



MILLENNIUM
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MCA-Nepal Newsletter

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Launch of the MCC Nepal Compact Celebration Event



Millennium Challenge Corporation (MCC) CEO Ms. Alice P. Albright joined Rt. Hon. Prime Minister of Nepal Pushpa Kamal Dahal at a celebration hosted by MCA-Nepal on 4 October 2023 to mark the launch of implementation for the MCC Nepal Compact, which is jointly funded by the Government of Nepal and MCC.

Around 200 people participated in the two-hour event including representatives from various partner Ministries, Nepal Electricity Authority, Electricity Regulatory Commission, Department of Roads, Roads Board Nepal, MCA-Nepal Board of Directors, U.S. Embassy, Independent Power Producers' Association, Nepal, civil society and media.

Extending his congratulations, the chief guest of the event, Rt. Hon. PM Pushpa Kamal Dahal 'Prachanda' asserted that MCC funded projects have paved the way for new opportunities in areas of economic cooperation between Nepal and the U.S. He also expressed his hopes of

enhancing trade connectivity for Nepal throughout Asia, and that the effective implementation of the compact's projects would contribute significantly to Nepal's economic development and poverty reduction. He further extended his thanks to the U.S. Government for continued cooperation and assistance.

In her remarks, MCC CEO Albright said: "We worked with the Government of Nepal to set ambitious goals with this program in order to achieve great things with the people of Nepal. We stand ready to be a steadfast partner and have full confidence in the leadership of the Government of Nepal and its implementing agency, MCA-Nepal. We are ready to face the inevitable challenges together and deliver a successful program."

Entry into Force (EIF) is an important milestone for MCC compacts as it marks the fulfillment of necessary conditions and sufficient preparations to ensure successful completion of compact projects within a five-year timeline.

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Start of 5-Year Timeline

The Government of Nepal (GoN) and MCC marked the official start of implementation for the MCC Nepal Compact, with an exchange of letters between the Hon. Finance Minister Dr. Prakash Sharan Mahat and Vice President- Compact Operations at MCC Mr. Cameron Alford, on 30 August 2023 at the Ministry of Finance. The milestone follows an agreement between GoN and MCC that adequate progress on project preparation has been achieved.

"We are happy to mark this milestone to implement the Electricity Transmission Project – a designated National Pride project – and the Road Maintenance Project, which will invest in Nepal's strategic road network", remarked Dr. Mahat on the occasion. He expressed his belief that the MCC Nepal Compact with projects that will support Nepal's growth will benefit the people of Nepal from better roads and more reliable electricity.

"This is an exciting moment for the MCC-Nepal partnership," MCC VP Alford said. "MCC is proud to work



alongside our Nepali partners to invest in Nepal's greatest asset, its people.

Together, we will advance economic growth by creating business opportunities for Nepalis, improving road maintenance on the strategic road network, and finding innovative ways to improve the reliability of electricity all while protecting the environment."

Mr. Khadga Bahadur Bisht,

Executive Director (ED) at MCA-Nepal, the implementing entity of the program, highlighted, "We are looking forward to completing the projects successfully within the set budget and time frame as per the direction from the Government of Nepal and with MCC's cooperation."

Around 60 people participated in the event including Secretaries from partner Ministries, representatives from project partners, MCA-Nepal Board of Directors and the U.S. Embassy.

High-Level Visits

MCA-Nepal also hosted high level representatives from the Government of Nepal and U.S. Government prior to and after the launch of the MCC Nepal Compact.



Finance Minister Dr. Prakash Sharan Mahat visited the MCA-Nepal office on 13 July 2023.



Senator Mr. Chris Van Hollen from Maryland, US, visited the MCA-Nepal office on 1 September 2023.



Mr. Cameron Alford, Vice President, Department of Compact Operations, MCC visited the MCA-Nepal office on 31 August 2023.



MCC CEO Ms. Alice P. Albright visited the MCA-Nepal office and interacted with MCA-Nepal staff on 4 October 2023.

PROCUREMENT ACTIVITIES

Outreach for Power Sector Technical Assistance



The market outreach event for potential bidders of the upcoming procurements related to the Power Sector Technical Assistance activity organized in Kathmandu on 1 August 2023.

