Monthly Progress Report

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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September 2025

Monthly Progress Report of September 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 remaining as per the BoQ and AMHL has started procurement processes. The quotations for the purchase of the power transformers and a remaining 50 kVA transformer have been collected whereas a report is being prepared and sent for approval. 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. There is the requirement of additional accessories for electrifying the households in Mingbo that has been missing in the DFS/DED, so procurement of those accessories will be processed after approval of the changed report shared to AEPC/MGEAP.

1.3 Key Challenges Encountered and Solutions Implemented

Though the civil work has been going on during this month, the civil manpower is not sufficient at the site. Efforts have been going on to speed up the work. Heavy rainfall and adverse weather conditions have affected the construction works.

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. 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 somehow satisfied with the current work progress of the contractors. The civil contractor has shown some milestones and is preparing for the submission of the running bill. So far, the contract extension of the T&D contractor is proceeding. The contractor has completed site verification of the T&D works and planning for FAT of the distribution cable. The HM contractor has signed an agreement with the airlifting company for transportation of the HM components from roadhead to site and requested for advance payment. The EM contractor has provided the invitation letter on nomination from the board meeting for inspection of the property in Greece and AMHL has initiated the documentation.

2.1 Activities

2.1.1 Human Resource Management

At Amadablam Mini Hydro Limited (AMHL), our team stands out for its dedication and capability. The consistent presence in the office and the high level of performance from our staff have played a vital role in driving the success of our project. To keep this momentum going, it's important that we continue to invest in our people through meaningful engagement and opportunities for professional growth.

2.1.2 Meetings and Events

Virtual Meeting: Impact of Gen-Z Protest on Office Operations & Project Continuity

On 11th September 2025, a virtual meeting was held involving Mr. Laxman Adhikari, Chairperson of the AMHL, site team and key project stakeholders to evaluate the ongoing progress of the Amadablam Mini Hydro Subproject amid the Gen-Z Protest.

Key Agendas:

- **Assessment of Gen-Z Protest Status:** Reviewed technical and logistical aspects, identified critical milestones and pending actions.
- **Remote Work Strategy:** The team agreed to adopt a work-from-home model, ensuring continuous interdepartmental coordination and progress on essential tasks.
- **Urgent Task Management:** Prioritization of time-sensitive activities was outlined, with clear delegation and communication protocols.
- **Project Continuity Measures:** Commitment reaffirmed to maintain momentum across all active components using digital tools and remote collaboration.

Discussions:

On the civil works, work at the gravel trap and desilting basin is in progress but moving at a very slow pace due to inadequate labor mobilization. The Site Supervision Engineer and ESS Officer reported that only 11 laborers are currently deployed, which is grossly insufficient considering the scale of work. The site team emphasized the urgent need to mobilize additional manpower during this favorable construction period. Excavation along the penstock alignment had also commenced, with about 10 meters of trench completed, but progress has now come to a halt for the same reason. Powerhouse construction is scheduled to begin by mid-October 2025, though this milestone is likely to be delayed if the contractor does not mobilize sufficient manpower immediately. It was

further noted that excavation of the intake and under sluice structures cannot be completed this season, as the required depth lies approximately two meters below the current water level, making it technically unfeasible under present conditions.

In terms of Transmission and Distribution (T&D) works, encouraging progress has been achieved in the approval process of the HT cable after resolving variations between the DFS and DED specifications. However, the contractor has not yet submitted the second Advance Payment Guarantee, delaying the release of the second advance payment and posing a risk to the timely mobilization of T&D activities. Additionally, the electrification study for Mingmo village, which had been omitted from the DFS-DED, has now been completed. A draft report including both technical findings and the additional costs has been submitted to AEPC for review and consideration in the project scope.

Regarding Hydro-Mechanical (HM) works, coordination between HM and civil contractors is ongoing, particularly with respect to intake structures. Nonetheless, concerns were raised about the slow progress of the HM contractor. The meeting strongly recommended that fabrication of the headrace pipe and bellmouth be expedited and dispatched to site without causing any delays to the civil work at the intake. Another critical issue is the helicopter transport agreement, which the HM contractor has yet to finalize despite repeated reminders. Since this document is essential for the airlifting/ transportation of penstock pipes and other HM equipment to the sub project site and coordination with civil contractor for an excavation work on trench, any further delay will directly impact on the construction schedule.

For Electro-Mechanical (EM) work, AMHL has reestablished communication with Mr. Vassos, Technical Manager of the contractor, after a gap of about two and a half weeks. Although a draft Advance Payment Guarantee has already been reviewed and sent back with feedback, the contractor has yet to submit the final document. The delay has been attributed to the summer holiday period in Greece and Germany, with Allianz Bank expected to issue the guarantee by the end of August 2025. Any further delay in securing the advance payment may cause setbacks in fabrication and timely delivery of powerhouse equipment. Despite this, procurement progress was noted, as the contractor has placed a purchase order with Marelli Motors in Italy for the generators and has fabricated certain other equipment in-house.

The meeting also included a discussion on the EIA budget breakdown, with participants reviewing allocations and providing suggestions for effective utilization. It was agreed that activities during the construction phase must be closely monitored and followed up to ensure compliance with environmental safeguards. Regular supervision, proper documentation, and timely corrective actions were highlighted as essential to maintain both environmental and project performance standards.

In conclusion, the meeting underscored the urgent need for decisive and timely action from all contractors to keep the project on schedule. The civil contractor must immediately increase labor mobilization to accelerate intake, desilting basin, and penstock trench works. The HM contractor must finalize the helicopter agreement, reschedule the factory inspection, and expedite fabrication of critical components. The EM contractor must ensure submission of the Advance Payment Guarantee by the end of August to prevent further delays in fabrication and equipment delivery. Meanwhile, AEPC and AMHL will jointly review the Mingmo Village electrification study to determine the required scope and budget adjustments. All participants agreed that failure to address these critical issues within the current construction window will have a direct and adverse impact on the overall project timeline.

2.2 Summary of Completed and Ongoing Tasks

The civil construction works at the AMHL project have advanced notably, with RCC works going on at gravel trap and desanding structures. Base concreting of Gravel trap has been completed. 3 panels of desander have been completed along with the base. In 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. However, the rising water level in the river, caused by continuous rainfall, has hindered the excavation of the cutoff wall for the intake and undersluice. This has, in turn, impacted the overall construction of the diversion weir. 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

The rising water level in the river, caused by continuous rainfall, has hindered the excavation of the cutoff wall for the intake and undersluice. PCC works in gravel trap have been completed. This milestone paves the way for RCC works, including the gravel trap flushing gate structure and the installation of the 10 m headrace pipe connecting to the desander basin.

c. Desanding Basin cum Forebay

RCC works of the desander basin (Panel 1 with spillway) have been completed. RCC of Panel 3 base is finished, and rebar installation with formwork is ongoing for Panel 3 walls. Rebar works for Panel 2 have commenced. Masonry works for both the spillway canal and the desander flushing canal have also begun.

