



# Millennium Challenge Account Nepal

Newsletter Issue 2: November – December 2019



## Key Highlights

Press meet to appeal for timely ratification

ETP Outreach Events in Kathmandu & Delhi

14th Board meeting

## Field Events/Updates

EIA Public Hearings

District level stakeholders consultation for ETP

Workshop on Social and Gender Integration Plan

Site visits

Compensation Fixation Committee Meeting

TL realignment meeting in Parasi

## KEY HIGHLIGHTS

### Press meet for timely parliamentary ratification of the MCC Nepal Compact

MCA-Nepal organized a press meet on 22 December 2019 requesting the Parliament for timely ratification of the MCC Nepal Compact. The meet coincided with the starting week of the winter session of the House of Representatives. Mr. Khadga B. Bisht, the Executive Director of MCA-Nepal gave an overview of the organization and the status of the Compact. He highlighted the need for urgent ratification and to take the Compact towards implementation.



Mr. Khadga B. Bisht, Executive Director of MCA-Nepal addressing media representatives during the meet.

He also informed the media that all MCC Compacts worldwide are implemented only after a Parliamentary ratification and 17 other countries where the compact is being/ has been implemented have received parliamentary ratification. Parliamentary ratification and site access are the two major remaining conditions that will be required to ensure Nepal can access the funds allocated to implement the program on time. Expressing commitment to complete the program within the five years timeframe, Mr. Bisht mentioned, "We are in the final stage of preparatory works required for the implementation of our projects."

Mr. Bisht also delivered a press release in the same event which included updates of the major achievements of MCA-Nepal as highlighted below:

- On 29 September 2019, the Program Implementation Agreement (PIA), one of the Conditions Precedent to the Compact was signed by the Government of Nepal and the MCC, representing the US Government.



Participants during the Q & A session.

- On 30 September 2019, a Compensation Fixation Committee (CFC) was formed in Nuwakot under the Chairmanship of the CDO and the process to form similar committees in other nine districts is ongoing.
- On 15 October 2019, the Governments of Nepal and India agreed to the financing and ownership framework that will govern the implementation of the New Butwal - Gorakhpur cross-border transmission line, which is an integral part of the Nepal compact and a Condition Precedent. (Contd...)

- On 18 and 29 - 30 November, two outreach events in Nepal and India were held to inform potential construction and service providing organizations about upcoming procurement opportunities and to ensure that the best contractors from around the world participate in the global bidding for the construction of the projects.
- From 24 November - 6 December 2019, public hearings, which are a mandatory requirement in finalizing the environmental impact study of project areas were conducted in 30 municipalities of the 10 districts that will be affected by the Electricity Transmission Project. As a result, these 30 municipalities have provided their recommendation to move ahead.
- Local level stakeholder consultations have taken place in all 30 municipalities and district level stakeholder consultations are also being organized. Three district level consultations in Nuwakot, Sindhupalchowk and Nawalparasi (Bardaghat-Susta West) have been completed.
- Similarly, detailed design work, finalization of the transmission line alignment, and tendering as well as planning for the contractor selection process is progressing well and will be completed within the next two months so that these processes are carried out on time to allow for implementation phase to begin on 30 June 2020.

The meet ended after a question and answer session with the media. Around 50 journalists took part in the half day event that was organized in Hotel Royal Singi, Kathmandu.

### **Outreach Events in Kathmandu and Delhi**

MCA-Nepal organized two outreach events on 18 and 29 - 30 November in Kathmandu and Delhi to inform potential construction and service providing organizations about upcoming procurement opportunities. The purpose was also to ensure that the best contractors from around the world participate in the global bidding for the construction of the Electricity Transmission Project and Road Maintenance Project.

Participants were informed about upcoming procurement opportunities related to plant design, supply and installation, testing and commissioning of about 300 km of 400 kV D/C transmission lines in Nepal; plant design, supply and installation, testing and commissioning of the three 400 kV Substations in Nepal; Power Sector Technical Assistance Activity (Electricity Regulatory Commission and

Nepal Electricity Authority); Road Management Technical Assistance (Department of Roads and Roads Board Nepal) and procurement procedures/methods overview including key timelines. Around 60 people took part in the Kathmandu event and 35 people took part in the Delhi event.