MCA-Nepal organized a market outreach event in New Delhi, India on 8 August 2023 for potential bidders of the upcoming procurements related to the Power Sector Technical Assistance (TA) activity under the ETP.

Detailed information about the objective of the procurements and its timeline alongside necessary procurement, procedures, principles and guidelines of MCA-Nepal were provided at the event. Around 50 participants (in-person and online) from national and international companies attended the event.

The Power Sector TA activity will help strengthen the performance of Nepal's power sector institutions, including the Electricity Regulatory Commission and the Nepal Electricity Authority.

A similar market outreach event was organized in Kathmandu on 1 August 2023.

Around 60 in-person and online participants from national and international companies took part in the event. The event also helped in generating interest among potential bidders to take part in the procurement of Consulting Services for Embedded (Resident) Advisors for Electricity Regulatory Commission (ERC) launched on 22 September 2023.

MCA-Nepal also organized a

Pre-proposal Conference for in which 48 participants (interested service providers in person and online) from 20 firms took part.



The market outreach event for potential bidders of the upcoming procurements related to the Power Sector Technical Assistance activity organized in New Delhi, India on 8 August 2023.



The Pre-proposal Conference for potential bidders of the upcoming procurements related to the Power Sector Technical Assistance activity organized in Kathmandu on 6 October 2023.

Outreach Event for MCA Partnership Program (MPP)

MCA-Nepal organized a market outreach event for potential bidders to share information on the upcoming procurements related to the MCA Partnership Program (MPP), a sub-activity for benefit sharing under the ETP on 13 October 2023.

The event provided detailed information on the objective of the procurement and its timeline to potential bidders alongside

necessary procurement, procedures, principles and guidelines of MCA-Nepal.

Around 80 in-person and online participants from national and international companies took part in the event organized in Kathmandu.

MPP is a key component of the ETP and serves as a sub-activity aimed at sharing benefits. Its primary role is to complement the project by establishing and

strengthening relationships with communities within the areas affected by the ETP.

This program will help alleviate the risk of project delays and includes three main thematic areas. The focus of the three thematic areas is electricity distribution system augmentation and extension, off-grid/grid solutions for water supply schemes, and capacity building for enhanced electricity use.



The market outreach event for potential bidders on the MCA Partnership Program (MPP) on 13 October 2023.

Bid Opening for the Construction of Three Substations

MCA-Nepal organized a bid opening event for the construction of three Substations on 19 October 2023.

The procurement for the plant design, supply, delivery, installation, testing and commissioning of three substations has been divided into three lots: 400 kV Ratmate Substation and works at Lapsipedi and New Hetauda Substation under Lot No. 1, 400 kV New Butwal Substation under Lot No. 2 and 400 kV New Damauli Substation under Lot No. 3.

A total of seven bids submitted by the given deadline were opened in the presence of bidders representing various companies. Linxon India Pvt. Ltd (India), Siemens Ltd., India (India) and KEC International Ltd. (India) have bid for all three lots. Techno Electric and Engineering Co. Ltd. (India) bid for Lot No. 1 and 3, Tata

Projects Ltd. (India) for Lot No. 2, National Contracting Co. Ltd. (Saudi Arabia) for Lot No. 2 and 3. Similarly, Betas and ZNCC Joint Venture (Turkey and Afghanistan) submitted a bid for Lot No. 2.

As next steps, MCA-Nepal will evaluate the technical and financial proposals of submitted bids to initiate the construction works for three substations in the coming months.



The bid opening event for the construction of three Substations conducted on 19 October 2023.

ELECTRICITY TRANSMISSION PROJECT (ETP)

Progress on Land Acquisition for Transmission Line

MCA-Nepal has made notable progress in acquiring land to build tower pads for the transmission line as per the Land Acquisition Act, 1977.

