

Power Development Fund Development Board (Formation) Order, 2060 B.S.(2003 A.D.)

Date of Publication in Nepal Gazette

2060/6/8 B.S. (September 25, 2003 A.D.)

In exercise of the powers conferred by Section 3 of the Development Board Act, 2013 B.S. (1956 A.D.), Government of Nepal has issued the following Order.

1. Short Title and Commencement : (1) This Order may be called as "Power Development Fund Development Board (Formation) Order, 2060 B.S. (2003 A.D.)".

(2) It shall come into force immediately.

2. Definitions : Unless the subject or the context otherwise requires, in this Order,-

(a) "Board" means the Power Development Fund Board constituted pursuant to Section 3.

(b) "Chairperson" means the Chairperson of the Board.

(c) "Member" means the members of the Board and this term also includes the Chairperson.

(d) "Secretary" means the Secretary of the Board designated pursuant to Section 7.

(e) "Prescribed" or "as prescribed" means prescribed or as prescribed in the Rules framed under this Order.

3. **Constitution of the Power Development Board:** (1) A The Power Development Fund Development Board is hereby constituted to collect necessary sources, to promote the investment of the private sector, to invest the loan in the Projects that have been selected for the development of power and to mobilize, manage and operate or cause to be mobilized, managed and operate, the fund of the Board.

(2) The Board constituted pursuant to Sub-section (1) shall have the following Members:-

- (a) Director General, Department of Electricity Development - Chairperson
- (b) Two persons designated by the Government of Nepal from amongst the in-service officers, of at least Gazetted Second Class or equivalent to the same of the civil service who have experience for ten years and done Master's Degree in Civil or Electrical or Mechanical Engineering, or Economics, or Management or Law - Members
- (c) Two members nominated by the Government of Nepal from amongst persons of the private sector who have at least Ten years experience in the concerned sector and done Master's Degree in Civil, or Electrical or Mechanical Engineering or Economics or Management or the Law - Member

(3) The terms of office of the members designated or nominated pursuant to Clause (b) and (c) of the Sub-section (2) shall be of Five years, and he/she may be re-designated or re-nominated.

(4) Notwithstanding anything contained in Sub-section (3), Government of Nepal, if deems it necessary, may change the member pursuant to Clause (b) of Sub-Section (2) at any time mentioning thereof the reason.

(5) Notwithstanding anything contained in Sub-Section (3), while designating or nominating the member pursuant to Clauses (b) and (c) of Sub-section (2) for the first time, one shall be designated or nominated member for three years and other member for Five years.

(6) The post of the members shall be deemed to have be vacant in the conditions as follows:

- (a) If he /she fails to attend three consecutive meetings of the Board without notice,
- (b) If he/she tenders resignation of his/her post,
- (c) If he /she becomes insane or unsound
- (d) If he /she dies,

(7) If any member has carried out the act contrary to the interest of the Board, Government of Nepal may remove such member from his/her post.

(8) While removing any member from his/her post pursuant to Clause (a) of Sub-section (6) and (7) such member shall be required to be given an opportunity for his /her defense.

(9) If the post of any member is fallen vacant pursuant to Sub-section (6) or (7), Government of Nepal shall designate or nominate to such post for remaining terms.

(10) The Board may, if thinks necessary, invite an officer of Government of Nepal or any native or foreign expert or advisor as an observer in the meeting of the Board.

(11) No member of the Board shall be entitled to take part in discussion and decisions at the meeting of the Board on any matter, which he/she has personal interest in.

(12) The Department of Electricity Development shall carry out functions of the Secretariat of the Board until the establishment of separate office of the Board.

4. Functions, Duties and Powers of the Board: The functions, duties and powers of the Board shall be as follows:-

(a) **Functions, Duties and Powers of the Board:** The functions, duties and powers of the Board shall be as follows:-

(a) To flow loan or cause to be flown loan to the projects from the fund of the board that fulfils the terms and conditions prescribed by the Board,

(b) To recover loan or cause to recover loan that is flown by the Board.

(c) To supervise, monitor and inspect or cause to be supervised, monitored and inspected as to whether the acts and activities have been carried out as per the agreement concluded between the Board and the Fund Administrator or not.

(d) To mobilize capital market for power development.

- (e) To authenticate or cause to be authenticated the financial institutions that intend to invest in the projects that are qualified for investment under the Board by utilizing the fund of the Board.
- (f) To take responsibility of effective implementation of the loan to be flown by the Board and recovering the loan so flown.
- (g) To approve policy, planning and programme as regards to the operation and management of fund of the Board and to implement, supervise and monitor such policy, planning and programme,
- (h) To cause to be rendered support for consultancy and services by carrying out study and research in subject related with the power development,
- (i) To approve annual and periodic planning, programme and budget of the Board and to make necessary arrangement for implementation thereof,
- (j) To appoint advisor and consultant as per necessity, for smooth operation of the Board. .
- (k) To submit annual progress report and audit report to Government of Nepal,
- (l) To carry out or cause to be carried out other acts those are necessary to attain the objectives of the Board.

5. Procedure relating to Meeting of the Board : (1) The meeting of the Board shall be held on such date, time and venue as may be specified by the Chairperson.