The inlet of the desander basin and the end section (head pond with flushing gate) are now ready for RCC base works. However, RCC walls can only be completed once the 10 m headrace pipe connecting the gravel trap to the bell mouth at the penstock inlet and the embedded parts for the flushing gates arrive on site.

d. Headrace Pipe, Bellmouth at Penstock Inlet, Embedded parts for Flushing Gates Coordination and Planning

In coordination with the hydro-mechanical contractor, Maa Shakti Engineering and Hydropower Pvt. Ltd., the civil team has highlighted the urgent need for the timely delivery of the 10 m headrace pipe, the bell mouth at the end of the head pond (Penstock Inlet), and the embedded parts for the flushing gates at both the Gravel Trap and Desander Basin. 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

Excavation works for the penstock alignment have commenced in coordination with the Hydro-Mechanical (HM) contractor. The works are being executed along a total stretch of approximately 500 meters, covering the alignment from the Desander head pond to Anchor Block 1, as well as from Anchor Block 7 to Anchor Block 9.

The excavation scope includes preparation for 12 anchor blocks along the penstock alignment layout.

During the excavation, several challenges have been encountered due to rainy conditions:

- Excavated portions have been repeatedly filled by slides, requiring re-excavation and additional clearing efforts.

- Landslide-prone sections along the alignment have been identified, where construction of protection walls will be necessary to stabilize the slope and safeguard ongoing works.

Despite these challenges, works are progressing in phased coordination with the HM contractor to ensure proper sequencing for the installation of penstock components.

In parallel, the hydro-mechanical contractor has finalized agreements with helicopter service providers to begin airlifting penstock pipes from Surkhe to the project site. These activities are scheduled to begin after 15th October 2025, aligning with the trenching and installation schedule.

f. Powerhouse Construction

The civil contractor is planning to commence excavation works at the powerhouse by the end of September. As part of the preparatory activities, collection of construction materials is planned, and separate manpower has been allocated for execution. Furthermore, an earth resistivity test for the powerhouse earthing mat design is scheduled for the first week of September.

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

The Hydro-Mechanical (HM) contractor has successfully completed the fabrication of the headrace pipe and the bell mouth, both of which are critical for the ongoing civil works in the gravel trap and desilting basin at the intake. Despite transportation restrictions imposed by the Government of Nepal, AMHL, through close coordination with the relevant authorities, has managed to transport the headrace pipe to the project site.

However, due to the large size of the bell mouth, it could not be transported inside the helicopter cabin. As a result, it has been scheduled for airlifting by cargo sling after **15th October 2025**, or earlier if government restrictions on cargo transportation are lifted.

To ensure there are no delays in the RCC works at the intake, the flushing gates of the gravel trap and desilting basin, which were previously stored at the Pangboche powerhouse site, have been manually transported to the intake site.

In addition, the HM contractor has fabricated the remaining expansion joints, C-clamps, and other hydro-mechanical components as per the Bill of Quantities (BoQ). Work on the bifurcation pipe has also commenced.

On the civil side, the contractor has initiated excavation for the penstock alignment trench as well as the anchor block foundations. However, progress on the trench excavation has been slower than expected due to persistent rainfall and a shortage of labor at the site.

Meanwhile, AMHL is in the process of releasing a partial payment to the HM contractor against the running bill submitted. This payment is expected to be completed before the upcoming festival holiday begins.

2.2.3 Electro-Mechanical Works

As of today, the first advance payment has not been released to the Contractor despite the Letter of Credit (LC) being opened in early July. Although there have been numerous rounds of coordination with the Electro-Mechanical (EM) Contractor, and repeated assurances that the Advance Payment Guarantee would be issued by the bank within a few days, AMHL has not yet received it. This has become a critical concern for the project and may cause delays in overall project development if not resolved promptly.

Meanwhile, the Civil Contractor is preparing to commence works at the powerhouse. In this regard, AMHL has been attempting to establish coordination with the EM Contractor to ensure that the positioning and anchoring of the EM equipment is properly synchronized. This coordination is essential to avoid any potential misalignment issues in the future. Despite repeated requests, the EM Contractor has not yet provided the general floor layout plan, which is required by the Civil Contractor to initiate the powerhouse excavation works. Additionally, the contractor has not submitted the updated progress report and implementation schedule requested to align with the overall project timeline.

In addition, the site team's Civil Engineer and Electrical Engineer recently conducted a soil resistivity test, which had been overlooked during the DFS-DED stage for the powerhouse. The results of this test will be forwarded to the Consultant for the design and fabrication of the earthing mat. This proactive step will ensure that the earthing system is finalized and implemented in a timely manner, thereby avoiding further delays during the construction phase.

2.2.4 Transmission & Distribution Works

During this month, a joint site verification was conducted with the contractor's engineer, covering the distribution box and transformer locations, which had not been properly specified in the initial report. The transmission and distribution cable lengths were also verified, where variations were identified. These details will be jointly presented in the site verification report, scheduled for submission to AEPC by 26 September 2025. Regarding Mingbo distribution plan, after site surveying, measurement of distribution cable length, service wire length, the final Mingbo distribution plan was submitted to AEPC on 24th of September. On 16 September, a joint team including the civil engineer visited the powerhouse site to conduct the Earth Resistance Test, required for the design and manufacturing of the grounding mat. The test was successfully completed, and the report has been submitted to the Project Manager for further processing.

Meanwhile, the contractor has requested approval for a new vendor for the manufacturing and procurement of the distribution and service cables, as the previously selected vendor experienced delays in the manufacturing process. The request is currently under technical evaluation by AMHL's technical team and will be forwarded to AEPC for final approval.

Furthermore, quotations for the procurement of the power transformer and the 50kVA station transformer through Best Commercial Practice (BCP) have been received. The technical and financial evaluation report has been prepared and submitted to the Project Manager for further processing. Likewise, quotations for the remaining electrical equipment required for the powerhouse have been requested from multiple vendors and are currently under evaluation.

Finally, the contractor's current contract is set to expire in September, and a request for extension has been submitted. However, considering the concerns regarding slow progress and delays in the planned activities, the extension is being considered only upon the contractor's submission of a clear and credible commitment. This will require the contractor to provide a purchase order, a formal commitment letter, and a feasible work plan and schedule that ensure the timely completion of the project.

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. The project information board is installed in a visible place accessible to everyone at the construction site. 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**

Coordination with the Ministry of Forest and Environment (MOFE) was carried out regarding AMHL land-related documentation. During the last follow-up, the documents were with MOFE's Watershed Department. Due to the GEN Z protest in Nepal, the follow-up on the land documents is temporarily on hold and will resume later.

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

An orientation session was conducted for additional laborers on Occupational Health and Safety (OHS) practices, with a focus on prioritizing safety at the work site. The session included detailed guidance on the proper use of Personal Protective Equipment (PPE) to ensure maximum protection. Furthermore, the importance of maintaining good housekeeping practices was emphasized to keep the construction site safe, organized, and free from potential hazards.

- **Installation of Project Information Board at Construction Site**

The project information board has been installed at the construction site in a clearly visible location. It provides clear details about the project, including its duration, budget, donor, and other relevant information.

- **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.