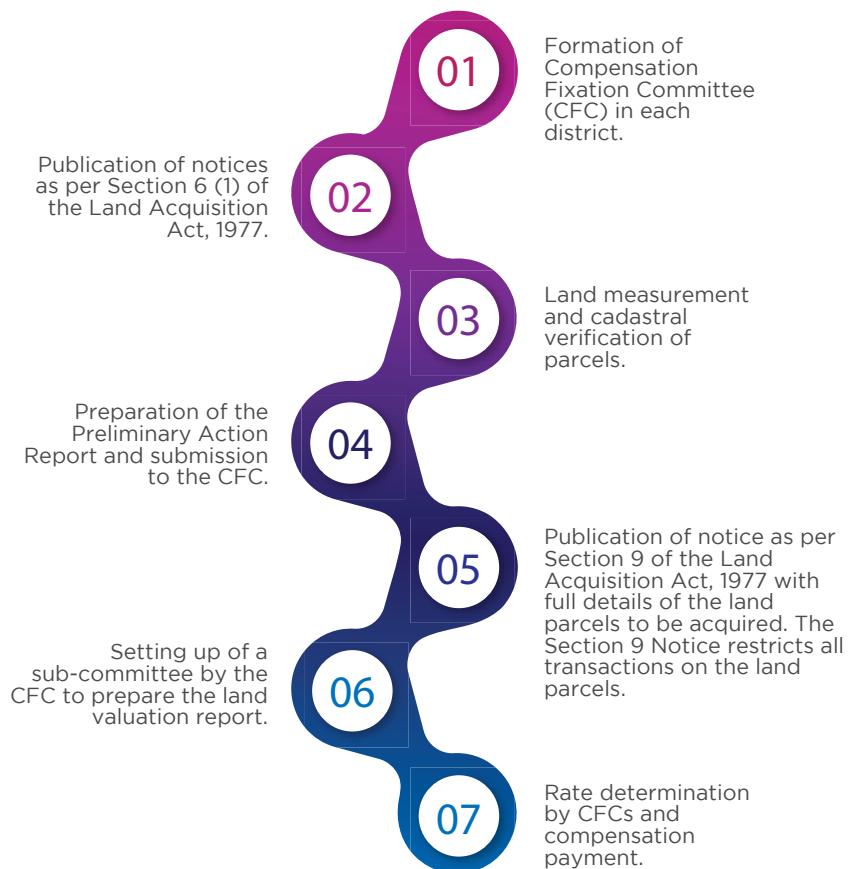
MCA-Nepal organized stakeholder meetings in all nine districts prior to the formation of the Compensation Fixation Committee (CFC) under the chairmanship of Chief District Officers of respective districts.

MCA-Nepal completed most of the above (from 1 - 6) activities in nine districts except in Kathmandu district by the end of August 2023. Public notices as per Section 9 of the Land Acquisition Act, 1977 with full details of the land parcels to be acquired have been issued in all nine districts. The notices were issued after MCA-Nepal submitted the Preliminary Action Reports on land acquisition at meetings chaired by Chief District Officers and Chairpersons of the Compensation Fixation Committee of respective districts.

Additionally, CFC meetings have been organized in all nine districts to form sub-committees to prepare technical reports for compensation determination.

In Kathmandu district, where only 4.8 km out of 315 km transmission

Sequence of Activities for the Land Acquisition



lines fall, land acquisition activity is on hold due to local grievances and site-specific issues at NEA's Lapsipedi Substation site. NEA is

engaging with the local community and elected representatives to find a possible solution in the near future.

CDOs Workshop to expedite Land Acquisition for TL

MCA-Nepal organized a workshop with Chief District Officers (CDOs) from affected districts of ETP at Manigram in Rupandehi District on 24 July 2023. The workshop helped develop a common understanding to facilitate land acquisition process for the transmission lines in respective districts.

Attending the workshop as the chief guest, Dr. Prakash Sharan Mahat, Minister of Finance, emphasized the need for collective efforts for the timely completion of the projects under the MCC Nepal Compact.

The workshop, chaired by Mr. Arjun Prasad Pokharel, Secretary of the Ministry of Finance and the Board Chair of MCA-Nepal,



CDOs from ETP districts attending a workshop to facilitate the land acquisition process in Butwal on 24 July 2023.

will help expedite the land acquisition process with land price determination alongside compensation to be made for the project-affected people in related districts for the ETP.

