



MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA



MCA-Nepal Newsletter

Issue No. 7

April - June 2023

CONTENTS

Events	3
Electricity Transmission Project	4
Road Maintenance Project	10
MCC Nepal Compact Facts	11
Community Voices	12

For recent updates,
follow us on:



Exchange of Implementation Letter between GoN and MCC



Dr. Prakash Sharan Mahat, Minister of Finance, and Mr. Jonathan Brooks, DVP for EAPLA programs of MCC, exchanging an implementation letter to incorporate the GoN's additional investment at the Ministry of Finance on 24 May 2023.

The Government of Nepal (GoN) has increased its investment in the MCC Nepal Compact by USD 67 million to fund the construction of an 18 km cross-border transmission line segment, and at the Nepal Electricity Authority (NEA)'s request to expand substation works under the Electricity Transmission Project (ETP).

Dr. Prakash Sharan Mahat, Minister of Finance, and Mr. Jonathan Brooks, Deputy Vice President (DVP) for Europe, Asia, Pacific and Latin America (EAPLA) programs of MCC, countersigned an implementation letter to incorporate the GoN's additional investment at the Ministry of Finance on 24 May 2023.

The GoN cabinet meeting held on 23 May 2023 approved the additional investment in the Compact.

The additional funding of USD 67 million will be utilized to supplement the Electricity Transmission Project (ETP) budget under the MCC Nepal Compact. It will further ensure the success for the construction

of the Nepal-India cross-border transmission line and expand the scope of work in the building of the three substations through the installation of several additional bays.

Similarly, as highlighted in the implementation letter, the Road Maintenance Project (RMP) scope has been adjusted to address the emphasis by the Department of Roads on better sustainability and the use of innovative and cost-effective technology and to take into consideration overall cost increases in materials and goods in the supply chain.

The scope changes will increase pavement recycling from limited "pilot" work to approximately 40 km, and modify the periodic road maintenance works on up to 90 km of roads, rather than "up to 305 km" as planned. In terms of coverage, a total of 130 km of roads in the National Highway Network will be a part of the project. These scope changes will not impact the overall road maintenance works budget.



MCC DVP Brooks Visits Ratmate LRP Site

Mr. Jonathan Brooks, Deputy Vice President for Europe, Asia, Pacific and Latin America (EAPLA) programs of MCC and Mr. Khadga Bahadur Bisht, Executive Director of MCA-Nepal visited the site of the Livelihood Restoration Program (LRP) at Ratmate, Belkotgadhi Municipality, Nuwakot district on 21 May 2023.

The purpose was to observe ongoing activities under the program and interact with people affected by the project, benefitting from various trainings being conducted under the program. The program is an integral component of MCA-Nepal's resettlement action plan based on international standards and best practices to ensure improved means of livelihood for physically and economically displaced people.

Currently, the program is supporting 272 project affected people, of which 108 are engaged in agriculture and livestock-related activities while 164 are a part of 18 different vocational and skills-based trainings. These trainings are being delivered in line with independent livelihood choices made by the project-affected people.



Mr. Jonathan Brooks, DVP for EAPLA programs of MCC and Mr. Khadga Bahadur Bisht, ED of MCA-Nepal with beneficiaries of the LRP at Ratmate, Belkotgadhi Municipality, Nuwakot district on 21 May 2023.

Project Cooperation Agreement with NEA



Mr. Khadga Bahadur Bisht, ED, MCA-Nepal, and Mr. Dirghayu Kumar Shrestha, Deputy Managing Director at the Transmission Directorate, NEA, exchanging the PCA in the presence of Mr. Sanjay Poudyal, Acting Residential Country Director for Nepal, MCC, Mr. Kul Man Ghising, Managing Director at NEA, and other officials on 30 May 2023.

MCA-Nepal signed a Project Cooperation Agreement (PCA) with Nepal Electricity Authority (NEA) on 30 May 2023.

The agreement was signed by Mr. Khadga Bahadur Bisht,

Executive Director at MCA-Nepal, and Mr. Dirghayu Kumar Shrestha, Deputy Managing Director at the Transmission Directorate, NEA in the presence of Mr. Kul Man Ghising, Managing Director at NEA.

MCA-Nepal and NEA signed the agreement in order to establish an operational partnership to support the implementation of the Electricity Transmission Project.

EVENTS

Site Visit for Interested Bidders

MCA-Nepal organized a site visit from 20-23 April 2023 for interested and potential bidders for the construction of three substations under the Electricity Transmission Project. The three new 400 kV indoor gas-insulated substations (GIS) include the Ratmate Substation at Ratmate of Belkotgadhi Municipality in Nuwakot District, the New Damauli Substation in Tanahun District, and the New Butwal Substation at Bhumahi in Nawalparasi Bardaghat Susta West District.

Around 25 representatives from 11 companies participated in the site visit. During the visit, MCA-Nepal team clarified specific questions related to the sites from the participating prospective bidders. A Specific Procurement Notice



Potential bidders for the construction of substations under the MCC Nepal Compact at the substation construction sites.

was published on 24 March 2023 with an invitation for sealed bids from all interested eligible bidders for the design, supply,

delivery, installation, testing and commissioning of the substations.

The last date for submission of bids is 4 September 2023.

Pre-Bid Meeting for Interested Bidders

MCA-Nepal organized a pre-bid meeting for interested and potential bidders to construct three 400 kV substations under the Electricity Transmission Project on 25 April 2023.