- **Reformation of Grievance Redress Committee (GRC 1 at Field Level)**

To ensure effective project governance and address any grievances that may arise during project construction and implementation, it is essential to establish a Grievance Redress Committee (GRC). The previously inactive GRC1 was reactivated with the formation of a new nine-member committee on September 1, 2025. The GRC 1 reformation meeting minutes and pictures are attached in **Annex 3**.

- **Coordination Meeting with Pangboche Health Post**

Effective coordination with local government bodies is essential for project governance and addressing grievances during construction and implementation. The Pangboche Health Post plays a key role in supporting the project by providing medical check-ups for labor and staff, as well as immediate care in case of accidents at the project site. A coordination meeting between the Pangboche Health Post representative and the AMHL team was held on September 2, 2025. Meeting minutes and pictures are attached in **Annex 3.**

- **Visit of the newly elected GRC 1 team to the project site**

The newly elected GRC 1 team visited the site on September 5, 2025, and provided feedback, suggestions, and recommendations regarding the project. Meeting minutes and pictures are attached in **Annex 3.**

- **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. In September, a total of **389 workers**, including skilled and unskilled workers, were employed at the construction site, primarily in the intake area. Additionally, **four laborers** work manually transporting construction materials from Namche or Syangboche to the construction site. The same laborers also transport materials from Lukla to Namche using yaks or mules. Labor details are provided in **Annex 4**.

- **Construction Site Emergency Contact Number Update**

Emergency contact numbers have been updated on the information boards at the construction site and nearby villages to ensure prompt rescue in case of any emergency or injury. However, phone network coverage is unavailable on-site but can be accessed about 10 minutes 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.

- **Regular Monthly and Weekly Meetings with Office Staff**

A virtual meeting was held on 10th September to update office work progress and discuss the Gen Z protest situation, including work from home arrangements for the Kathmandu office. The monthly meeting on 18th September focused on strategies to improve fieldwork progress and shared important updates regarding the Social Security Fund (SSF) for office staff. Weekly meetings are conducted every Friday to review site work progress and other office activities. These meetings also include updates on Occupational Health and Safety (OHS) at the site, along with planning for the upcoming month and week.

- **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.

ESS Activities for Next Month (October 2025)

- Finalization of EIA Budget Breakdown.
- Project site monitoring and supervision as per ESMP.

3. Monthly Financial Progress Report – September 2025

This report presents the financial progress of the Amadablam Mini Hydro Project for September 2025. It summarizes subsidy disbursements, loan and equity management, operational expense settlements, procurement financing, and bank guarantees that are essential for advancing the project across civil, hydro-mechanical, and electro-mechanical components.

3.1 AEPC Subsidy and Viability Gap Funding (VGF) Support

During the month of September 2025, no new subsidy inflow was received by the project. The pending balance of NPR 13,645,145.12 against the first running bill of Maa Shakti Engineering and Hydropower Pvt. Ltd. has not yet been released, and the matter is still under process at AEPC. Consequently, the cumulative subsidy received by the project remains unchanged at NPR 92,638,514.09. This amount continues to play a significant role in supporting the ongoing implementation of the project.

3.2. Update on Electro-Mechanical Procurement – September 2025

The Letter of Credit (LC No. MT700-001ILSF250702002) opened in July 2025 for the electro-mechanical component continues to remain valid. However, as of September 2025, the final Advance Payment Guarantee (APG) from Poseidon SA, Greece, has not yet been submitted. Due to this delay, the 10% advance payment to the supplier, as per the LC terms, is still pending. The project is awaiting the submission of the final APG so that the advance payment can be released without further delay.

3.3 Operational Expenses: Settlement of Second Lot advance & Receipt of 3rd Lot Operational Advance

In September 2025, Amadablam Mini Hydro Limited received the third lot of operational advance amounting to NPR 2,590,945.58 (Nepalese Rupees Two Million Five Hundred Ninety Thousand Nine Hundred Forty-Five and Paisa Fifty-Eight Only). This request had been formally submitted by the ESCO to the Alternative Energy Promotion Centre (AEPC) via their letter dated 28th July 2025 with reference no. 2082-83/01. The advance was sought to cover ongoing operational expenses necessary for the smooth continuation of project activities. Meanwhile, the second lot operational advance of NPR 2,391,689.80, credited in July 2025 and fully utilized in August 2025, is currently in the process of settlement. With the receipt of the third lot advance, the project has ensured continued financial liquidity to meet its operational requirements in September 2025.

The third lot of operational advance of NPR 2,590,945.58 (Nepalese Rupees Two Million Five Hundred Ninety Thousand Nine Hundred Forty-Five and Paisa Fifty-Eight Only) was received on 16th September 2025 in the account of Amadablam Mini Hydro Limited (Siddhartha Bank, A/C No. 55506334597). The amount has been fully utilized to cover operational expenses of the project.

The detailed expenses have been submitted for settlement, ensuring smooth continuation of project activities as follows:

Category	Total Claimed (NPR)	Claimed and Approved in 1st Lot (NPR)	Claimed in 2nd Lot (NPR)
Advertisement	2,96,466.80	2,17,366.80	79,100.00
Project Staff Salaries	32,22,245.98	5,90,000.00	26,32,245.98
Head Works Materials	9,07,390.00	9,07,390.00	–
Transportation Cost	5,78,627.00	5,78,627.00	–
Laptop Purchase	81,134.00	81,134.00	–
Printing Expenses	10,122.00	10,122.00	–
Meeting Expenses	7,050.00	7,050.00	–
Consultants	1,69,117.65	–	1,69,117.65
Travel & Allowance	60,707.44	–	60,707.44
Total	**53,32,860.87**	**23,91,689.80**	**29,41,171.07**

3.4 Advance Payment Guarantee Adjustment

An Advance Payment Guarantee (APG) of NPR 2,98,35,700.00 (Nepalese Rupees Two Crore Ninety-Eight Lakh Thirty-Five Thousand Seven Hundred Only) was submitted under APG No. 001GTAP240526001. As per the first running bill (Bill No. MS/SB-115/81-82) of Maa Shakti Engineering & Hydropower Pvt. Ltd., the total value of works executed amounts to NPR 6,65,88,941.73 (Nepalese Rupees Six Crore Sixty-Five Lakh Eighty-Eight Thousand Nine Hundred Forty-One and Paisa Seventy-Three Only). Out of this, an advance adjustment of NPR 1,99,76,682.52 (Nepalese Rupees One Crore Ninety-Nine Lakh Seventy-Six Thousand Six Hundred Eighty-Two and Paisa Fifty-Two Only), representing 30% of the total value of the first running bill, has already been made, leaving an eligible payment of NPR 4,66,12,259.21 (Nepalese Rupees Four Crore Sixty-Six Lakh Twelve Thousand Two Hundred Fifty-Nine and Paisa Twenty-One Only). Accordingly, from the total Advance Payment Guarantee of NPR 2,98,35,700.00, an amount of NPR 1,99,76,682.52 has been adjusted, leaving a balance of NPR 98,59,017.48 (Nepalese Rupees Ninety-Eight Lakh Fifty-Nine Thousand Seventeen and Paisa Forty-Eight Only) outstanding. This request has been submitted by Amadablam Mini Hydro Limited to Siddhartha Bank and is currently in the process of release, confirming that the advance amount has been substantially settled.