Ms. Shalini Tripathi, Deputy Executive Director of MCA-Nepal addressing the participants during the event in New Delhi.

The success of MCA-Nepal projects will depend on timely procurement of contractors and consultants for design, construction and supervision of electricity lines and substations, road maintenance works, including a variety of technical services, equipment and construction works in different geographic locations within Nepal. These contracts will be completed through open international procurement procedures and there is an imperative to accomplish all procurement-related activities on time.

### **14th Board meeting of MCA-Nepal**

The 14<sup>th</sup> meeting of the Board of Directors of MCA-Nepal was held at the Ministry of Finance on 10 November 2019. The Board was updated on MCA-Nepal's ongoing activities. The Board also made decisions on the following agendas:

- 1) Approval of budget reallocation and approval for amendment in the Procurement Plan,
- 2) Decision on resolution for the approval of Project Cooperation Agreement with Ministry of Forests and Environment (MoFE).

The board further discussed on the fulfilment of Conditions Precedent (CP) for constructing the Butwal-Gorakhpur Cross Border Transmission Line and a way forward for fulfilment of remaining CP of Compact ratification.

To read the full minutes of the meeting click [here](#).



## Municipality level public hearing held in all districts to be affected by ETP

MCA-Nepal organized municipality level public hearings from 24 November - 5 December 2019 in all 30 Municipalities of the ten districts which will be affected by the Electricity Transmission Project (ETP) will be implemented. The purpose was to generate awareness of the importance of MCA-Nepal's ETP, share the draft Environment Impact Assessment (EIA) report, sensitize communities and local stakeholders on the potential social and environmental impact of the project activities and share mitigation measures adopted to address them. The EIA was conducted earlier in areas that will be affected, i.e. 98 wards of 30 municipalities. EIAs are carried out to minimize the adverse impacts on ecological, social and the surrounding physical environment. Considering these socio-environmental impacts, several adjustments were made on the alignment route for the transmission towers. The hearing was an opportunity to share how the EIA has adopted various impact mitigation measures, such as compensation based on resettlement cost, compensation for crops, fruits and plants for the transition period. Public hearings are a mandatory requirement in finalizing the environmental impact study of project areas that will be affected by the Electricity Transmission Project. As a result, many of these municipalities have provided their recommendation to move ahead. A total of 1543 people took part in public hearings out of which about 20% of the participants were women.



Public hearing in Shankharapur, Kathmandu



Public hearing in Belkotgadhi, Nuwakot



Public hearing in Kailash, Makwanpur

| Locations of Public hearing - District/Municipalities |                          |                           |                              |                     |                         |                             |
|---|--------------------------|---------------------------|------------------------------|---------------------|-------------------------|-----------------------------|
| DATE  | District - Municipality  | Venue                     | District - Municipality      | Venue               | District - Municipality | Venue                       |
| 11/24/2019  | Nuwakot- Belkotgadhi     | 7 Ward office             |                              |                     |                         |                             |
| 11/25/2019  | Nuwakot- Tarkeshwor      | Taruka Ghat               | Tanahu- Vyas                 | DDC Hall            | Dhading- Benighatrorang | Bisaltaar, Near GP Office   |
| 11/26/2019  | Nuwakot- Likhu           | GP Office                 | Tanahu- Rishing              | GP Office           | Dhading- Gajuri         | GP Office                   |
| 11/27/2019  | Nuwakot- Panchakanya     | Ward-5 Office             | Tanahu- Ghiring              | GP Office           | Dhading- Siddhalekh     | GP Office, Bunchung         |
| 11/28/2019  | Nuwakot- Shivapuri       | GP Office                 | Palpa- Rampur                | Bejad Bazar         | Dhading- Galchi         | GP Office                   |
| 11/29/2019  | Chitwan- Icchakamana     | GP Office                 | Palpa- Nisdi                 | GP Office           | Dhading- Thakre         | GP Office                   |
| 12/1/2019   | Tanahu- Abukhairani      | GP Office                 | Nawalparashi- Binayeetribeni | Ward-5 Office       | Dhading- Nilkantha      | DCC Hall (or Ward 5 office) |
| 12/2/2019   | Tanahu- Bandipur         | GP Office                 | Nawalparashi- Bardaghat      | Municipality Office | Makawanpur- Thaha       | Bhakundebesi                |
| 12/3/2019   |                          |                           | Nawalparashi- Sunwal         | Municipality Office | Makawanpur- Kailash     | GP Office                   |
| 12/4/2019   | Kathmandu- Shankarapur   | Jarshingpauwa             | Nawalparashi- Ramgram        | Municipality Office | Makawanpur- Hetuda      | DCC Hall (may change)       |
| 12/5/2019   | Sindhupalchowk- Melamchi | Community Building ward-1 | Nawalparashi- Palhinandan    | Municipality Office | Makawanpur- Raksirang   | GP Office                   |