(2) The meeting of the Board shall be held at least three times a year and the Secretary shall notify the members at least fifteen days in advance of the meeting as per the directive of the Chairperson .

(3) The presence of two third members out of the total number of members of the Board shall be deemed to have constituted a quorum for a meeting of the Board. .

(4) The meeting shall be presided over by the Chairperson and in his absence; it shall be presided over by a member selected by the members from among themselves.

(5) Majority opinion shall prevail in the meeting of the Board and in case of a tie; the Chairpersons shall exercise the casting vote.

(6) The Secretary shall authenticate the decision of the Board.

(7) Other procedures concerning to the meeting of the Board shall be as determined by the Board on its own .

6. **Fund Administrator:** (1) The Board shall appoint any private commercial bank as Fund Administrator.

(2) The Fund Administrator appointed pursuant to Sub-section (1) shall make recommendations, upon the fulfillment of the prescribed procedures for lending loan assistance to Investment Projects to be invested by the Board from the fund of the Board, flow loan as per the decision of the Board; recover the loan so flown and carry out the acts as per the agreement concluded between the Board and the Fund Administrator for management of the fund established for power development.

7. **Secretary of the Board** : (1) The Chairperson shall designate any employee of gazetted second class working in the Department of Electricity Development to work as the Secretary.

(2) Functions, duties and powers of the Secretary shall be as follows:

- (a) To carry out functions of the Board as Administrative Chief of the Board under the general direction of the Chairperson,
- (b) To prepare long term and short term plans, annual programs and budgets of the Board and submit the same to the Board for approval,
- (c) To implement or cause to be implemented decisions of the Board and plans and programs approved by the Board.
- (d) To prepare annual and periodic reports of the plans and programs operated by the Board and submit them to the Board.
- (e) To regularly monitor as to whether the Fund Administrator has carried out the responsibilities, required to be carried out by it under the agreement concluded between the Board and the Fund Administrator, and submit reports thereon to the Board,
- (f) To operate functions of the Board in well organized manner and carry out other necessary functions as per the directives of the Board,

(g) To carry out functions as prescribed.

(3) The facilities entitled to the Secretary shall be as prescribed by the Board upon the approval of Government of Nepal

8. Fund of the Board : (1) The Board shall have its own separate fund and the following amounts shall be credited to the said fund:-

- (a) The amounts received from Government of Nepal.
- (b) The amounts received from any native or foreign person,
- (c) Amounts received from international, organizations, institutions and foreign government,
- (d) Amounts received from consultancy and service rendered by the Board.
- (e) Principal, interest and other amounts received from investment of the Board,
- (f) Amounts received from other sources.

(2) Prior to obtaining any amount pursuant to Clause (c) of Sub-section (1), the Board shall obtain approval of Government of Nepal.

(3) The amount to be deposited in the Fund pursuant to Sub-section (1) shall be deposited in any commercial bank of Nepal prescribed by the Central Bank or the Board.

(4) All the expenditure to be incurred in the name of the Board shall be borne from the fund pursuant to Sub-section (1).

(5) The Fund pursuant to Sub-section (1) shall be operated as prescribed. .

9. **Accounts of the Board and Auditing** : (1) Accounts of the incomes and expenditure of the Board shall have to be maintained as per the method followed by Government of Nepal.

(2) Accounts of the Board shall be audited by the Office of the Auditor General or an auditor designated by that Office.

(3) Government of Nepal may, at any time, examine, or cause to be examined, the accounts of the Board and the documents relating to thereof and the cash and commodity of the Board.

(4) The Board shall submit audit report accompanied by details of its activities to Government of Nepal each year.

10. **Provision Relating to Employees**: (1) Necessary number of employees shall be appointed in the Board.

(2) The remuneration, terms and conditions of service and facilities of the employee appointed pursuant to Sub-section (1) shall be as prescribed.

(3) Notwithstanding anything contained in Sub-section (2), Government of Nepal shall provide employees that are required for the Board until employees have been appointed by bearing expenditure from own sources of the Board.

11. **Power to constitute a Sub-Committee**: (1) The Board may constitute or cause to be constituted necessary Sub-committee to carry out its functions under this Order and the Rules framed there under.

(2) The functions, duties, powers and procedures of the Sub-committees to be constituted pursuant to Sub-section (1) shall be as prescribed.

12. **Meeting Allowances:** The meeting allowances and other facilities entitled to the Members of the Board and Sub committees shall be as prescribed by the Board upon the approval of Government of Nepal.
13. **Delegation of Authority:** (1) The Board may delegate as required, any of its powers conferred on it under this Order and the rules framed there under to the Chairperson, member, Sub-committee or the Secretary.
- (2) The Secretary may delegate any of the powers conferred on him/her to any officer employee.
14. **Power to Issue Directives:** Government of Nepal, may issue necessary directives of the Board, in matters pertaining to policy and it shall be the duty of the Board to observe the Directives so given by Government of Nepal.
15. **Liaison with Government of Nepal:** The Board shall have to liaise with Government of Nepal through the Ministry of Water Resources.
16. **Power to frame Rules:** The Board may, in order to operate its business; frame necessary Rules and such Rules shall come into force upon approval of Government of Nepal.