3.4 Equity Contributions

During September 2025, no fresh equity contribution was made by either the ESCO or Khumbu Pasanglhamu Rural Municipality. The total equity contribution therefore remains unchanged, with ESCO's contribution at NPR 40,330,000.00 and Khumbu Pasanglhamu Rural Municipality's contribution at NPR 4,000,000.00, bringing the cumulative equity to NPR 44,330,000.00.

3.5 Conclusion

In September 2025, the Amadablam Mini Hydro Project continued steady financial and operational progress. While no new AEPC subsidy or equity contributions were received, the cumulative funds remain adequate to support ongoing project activities. The third lot of operational advance was received and fully utilized, ensuring uninterrupted operational liquidity. Settlement of the second lot advance is in process, and detailed expenses have been properly documented. The advance payment guarantee adjustment for the first running bill of civil works has been substantially completed, with the remaining balance in the process of release. Electro-mechanical procurement is progressing, with the final APG awaited to release the advance payment. Overall, financial management and operational activities are on track, enabling the project to maintain continuity across civil, hydro-mechanical, and electro-mechanical components. The project remains well-positioned to achieve its milestones efficiently in the coming months.

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.

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. IT and Communication

This section provides an update on the establishment and progress of official social media platforms for project visibility and stakeholder engagement.

5. 1 Social Media & Outreach

To strengthen project visibility and foster stakeholder engagement, official social media platforms have been established for Amadablam Mini Hydro Limited. Dedicated accounts on Facebook, Instagram and LinkedIn have been launched with regular content sharing underway to highlight project progress, community benefits and awareness on renewable energy.

Recent activities included:

- Publication of an infographic on the importance of hydropower, how it is generated and how it will benefit local communities.
- A condolence message mourning the tragic loss of many young lives during the Gen Z protests.
- Announcement of the reformation of the Amadablam Grievance Redressal Committee (GRC1) and updates on their successful site visit.
- Announcement of **transformers** and distribution boxes have been finalized across all project areas also transmission lines and distribution cable lengths have been successfully verified.

Current Status of Social Media Platforms:

- Facebook Page – Active, with 205 followers with no share and 1726 views
- Instagram Profile – Active, with 21 followers, yet no share and 305 views.
- LinkedIn Page – Active, with 22 followers, no reposts and 51-page viewers.

6. Risks and Mitigation Measures

a) Technical Risks

The Amadablam Mini Hydro Subproject is experiencing a combination of technical, logistical, and contractual challenges that require close attention. Adverse weather conditions have already contributed to delays, affecting site access and transportation, particularly for helicopter-based deliveries. Civil works are progressing more slowly than anticipated due to limited manpower, and excavation at the intake and under sluice is not feasible this season. Hydro-mechanical progress is being impacted by pending fabrication and delivery of the headrace pipe and bell mouth, alongside transport constraints. On the electro-mechanical side, delays in submitting the Advance Payment Guarantee and powerhouse design drawings are affecting the timely sequencing of civil works. Transmission and distribution activities also carry risks due to pending FAT of cables, vendor approvals, and possible scope variations. Strengthened coordination, timely approvals, and proactive planning will be essential to mitigate these risks and maintain project momentum.

b) Financial Risks and Mitigation Measures – September 2025

1. Financing and Interest Rate Risk & Cost Overrun Risk

Risk: The project faces potential risks from fluctuating interest rates, delayed subsidy or equity inflows, and cost overruns in civil, hydro-mechanical, and electro-mechanical components. These could increase financing costs, delay payments to contractors, and impact overall project cash flow.

Mitigation Measures:

- Maintain contingency funds to cover unexpected cost escalations.
- Utilize fixed-price contracts where possible to limit exposure to cost variations.
- Conduct regular financial audits, monitor operational and project expenses, and review costs periodically to ensure adherence to the approved budget.

2. Contractor's Non-Compliance

Risk: Delays in submission of required documents (e.g., Advance Payment Guarantees), slow project execution, or non-compliance with contractual obligations can result in increased financing charges, APG extension fees, penalties, lost revenue, and reputational damage.

Mitigation Measures:

- Close monitoring of contractor performance against contractual timelines.
- Timely follow-up on required guarantees, approvals, and compliance documentation.
- Implement penalty clauses and progress-linked payments to incentivize timely completion.
- Maintain clear communication with lenders and regulatory authorities to manage any arising financial implications.

c) Physical, Biological, Environmental and Social Impact/ Risk

The subproject area is located in the northeastern mountain region of Nepal. The subproject area geologically lies on the Higher Himalayan Crystalline Zone in the eastern part of Nepal. The subproject area possesses the high-grade metamorphic rocks. The subproject area has gneisses, schists and marbles of the Higher Himalayan Zone and Tethyan sediments (limestone, shale, sandstone etc. belonging to the Tibetan-Tethys Zone. Most of the area is exposed bedrock with thin colluvial soil cover. The colluvial soil comprises boulders, gravels, cobble and pebbles of gneiss with sand. The subproject area lies in subalpine to alpine climatic zone. The average annual rainfall is 1524 mm. January is the coldest month and July is the warmest month of the subproject area. The minimum temperature of the Pangboche area goes down below 0°C about 7 months of the year. The weir will be in the river while penstock pipe lies in grassland. The powerhouse will be constructed in grassland. Transmission and distribution lines pass through tourist trekking routes.

Adverse Impacts

Physical Environment

Change in land use, topography, soil erosion, sedimentation in river water, spoil generation, impact on hydrology and river morphology and loss of topsoil are major adverse impacts on the physical environment during construction.

Biological Impacts

A total of 5.719 ha land of SNP has been required to construct various subproject components. Pressure on forest for fuelwood, impact on wildlife movement, aquatic flora and fauna, NTFPs, forest fire, wildlife hunting and poaching and increase in human wildlife conflict are identified as adverse impacts during construction.

Socio-economic and Cultural Impacts

Pressure on existing facilities, services and resources of subproject area, health and sanitation and public safety, occupational health and safety, socio-cultural conflicts between locals and migrant workforce, gender-based violence, issues related to disturbances to community and child labour issues are the identified potential impacts during construction.

SNP and Outstanding Universal Value (OUV)

The proposed subproject is located in the SNP and might have an impact on scenic beauty. There has been negligible impact on local social and cultural integrity as locals are already exposed to diverse groups of people since the last 75 years.

Mitigation Measures

Physical Environment

Land clearance has been minimized to the extent possible to prevent erosion and landslides. Excavated materials have been used for land reclamation and rehabilitation. Trenches, quarry sites, and disposal sites have been rehabilitated immediately. Spoils have been stored in designated areas (27°50'56.52" N, 86°49'6.15" E & 27°51'12.98" N, 86°49'49.21" E). People will be made aware about the early warning system and emergency preparedness plan through an awareness program.