## District level stakeholders consultation for ETP held in Parasi



Mr. Ram Lakhan Harijan, Member of National Assembly, acknowledging the importance of electricity transmission line.

MCA-Nepal organized a half-day district-level stakeholder consultation program on 20 November 2019 at the District Coordination Committee (DCC) Hall in Parasi district. The purpose was to inform stakeholders about the importance and impact of the Electricity Transmission Project (ETP), focusing on its activities in Parasi. Members of Federal and Provincial Parliament, local government officials including elected representatives from affected municipalities and wards, local NGO Federations, the media and other concerned stakeholders took part in the event. The event started with Mr. Khadga Bisht, Executive Director, MCA-Nepal presenting an introduction about MCA-Nepal and its governance structure under the Ministry of Finance. He also shared the background of Millennium Challenge Corporation's (MCC) work around the world, highlighting the reason Nepal was selected for a 500 million USD grant by MCC and the process undertaken by the Government of Nepal to identify the projects.

Mr. Bisht highlighted the inter-relationship between electricity consumption and the economy, citing examples of Asian countries like Bhutan and Laos in his presentation. He further explained the status of energy consumption and protection in Nepal and challenges in the development of transmission lines. In his final presentation, Mr. Bisht shed light on some of grievances regarding the alignment of the transmission line received from Parasi district and explained the proper process of addressing them.

Sharing the probable impact of the project in the lives of people and the environment, Mr. Shyam Upadhyaya, Quality Assurance Manager – Environment, Health and Safety, MCA-Nepal highlighted the different opportunities provided by the project including employment, industrial and economic growth.

Additionally he informed participants on how different international and national policies will be followed for the environment and social protection activities. Mr. Rajendra Prasad Thanju, Quality Assurance Manager – Social Inclusion and Resettlement, MCA-Nepal briefed the audience on the safeguarding policies of the project, which focuses on protecting the people and environment and enhancing environment sustainability. The Chief Guest of the Program Mr. Ram Lakhan Harijan, a Member of National Assembly, acknowledged the importance of electricity transmission lines and the construction of electricity sub-station, and emphasized that there should not be injustice against local people in the process of the implementation of the project which is a national pride project.

Presiding at the event, Mr. Shiv Shankar Ray, the Chief of District Coordination Committee mentioned that a win-win situation should be created for both of the parties to the project, i.e. the government and land-owners regarding land acquisition and compensation issues. The Special Guest of the program Mr. Shambhu Prasad Marasini, the Chief District Officer (CDO) of Parasi district stated that the compensation distribution against the land acquisition was going to be the most challenging task in the process but the project should not be hindered.

Parasi district is one of the ten districts that will be affected. In total, 32.8 km transmission line will cross the district, and the district will accommodate 101 towers. Additionally, one of the three sub-stations will be constructed in Ramgram Municipality of the district, a starting point for the New Butwal-Gorakhpur cross-border transmission line. District-level stakeholder consultations are being organized in all ten districts affected by the ETP. Three district level consultations in Nuwakot, Sindhupalchowk and Nawalparasi (Bardaghat-Susta West) have been completed.

