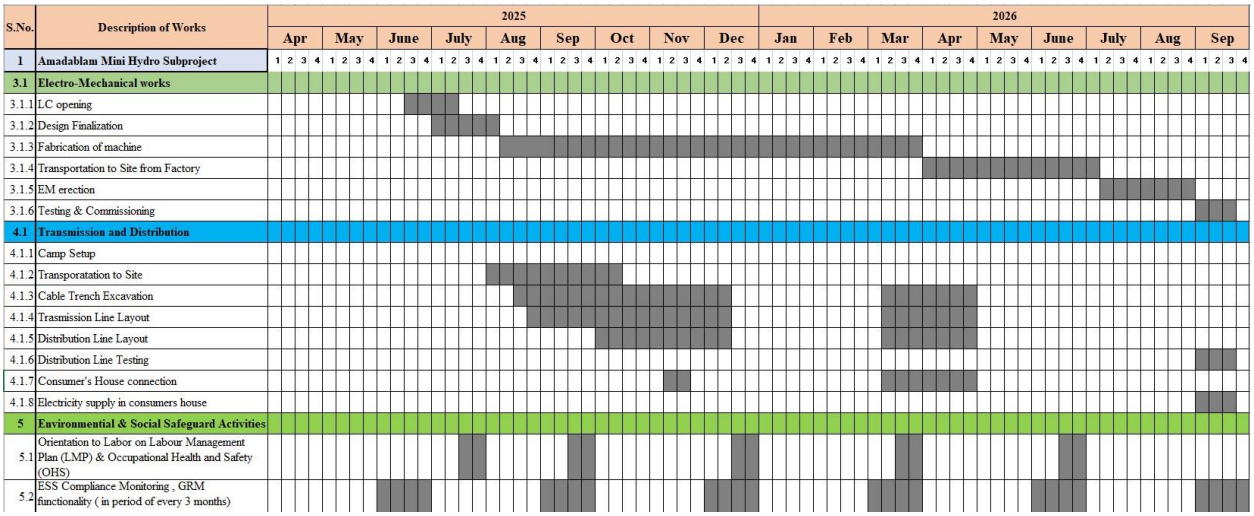


Fig 2. Updated Work Implementation Schedule of the Project

Supply, Delivery, Installation, Testing and Commissioning of Hydro-Mechanical Components of Amadablam Mini Hydro project (911kW) at Khumbhu Pasanglhamu Rural Municipality, Ward No 4, Solukhumbhu, Nepal

Date:-2025 July 15

Construction Schedule

SN	Description	Days	2025 August				2025 September				2025 October				2025 November				2025 December			
			1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
1	Site Visit And Verification	7																				
2	Camp Construction	22																				
3	Transportation of pipe from Solu to Surke	15																				
4	Heli-Transport of Pipes from Surke To site location	42																				
5	Fabrication & Delivery of Other Accessories																					
i	Expansion Joints 400 mm ID:57 Nos	20																				
ii	C-Clamp With Base plate	31																				
iii	Mechanical coupling	30																				
iv	Air Vent pipe	29																				
6	Erection & Installation																					
i	Erection of Penstock Pipe 6mm,8 mm,10,12,16 mm:400 ID	78																				
ii	Installation of C Clamps & Expansion Joints	56																				
iii	Erection Of 16mm,200 Id Pipe	49																				
iv	Erection Of Tailrace Pipe	28																				
v	Installation Of Air Vent Pipe	20																				
vi	Installation Of Mechanical Coupling	14																				
7	Project Completion																					
i	Testing and Commissioning	7																				
ii	Project completion and Hand Over	11																				

Submitted By:- Maa Shakti Enginering and Hydropower Pvt. ltd

Gatthaghar Bhaktapur

Fig 1. Updated Work Implementation Schedule of HM contractor

Project Name : Construction of Civil Components of Amadablam Mini Hydro Project (911 kW) at khumbu Pasanglamhu Rular Municipality ward No 4, Solukhumbu District, Koshi

Contractor Name : CRC Nepal- D.L Structures & Builders JV

S.NO	Description of Works	Work Schedule																																		Remark
		2025 May				2025 June				2025 July				2025 August				2025 Sep				2025 Oct				2025 Nov				2025 Dec								
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4			
A	**Prepration Work**																																			
	Camp Setup																																			
	Site Verification with consultant and other stakeholders																																			
B	**Weir**																																			
	Excavation/labeling solingWork																																			
	Form Work & Reinforcement																																			
	Concreting Work(RCC)																																			
C	**Intake**																																			
	Site Preparation & Excavation																																			
	Solling Work																																			
	Form Work & Reinforcement																																			
	Concretting Work(RCC)																																			
	Gabion Work																																			
D	**Gravel Trap/Settling Basin**																																			
	Site Preparation & Excavation																																			
	solingWorks																																			
	Form Work & Reinforcement																																			
	Concretiing Work(RCC)																																			
E	**Penstock Pipe AnchorBlock**																																			
	Siite Verification with consultant and other																																			
	Site Preparation Excavation & Backfilling																																			
	solingWork																																			
	Farm Work & Reinforcement																																			
	Concreting Work (RCC)																																			
F	**Saddle Support**																																			
	Solling Work																																			
	Form Work & Reinforcement																																			
	Concreting Work(RCC)																																			
G	**Power House**																																			
	Site Preparation & Excavation																																			
	Soling Work																																			
	Form Work & Reinforcement																																			
	Comcreting Work(RCC)																																			
	SuperStructures & Roofing																																			
	Interior/Exterior Finishing (Plastering)																																			
	Interior/Exterior Finishing (Colours)																																			
	Construction of Switchyad																																			
H	**Transportation of TMT, Gabion Box, Cement**																																			

Fig 1. Updated Work Implementation Schedule of Civil contractor