Biological Environment

Unnecessary visits and smoking in the forest area have been prohibited for subproject staff and construction workers to reduce the possible risk of forest fire, hunting, and poaching. Due to intense cold climate A minimum environmental flow of 50% of the mean monthly flow will be

maintained during operation Due to very cold climate in 3.5 Km long dewater area, fish cannot be found and the water flow is also sub-surface in many places, it does not seem to affect the biological environment. In addition, water flow from 50% release will be abundant to sustain the life of animals and plants if any in the area. All the workers and subproject staff have been provided with LPG for cooking to reduce pressure on the forest. The subproject requires 5.719 ha of land and the land comes under the jurisdiction of Sagarmatha National Park. The subproject will provide replacement of land and a total of 9150 seedlings will be planted at the rate of 1600 per ha and nurtured for next five years. All these activities will be done in accordance with the Procedures for Construction of Infrastructure in Protected Areas 2080. Community people, school children and subproject workers will be sensitized on conservation of environment, biodiversity and wildlife.

Socio-economic and Cultural Environment

All the workers and staff have been provided with workplace insurance and PPEs. To reduce conflict between workers and locals, the code of conduct including SEA/SH has been strictly implemented. All staff and construction workers have been oriented about GBV, including SEA/SH, and the social and legal consequences faced for involvement in any form of GBV. A separate SEA/SH code of conduct has been implemented to avoid the risk of gender-based violence, sexual exploitation and abuse, and sexual harassment. Trenches especially made for underground T&D lines will be reclaimed immediately to avoid accidents.

The subproject has been actively implementing the mitigation measures outlined in the EIA and ESIA reports to minimize negative impacts during the construction phases. The subproject has responsibility to mitigate the negative impacts on the physical, chemical, biological, social, economic, and cultural sectors at the local level during construction and operation phases. The EMP/ESMP has defined the roles and responsibilities of various institutions to address issues including spoil management, pollution control, occupational health and sanitation, public safety, integrity of OUV of SNP, clear budgets, timelines and emergency preparedness provisions.

7. 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. Delay in payment to contractors has certainly caused problems in timely delivery of goods and services. A prompt mechanism is suggested to deploy from the center to overcome the delay.

8. Next Steps

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.

9. Appendices

ANNEX 1: Photographs about activities

Figure 1: Concreting works in desander basin (Panel 3 - Base)

Figure 2: Verge of completion of desander basin

Fig 3: GPS location and service wire length survey at Mong & transmission length verification from Pheriche to Lobuche

Figure 4: ERT at Power house location to test soil resistivity of Power house area

Fig 5: Distribution cable length verification Pyramid Lobuche & locating crossing at Chukkung

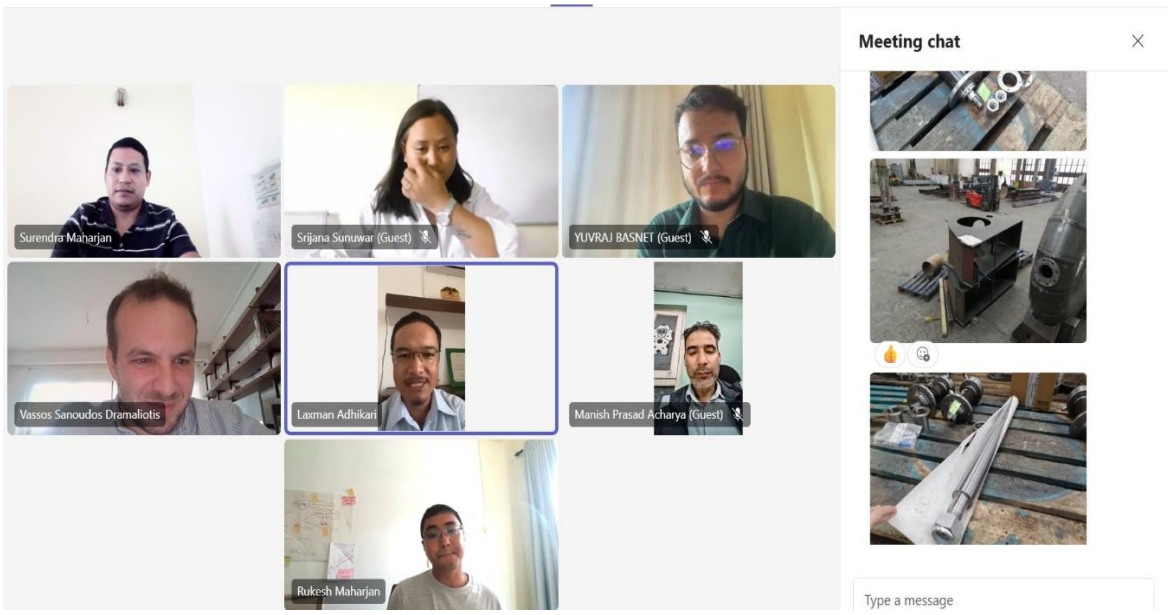


Figure 6: Meeting with EM contractor; Fabricated components of Turbine

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	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	Civil Engineer	Yes	Available at project site
2.4	Electrical Engineer	Yes	Available at project site
2.5	Mechanical Engineer	Yes	Available at project site

2.6	Workers /Labour	Yes	Available at project site
2.7	Insurance of Workers	Yes	Group Insurance
3.	Information Board and Suggestion Box		
3.1	Information Board of Subproject	Yes	
3.2	Suggestion Box	Yes	The record file is kept at the construction site.
4.	Community Consultation		
4.1	Number of Consultation Conducted	2	GRC1 Reformulation and Coordination Meeting with Pangboche Health Post
4.2	Number of People Participated in Consultation	22 and 9 (31)	Twenty-two people participated in the GRC1 reformulation meeting and nine people attended the meeting with Pangboche Health Post.
5.	Grievance Redress Mechanism		
5.1	Grievance Redress Committee Formed	Yes	GRC1 reformulation with nine committee members
5.2	Name of designated Grievance/ SEA/SH Handing Focal Person	Kalpana Dangol	ESS Officer

5.3	Grievance Registration Book	Yes	The record file is kept at the construction site.
5.4	Record of Grievance Received (If any)	NA	
6.	Placement of Signage		
6.1	Signage at Subproject Site	Yes	
6.2	Suggestion Box	Yes	The record file is kept at the construction site.
7.	Waste Management/Material Storage		
7.1	Waste Disposable Designated Area	Yes	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.
7.2	Material Storage Designated Area	Yes	Intake and Powerhouse