The overall objective of such events are to generate awareness among local stakeholders about the importance of the ETP project, sensitize district government agencies, people's representatives and local stakeholders on the potential social and environmental impacts of project activities and mitigation measures adopted to build a common understanding and consensus among stakeholders. The Special Guest of the program Mr. Marasini, the CDO of Parasi district stated that the compensation distribution against the land acquisition was going to be the most challenging task in the process, but the project should not be disturbed in the name of 'Sufficient Compensation'. He also provided commitment to ensure necessary support for a project that has been identified as a national pride project by the government.

## External Stakeholder Consultation on Social and Gender Integration Plan (SGIP)

MCA-Nepal organized a half-day stakeholder consultation on 21 November 2019 for SGIP under the Electricity Transmission Project and Road Maintenance Project. The purpose was to get feedback from concerned agencies and build ownership of the SGIP document being finalized. Mr. Troy E. Kofroth, Resident Country Director- MCC welcomed the participants in the event. Ms. Shalini Tripathi, Deputy Executive Director (Management), MCA-Nepal presented briefly on the Compact and MCA-Nepal projects. She also highlighted SGIP's significance in the Compact for which she requested critical feedback and inputs from participants.



Ms. Yeshiareg Degene, Director of GSI at MCC, presenting her findings on GSI status of Nepal.



Mr. Troy Kofroth, Resident Country Director MCC, explaining the Nepal Compact to the participants.

Ms. Yeshiareg Dejene, Gender and Social Inclusion Director, MCC, Washington DC presented on MCC's approach to gender and social inclusion in which she shared Gender Policy 2011 and Operation Documents of MCC which requires gender and social analysis at all stages to inform Compact design. She also presented briefly on the key findings of Social and Gender Assessment Reports of Nepal which provided the base for SGIP.

GSI Specialists for MCA-Nepal - Ms. Kalawati Rai and Mr. Tara Gnyawali presented the action plans with regards to social and gender inclusion in the different sub-projects inside the Compact. The discussion session in the workshop gave an opportunity to all participants to put forth their views and share their expertise. Participants shared good practices and provided feedback on ways to make women and disadvantaged groups participate and create opportunities in the project.

Mr. Khadga Bahadur Bisht, Executive Director, MCA-Nepal delivered the closing remarks and thanked the participants for their time and ensured their comments would be incorporated in the final document. The event saw a participation from various stakeholders, including officials from Ministry of Federal Affairs and General Administration, Electricity Regulation Commission/Nepal Electricity Authority, Road Board Nepal, Department of Energy Development; Shakti Samuha and National Association of Community Electricity Users Nepal (NACEUN) around 15 people took part in the event.



Ms. Kala Rai, GSI specialist at MCA-Nepal, presenting about the action plans with regard to social and gender inclusion in the



## MEETINGS & SITE VISITS

### Meeting with Power Grid Company of India Limited (PGCIL)



MCA-Nepal team along with MCC during the visit to India with the PGCIL team.

On 18 November 2019, a team comprising MCA-Nepal and MCC staff along with Nepal Electricity Authority (NEA) officials Mr. Braj Bhusan Chaudhary and Mr. Mahesh Dahal traveled to Gorakhpur, India to meet with the Power Grid Company of India Limited (PGCIL) as a follow up to the seventh power sector India-Nepal joint meetings held on October 2019. The Government of Nepal and Government of India have agreed to establish a JV company in India to execute the Indian portion of the cross-border line under 50:50 equity ownership between NEA and PGCIL.

### Visit to New-Butwal Substation construction site

Likewise on 20 November 2019, a team comprising MCA-Nepal and MCC staff along with the Chief of District Coordination Committee of Parasi Mr. Shiv Shankhar Ray visited New Butwal Substation site. The purpose of the visit was to observe the site where the substation for the Butwal-Gorakhpur compact transmission line will terminate.



MCA-Nepal with the DCC Chief of Parasi Mr. Shiva Shankhar Ray at New Butwal Substation site.