Mr. Dinesh Bhattarai, Secretary at

the Ministry of Home Affairs and CDOs of Makwanpur, Tanahun, Palpa, Nawalparasi (Bardaghat Susta East) and Nawalparasi (Bardaghat Susta West) districts actively participated in the workshop.

Household Surveys for the Preparation of Resettlement Action Plan



Household survey being conducted in Nuwakot district.

MCA-Nepal has completed household surveys in Chitwan and Nawalparasi (East) districts to obtain sociocultural, demographic and economic information on project-affected families. Household surveys are ongoing in Dhading, Makwanpur, Nawalparasi (Bardaghat Susta West), Nuwakot, Palpa and Sindhupalchowk districts.

The survey is an integral part of MCA-Nepal's Resettlement Action Plan (RAP) and will be carried out in all 10 districts affected with the construction of transmission lines under the ETP.

Consultations in Response to Grievances

MCA-Nepal organized consultations with the local community at Ward No. 5 and 6 of Likhu Rural Municipality, Nuwakot district on 13 August 2023. The consultations were organized in response to

grievances registered against the proposed route of the transmission line by project affected people. The meeting was held in the presence of the Chairperson of Likhu-5 Mr. Bishwo Prasad Khatiwada.

MCA-Nepal continues to consult and engage with affected communities in all ten districts to ensure grievances are well addressed before any construction works begin.

Forest Census

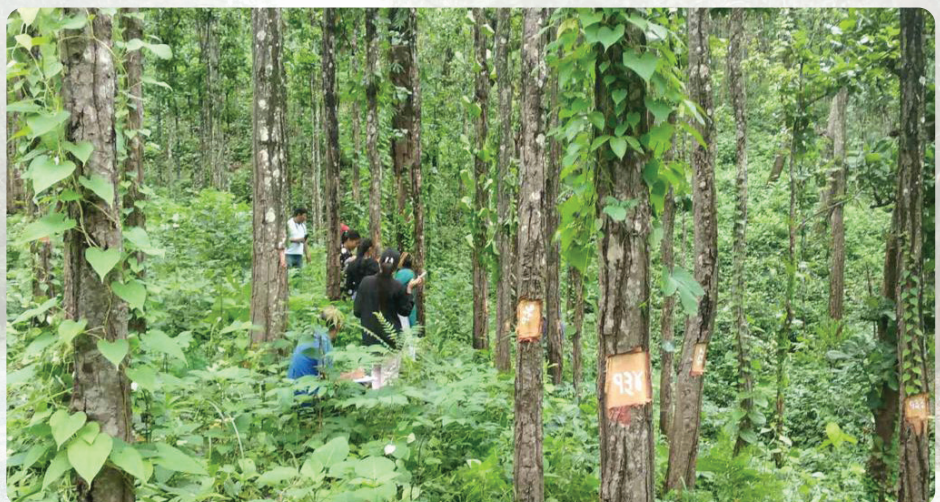
MCA-Nepal initiated work on forest census in districts to be affected by the ETP. After completion of consultations with Community Forest User Groups and Leasehold Forest User Groups, orientations to lead forest census teams were provided to Divisional and Sub-Divisional Forest Officers in nine districts.

Following the orientation events, a series of forest censuses were carried out starting July 2023 in those nine districts and has been completed in Makawanpur, Chitwan, Tanahun and Nawalparasi (Bardaghat Susta East) districts.

The activity aimed to document and provide details of forest area; the number of trees that need to be cleared in the community, leasehold and government forests affected by the ETP. Based on the data collected, MCA-Nepal will plan appropriate mitigation measures. The census will be carried out in all ETP implementation districts. Forest census will pave the way for forest clearance during the construction of tower pads for the transmission line.



An orientation to lead forest census team organized in Tanahun district.



Forest Census being conducted in Makawanpur district.

Impact on Project-affected Women and Children being analyzed

MCA-Nepal organized Focus Group Discussions (FGDs) with project affected women at Kailash Municipality, Hetauda Sub Metropolitan City, Thaha Municipality and Raksirang Rural Municipality in Makawanpur district to analyze the socio-economic impacts on women and children due to resettlement activities of the ETP from 20 November to 23 November 2023.