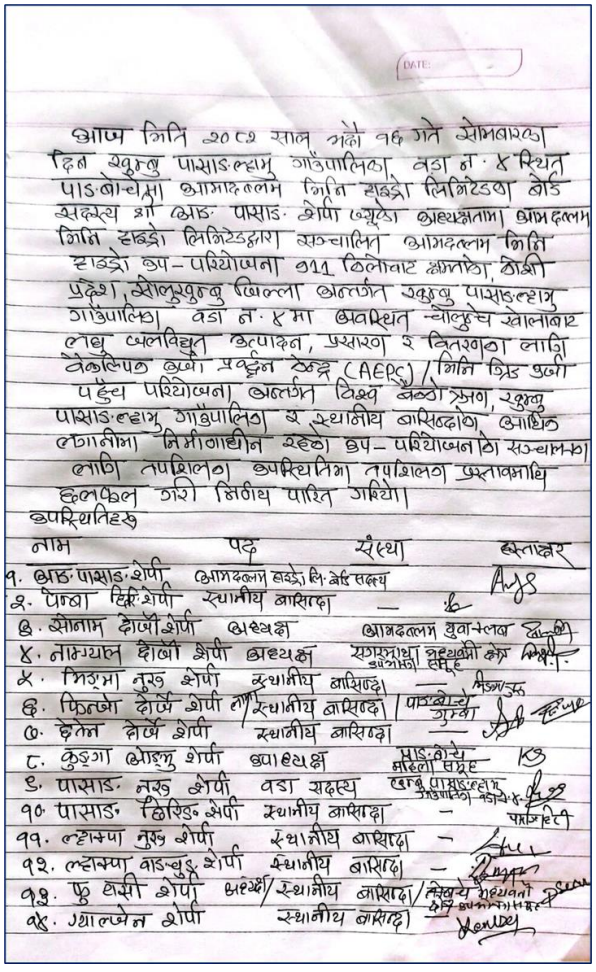
Annex 3: Photographs of Occupational Health and Safety (OHS) Measures and other activities

Figure: Opening of the program with the ceremonial lighting of the lamp and the respectful offering of the Khada scarf (GRC1 Reformulation Program)

Figure: Orientation provided to participants regarding the GRC 1

Figure: Newly elected member of the GRC 1

Figure: Group photo of all participants



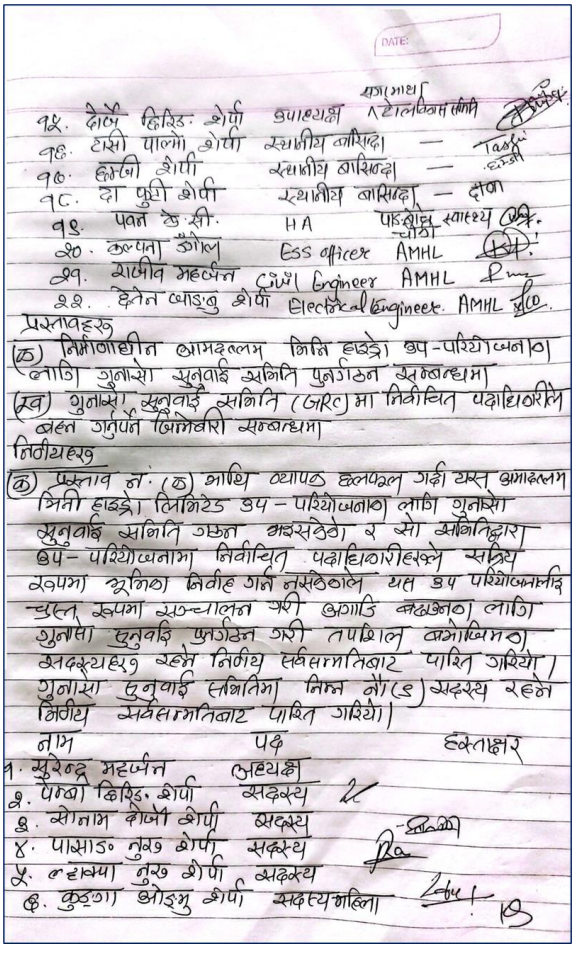
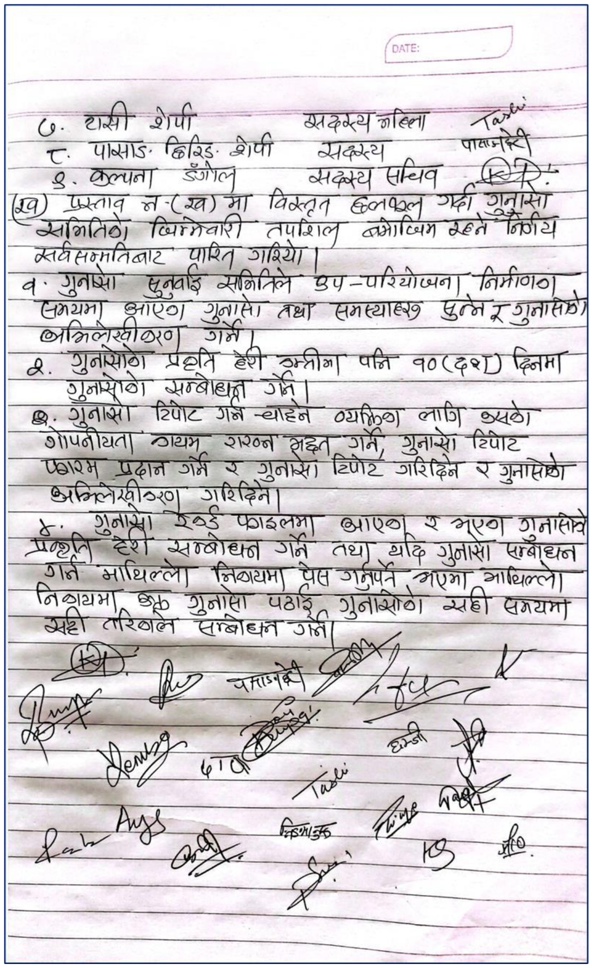


Figure: Meeting Minutes of GRC 1 Reformulation



७. टासी शेर्पा — सदस्य महिला
८. पासाङ छिरिङ शेर्पा — सदस्य
९. कल्पना डंगोल — सदस्य सचिव

(ख) प्रस्ताव नं. (ख) मा विस्तृत छलफल गर्दा गुनासो समितिको जिम्मेवारी तपशिल बमोजिम रहने निर्णय सर्वसम्मतिबाट पारित गरियो।

१. गुनासो सुनुवाइ समितिले उप-परियोजना निर्माणको समयमा आएको गुनासो तथा समस्याहरु सुन्ने र गुनासोको अभिलेखीकरण गर्ने।

२. गुनासोको प्रकृति हेरी कम्तीमा पनि १० (दश) दिनमा गुनासोको सम्बोधन गर्ने।

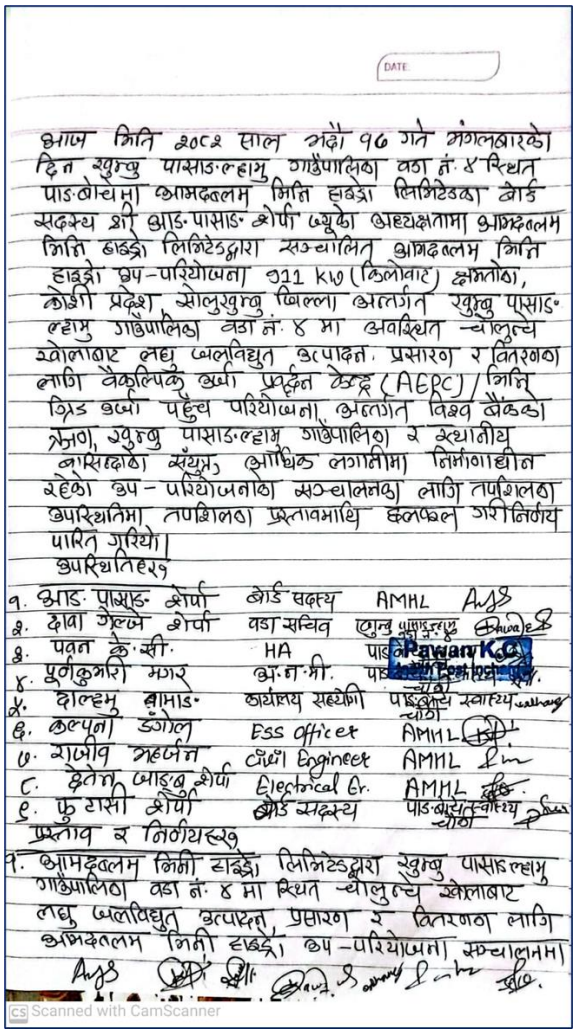
३. गुनासो रिपोर्ट गर्न चाहने व्यक्तिको लागि उसको गोपनीयता कायम राख्न मद्दत गर्ने, गुनासो रिपोर्ट फारम प्रदान गर्ने र गुनासो रिपोर्ट गरिदिने र गुनासोको अभिलेखीकरण गरिदिने।