### Compensation fixation committee meeting held in Ratmate



Mr. Khadga B. Bisht, Executive Director of MCA-Nepal addressing the committee during the meeting in Ratmate.

On 2 December 2019, a compensation fixation committee meeting was held in Ratmate, Nuwakot. The purpose was to establish the indicators for the evaluation and classification of the land which will be affected by the project. At the meeting, committee members agreed upon three types of land classification:

- *Chaubise – Shambhu Chowk - Dui Pipe road,*
- *Thulo Dhunga to Handi Khola/ Chautara road and*
- *Land across Handi Khola*

These land were classified using five indicators, which was also agreed upon by the committee. The status of the compensation work was also provided to the affected parties. The team also visited the Ratmate substation site for inspection and evaluation. The Environment and Social Protection (ESP) Team were able to gather substantial data on land valuation through extensive survey of other hydropower projects like of Budhi Gandaki, Tanahu and Kaligandaki Transmission Line projects. The local government, including the CDO of Nuwakot, Ward Chair from Belkotgadhi Municipality, representatives of the local affected households, MCC staff and the Executive Director of MCA-Nepal took part in the meeting. The meeting ended with the CDO's commitment and support in completing the project on time.

## Field visit for TL re-alignment in Parasi



MCA-Nepal team visiting the TL site with the Ward Chair of Ward no. 13 from Sunwal Municipality.

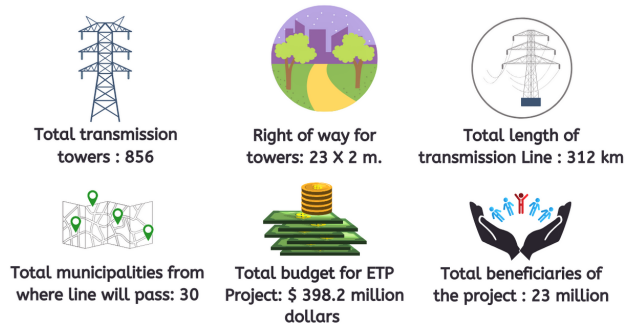
MCA-Nepal team and a consultation group from Stantec visited Parasi District from 7 - 12 November 2019 to consult with local residents, including complainants, municipal representatives and government officials regarding the grievances received and possible solutions. The team also visited the transmission Line path and explored possibilities of alternative routes, evaluated the possible environmental and social impacts due to the proposed changes.

In the same visit, the team met with local stakeholders including the CDO of Parasi Mr. Shambhu Prasad Marasini, Mayor of Ramgram Municipality Mr. Narendra Kumar Gupta, Mayor of Sunwal Municipality Mr. Bhim Bahadur Thapa Chettri and Mr. Baiju Prasad Gupta of the local Public Information Center. The main concerns of the local government were regarding the grievances of the local communities settled around the substation area. The team assured the CDO that he would be briefed about the solutions for registered grievances after consultation with stakeholders and field verification. Numerous public consultations were done before the finalization of route.

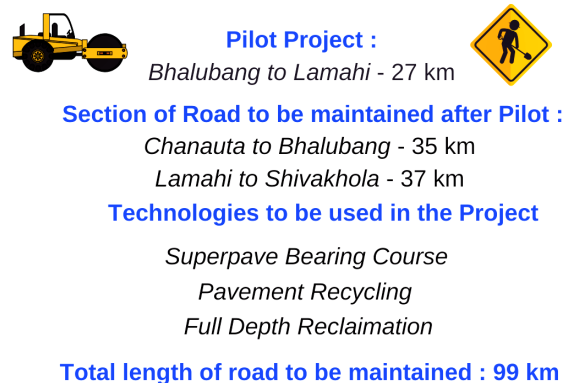


MCC and MCA - Nepal team briefing the Mayor of Ramgram Municipality about the transmission line path.

### Overview of Electricity Transmission Project (ETP)



### Overview of Road Maintenance Project (RMP)



### The Benefits of Electricity Transmission Project (ETP)







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