School children from Shree Nirmal Higher Secondary School, Hetauda Sub Metropolitan City and Indrayani Secondary School, Thaha Municipality of Makawanpur district were also part of the discussions.

The findings will be documented in the Resettlement Action Plan as well as the safeguarding measures plan accordingly. Similar consultations will be held in all project-affected districts.



FGDs with project affected women at Kailash Municipality, Makawanpur.



FGDs with project affected school children in Hetauda Sub Metropolitan City, Makawanpur.

New Butwal Substation Construction Site Visit

Members of MCA-Nepal Board of Directors Mr. Kul Man Ghising, the Managing Director of Nepal Electricity Authority (NEA), and Mr. Kumar Pandey, the private sector representative, visited the New Butwal Substation construction site on 23 July 2023.

The purpose of the visit was to observe the construction site and other ongoing construction works by the NEA. New Butwal Substation is one of three 400 KV substations to be constructed by MCA-Nepal in Sunwal Municipality of



Members of MCA-Nepal Board of Directors Mr. Kul Man Ghising, the Managing Director of Nepal Electricity Authority (NEA), and Mr. Kumar Pandey, the private sector representative, at the New Butwal Substation construction site on 23 July 2023.

Nawalparasi (Bardaghat Susta West) district. NEA has provided the land to build the substation.

Similarly, the MCA-Nepal and MCC team, consisting of MCA-Nepal ED Mr. Khadga Bahadur Bisht and MCC RCD Ms. Diane Francisco

visited the construction site of New Butwal Substation at Sunwal Municipality of Nawalparasi (Bardaghat Susta West) District on 30 November 2023 as part of the regular project activity.



MCA-Nepal and MCC teams at the New Butwal Substation construction site on 30 November 2023.

LIVELIHOOD RESTORATION PROGRAM – RATMATE

Inauguration of Bhimeshwar Multipurpose Cooperative

The Mayor of Belkotgadhi Municipality Mr. Jagat Bahadur Gurung inaugurated Bhimeshwar Multipurpose Cooperative Ltd. at Belkotgadhi Municipality in Nuwakot district on 4 July 2023 in the presence of project-affected people and other locals.

MCA-Nepal organized a Cooperative Management Training on 7 – 8 July 2023 and an Organization Management and Leadership Development Training on 26 – 27 November 2023. The purpose was to build the capacity of the Board of Directors and other committees of the Cooperative to run the Cooperative smoothly. 48 local people have registered for membership as of November 2023.



Mr. Jagat Bahadur Gurung, Mayor of Belkotgadhi Municipality inaugurating Bhimeshwar Multipurpose Cooperative Ltd. at Belkotgadhi Municipality, Nuwakot district on 4 July 2023.

MCA-Nepal provided technical support to establish the cooperative for the economic sustainability and empowerment

of project affected people at the substation construction site under its Livelihood Restoration Program.

Ongoing Training and Support to Project Affected People

The two-year Livelihood Restoration Program (LRP) being implemented in the Ratmate Substation site has been delivering various trainings and support to enhance the livelihood of Project Affected People (PAP) as per their choices.

Currently, 272 people are engaged in different vocational and skills-based training; including automobile mechanic, light vehicle driving, web design, beautician, doll and cushion, basic photography and business plan development.

Additionally, under the program, trainees were also provided with resources such as production materials, tools and on-farm technical support.

The program is an integral component of MCA-Nepal's resettlement action plan based on international standards to ensure improved means of livelihood for physically and economically displaced people.

Some glimpses of activities carried out under LRP:



Business plan orientation for PAPs trained in doll and cushion



A PAP trained in poultry training attends to her chickens in her farm.



PAPs attending a beautician refresher training.



A PAP trained in commercial agriculture harvesting her produce.



PAPs in a practical session under automobile mechanic training.

ROAD MAINTENANCE PROJECT (RMP)

Orientation on FDR Fatigue Curve Preparations

MCA-Nepal conducted an orientation program on preparing Full Depth Reclamation (FDR) Fatigue Curve in Department of Roads from 31 October to 3 November 2023.