४. गुनासो रेकर्ड फाइलमा आएको र भएको गुनासोको प्रकृति हेरी सम्बोधन गर्ने तथा यदि गुनासो सम्बोधन गर्न माथिल्लो निकायमा पेस गर्नुपर्ने भएमा माथिल्लो निकायमा गुनासो पठाई गुनासोको सही समयमा सही तरिकाले सम्बोधन गर्ने।

Figure: Meeting Minutes of GRC 1 Reformulation

Figure: Meeting with the Pangboche health post team

Figure: Pangboche Health Post (Upper Pangboche)



आज मिति २०८२ साल भदौ १७ गते मंगलबारको दिन खुम्बु पासाङल्हामु गाउँपालिका वडा नं. ४ स्थित पाङबोचेमा आमदबलम मिति हाइड्रो लिमिटेडका बोर्ड सदस्य श्री आङ पासाङ शेर्पा ज्यूको उपस्थितिमा आमदबलम मिति हाइड्रो लिमिटेडद्वारा सञ्चालित आमदबलम मिति हाइड्रो उप-परियोजना 911 kW (किलोवाट) क्षमतीय, कोशी प्रदेश, सोलुखुम्बु जिल्ला अन्तर्गत खुम्बु पासाङ ल्हामु गाउँपालिका वडा नं. ४ मा अवस्थित चोलुत्से खोलाबाट लघु जलविद्युत उत्पादन, प्रसारण र वितरणका लागि वैकल्पिक ऊर्जा प्रवर्द्धन केन्द्र (AEPC) / मिनि ग्रिड ऊर्जा पहुँच परियोजना अन्तर्गत विश्व बैंकको ऋण, खुम्बु पासाङल्हामु गाउँपालिका र स्थानीय लाभग्राही संयुक्त आर्थिक लगानीमा निर्माणाधीन रहेको उप-परियोजनाको सञ्चालनको लागि तयारीलगायत उपस्थितिमा तयारीलगायत प्रस्तावमाथि छलफल गरी निर्णय पारित गरियो।

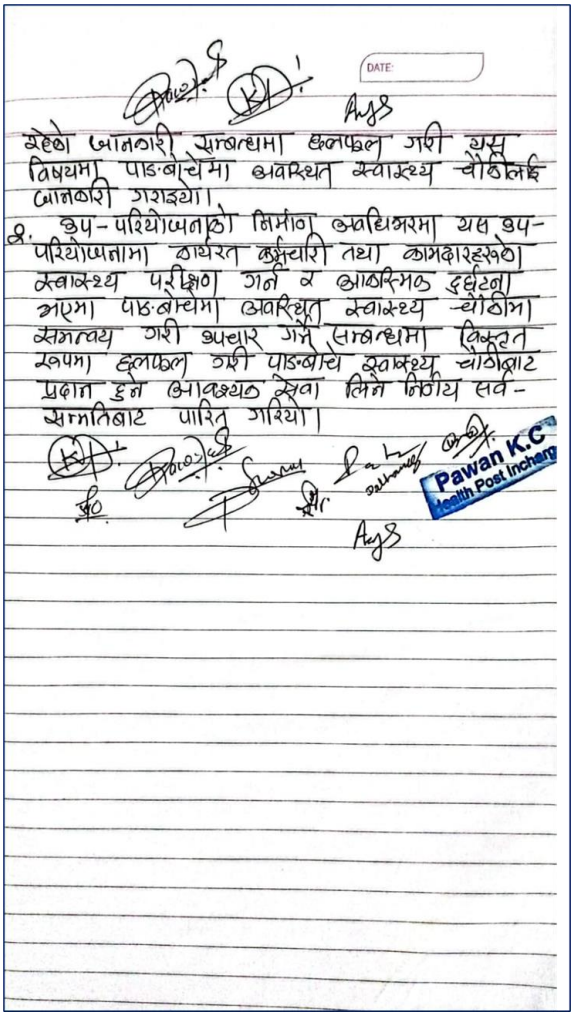
उपस्थितिहरू

१.	आङ पासाङ शेर्पा	बोर्ड सदस्य	AMHL
२.	दावा गेल्जे शेर्पा	वडा सचिव	खुम्बु पासाङल्हामु
३.	पवन के.सी.	HA	पाङबोचे
४.	पुर्णकुमारी मगर	आ.न.मी.	पाङबोचे
५.	दोल्दम बामाङ	कार्यालय सहयोगी	पाङबोचे
६.	कल्पना डंगोल	Ess officer	AMHL
७.	राजीव अर्यन	Civil Engineer	AMHL
८.	देवेन्द्र भाइबु शेर्पा	Electrical Er.	AMHL
९.	फु दासी शेर्पा	बोर्ड सदस्य	पाङबोचे

प्रस्ताव र निर्णयहरू

१. आमदबलम मिनी हाइड्रो लिमिटेडद्वारा खुम्बु पासाङल्हामु गाउँपालिका वडा नं. ४ मा स्थित चोलुत्से खोलाबाट लघु जलविद्युत उत्पादन, प्रसारण र वितरणका लागि आमदबलम मिनी हाइड्रो उप-परियोजना सञ्चालनमा

Pawan K.C
Health Post Incharge



२. उप-परियोजनाको निर्माण अवधिभरमा यस उप-परियोजनामा कार्यरत कर्मचारी तथा कामदारहरूको स्वास्थ्य परीक्षण गर्ने र आकस्मिक दुर्घटना भएमा पाङबोचेमा अवस्थित स्वास्थ्य चौकीमा समन्वय गरी उपचार गर्ने सम्बन्धमा विस्तृत रूपमा छलफल गरी पाङबोचे स्वास्थ्य चौकीबाट प्रदान हुने आवश्यक सेवा लिने निर्णय सर्वसम्मतिबाट पारित गरियो।

Pawan K.C
Health Post Incharge

Figure: Meeting Minutes with Pangboche Health Post

Figure: Information about AMHL was provided to the Gumba Lama visiting Mingbo Village for worship.

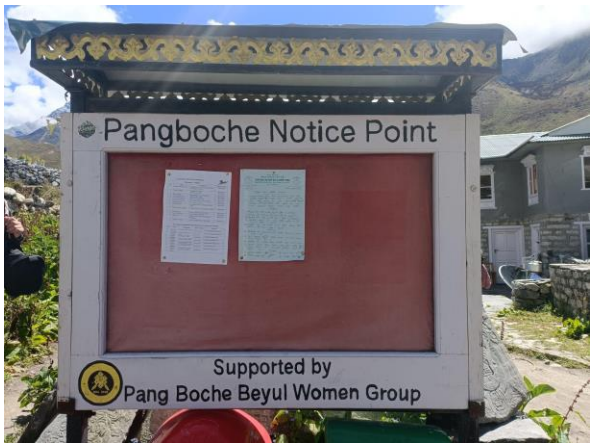
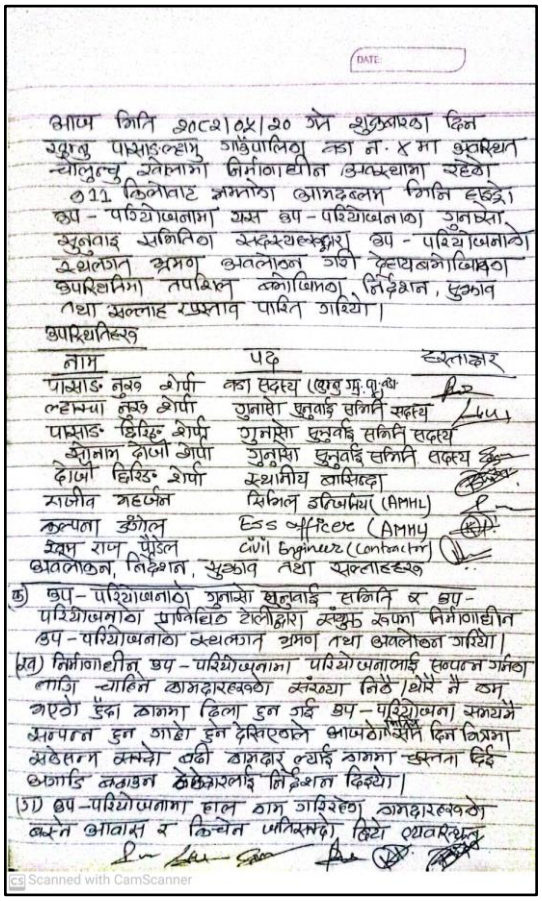


Figure: The AMHL project's emergency and suggestion numbers with contact details of responsible personnel are displayed on the information board.

Figure: The newly formed GRC 1 team visited the project site.

Figure: The newly formed GRC 1 team visited the project site.



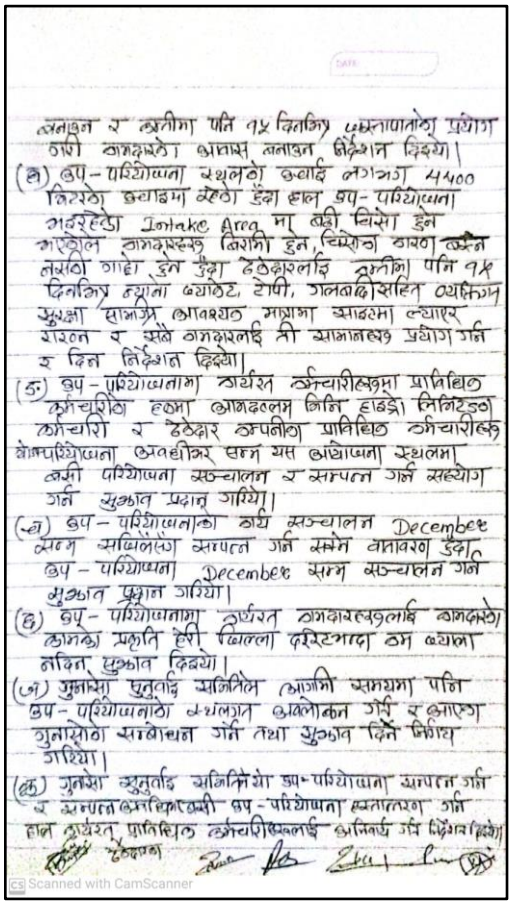


Figure: Meeting minutes of the GRC 1 team's project site visit.

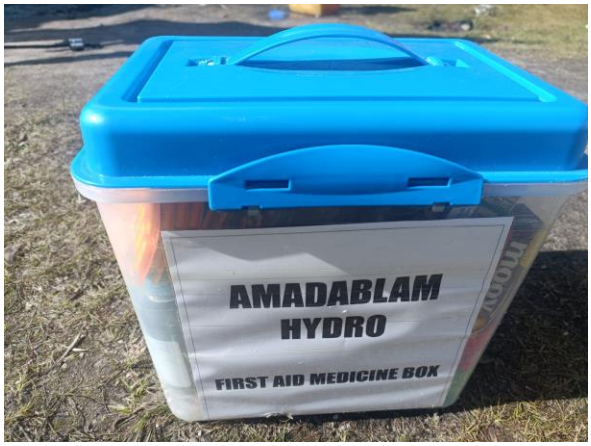
Figure: Labor are working at construction site

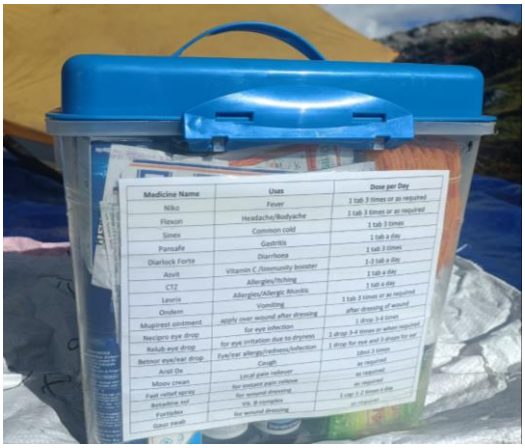
Figure: Existing Construction Signages

Figure: Project information board at construction site

Figure: Portable water near the labor camp

Figure: Demarcation of Project Area





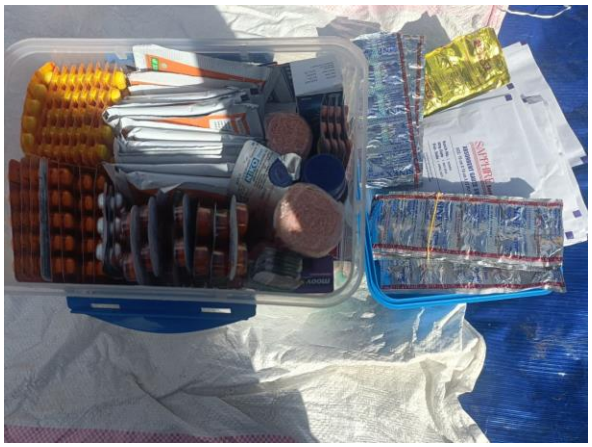


Figure: First aid box at construction site

Figure: Toilet near the labor camp