The training is an essential component of the Strategic Road Maintenance Activity in which, new

pavement improvement technologies, namely, FDR and Superior Performing Asphalt Pavement (Superpave) will be adopted.

A 40km road section from Dhan Khola - Lamahi Road in the East-West Highway has been identified for the activity for which design works are under preparation.



Lab technicians participating in the training on 2023.

Consultation with Stakeholders in Dang

MCA-Nepal organized a consultation with stakeholders at the Office of Chief Minister of Lumbini Province in Dang on 1 December 2023.

The purpose was to create a common understanding on the design of the 40 km road section from Dhankhola-Lamahi for the FDR, share technical details and benefits of the project and implementation plan with relevant stakeholders.

The meeting also gathered feedback and built consensus among district level and local authorities for project implementation.

Home Minister of the Province Hon. Santosh Pande, representatives from the Ministry of Finance, Department of Roads, MCC officials and other



Mr. Rohit Acharya, representative from MCA-Nepal's Consultant SWECO AS Danmark presenting on technical details in the consultation on 1 December 2023.

provincial and local stakeholders from project implementation areas took part in the meeting.

MCA-Nepal will maintain and upgrade the road section from

Dhankhola to Lamahi of the East-West highway in Dang district by introducing innovative, climate-smart and cost-effective sustainable technologies on road maintenance.

Training on International Roughness Index Class 2 Equipment Installation & Application



Resource persons and participants of the training on International Roughness Index Class 2 Equipment Installation and Application.

MCA-Nepal organized a training on International Roughness Index Class 2 Equipment Installation and Application for engineers from the Department of Roads (DoR), Institute of Engineering and its Road Maintenance Project (RMP) team from 19 to 22 December 2023 in Kathmandu.

The training guided participants in the use of

the equipment to collect road roughness data on strategic road networks.

The collected data will be used to prepare periodic road maintenance and rehabilitation plan. A total of 16 engineers took part in the training.

The training is a component of technical assistance activity under the RMP to build the capacity of DoR in road maintenance.

COMMUNITY VOICES

Bhim Maya, a weaver of her dreams



Bhim Maya Limbu, 53 lives with her family of five; her husband, son, daughter-in-law, and her two-year-old granddaughter at Dhansar village of Belkotgadhi Municipality, Nuwakot district. A former migrant worker in Kuwait, she sent home her savings to purchase a piece of land at Dhansar village. Her family cultivated crops and vegetables in the land and it was their primary source of income.

After MCA-Nepal acquired their land for the construction of Ratmate Substation in Nuwakot district, the family had to vacate their land and relocate nearby with the compensation amount against their land. Soon after, Bhim Maya returned to Nepal.

When MCA-Nepal launched its Livelihood Restoration Program (LRP) to improve the livelihoods of affected people, Bhim Maya enrolled into the program to explore new avenues to generate income for her family and expressed her desire to be trained in Dhaka weaving. She had some prior knowledge of the craft and wanted to acquire additional skills to start her own business.

Initially, her husband did not allow her to participate in the training and neither did he support her idea to start a business. Despite this, she joined the two-month training in Dhaka weaving and successfully completed it.

Seeing her commitment and interest, her training was extended for an additional month. Once the training was over, she utilized the funds received from the compensation money to purchase a Dhaka weaving machine and some

necessary raw materials. With a machine at home, she started to weave Dhaka full time to develop various products at scale and sell it at a good price.

She is now motivated to extend her enterprise. She hopes to use the profit generated by her business to add more Dhaka weaving machines and increase job opportunities for other local people imparting her skills.

Bhim Maya is grateful for the business opportunity and acknowledges MCA-Nepal's support which helped hone her skills and evolve into an entrepreneur. She says, "Had I not received this training, I would have probably gone abroad to work again as any other migrant worker."

The LRP is an integral component of MCA-Nepal's resettlement action plan based on international standards to ensure improved means of livelihood for physically and economically displaced people.

More on Bhim Maya's story:

<https://www.youtube.com/watch?v=TnjHII94xg4>.

“ Had I not received this training, I would have probably gone abroad to work again as any other migrant worker. ”



Ms. Bhim Maya weaving Dhaka at her home in Nuwakot.

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