The meeting focused on sharing important provisions in the bid document for the design, supply, delivery, installation, testing, and commissioning of substations along with other core procurement requirements.

Ms. Shalini Tripathi, Deputy Executive Director – Management of MCA-Nepal delivered the welcome remarks and shared that the site visit was organized prior to the meeting to help all the bidders to prepare their bids with a better comprehension of the context. She oriented the participants with a brief presentation on the



Mr Sanjay Sharma, Project Manager-Substations, MCA-Nepal addressing the pre-bid meeting on 25 April 2023.

difference between MCA-Nepal and MCC and provided an update on the current status of the project.

Mr. Sanjay Kumar Sharma, Project Manager-Substations at MCA-Nepal, shared technical information on the proposed substations, project timeline, site

access, and project requirements.

Mr. Luis Villalta, MCA-Nepal Consultant and Procurement Agent at DT-Global Nepal, presented the bidding document and provided tips to avoid common mistakes in the submission of proposals, the timeline and procurement procedures, principles and guidelines of MCA-Nepal.

The participants were also provided a brief description of other requirements during the implementation of the project, such as MCC Environmental Guidelines, the Environmental, Social, Health and Safety Management Plan, and the Social and Gender Inclusion Plan, among others.

Around 56 people representing various companies took part in the meeting.



Potential bidders to construct 400 kV substations under the MCC Nepal Compact participating in a pre-bid meeting on 25 April 2023.

Consultation Meeting with Parliamentarians of Bagmati Province

MCA-Nepal organized a consultation meeting with provincial parliamentarians of Bagmati Province at Hetauda, the capital city of Bagmati Province, on 26 April 2023.

The purpose was to provide information on the Electricity Transmission Project (ETP) to parliamentarians from affected districts.

Nine provincial parliamentarians took part in the meeting, which was chaired by the Chief Minister of Bagmati Province Mr. Shalikram Jamkattel.

Mr. Khadga Bahadur Bisht, Executive Director of MCA-Nepal, provided project updates and requested support from participants in the implementation of the national pride project.

Participants raised queries on the land acquisition and forest clearance process and also expressed their commitment to cooperate during project implementation.



Mr. Khadga Bahadur Bisht, ED, MCA-Nepal, briefing provincial parliamentarians of Bagmati Province at Hetauda on 26 April 2023.

Bid Opening for the Construction of TLs



Mr. Khadga Bahadur Bisht, ED, MCA-Nepal, appreciating the interest shown by bidders at the Bid Opening event on 22 May 2023.



Bids for the construction of Transmission Lines under Electricity Transmission Project (ETP) being opened at the Bid Opening event on 22 May 2023.

MCA-Nepal opened bids for the construction of Transmission Lines under its Electricity Transmission Project (ETP) on 22 May 2023. A total of six bids submitted by Indian construction companies in the given deadline were opened in the presence of bidder representatives.

The six bids were received from Association of Megha Engineering and Infrastructure Ltd. and Power Mech Projects Ltd. for all lots, Kalpataru Power Transmission Limited for Lot 1 and 2, KEC International Ltd. for Lot 2 and 3, Transrail Lighting Ltd. for Lot 1, Tata Projects Ltd. for Lot 2 and 3 and Larsen and Toubro Ltd for Lot 1 and 3.

The bid for the construction of transmission lines has been divided into three lots, i.e. 117 km stretch of transmission line along Lapsipedi – Ratmate - New Hetauda, 90 km stretch from Ratmate to Damauli and 90 km stretch from New Damauli to New Butwal with an option of 18 km from New Butwal to Nepal - India border.

A Specific Procurement Notice was published on 28 November 2022 with an invitation for sealed bids from all interested eligible bidders for the design, supply, delivery, installation, testing and commissioning of the transmission lines.

Workshop on Land Acquisition Process with CDOs

MCA-Nepal conducted a workshop on land acquisition process with the Chief District Officers of five project-affected districts in the Dhulikhel Municipality on 20 June 2023.

Chief District Officers of Sindhupalchowk, Kathmandu, Nuwakot, Dhading and Chitwan districts took part in the event, organized to build a common understanding on the land acquisition process for the transmission line construction.

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

Finance Secretary Mr. Pokharel emphasized the importance of achieving the target of land acquisition within the deadline for the construction of transmission line, acknowledging the challenges of the task. He also expressed commitment to address any policy-level



A workshop with CDOs from five project-affected districts, conducted at Dhulikhel Municipality on 20 June 2023.

issues in paving the way for the construction of transmission lines.

Mr. Khadga Bahadur Bisht, Executive Director, MCA-Nepal, updated the CDOs on the progress in land acquisition and highlighted it as an important component under site access, a final step before the implementation of the MCC Nepal Compact.

He also provided updates on the formation of Compensation Fixation Committees in the nine districts and the submission of preliminary reports of two districts as per the Land Acquisition Act, 1977.

A similar workshop for the remaining five districts will be conducted in the coming months.

Issuance of Notices on Land Acquisition

Notices related to land acquisition for the transmission lines have been published in nine project-affected districts. The notices were published at various intervals as per decisions made in Compensation Fixation Committee meetings chaired by the respective Chief District Officers.

The notice on land acquisition in East Nawalparasi (Bardaghat Susta East) and West Nawalparasi (Bardaghat Susta West) were published on 31 January 2023. Similarly, the notice in Chitwan was published on 1 February 2023, on 7 March 2023 in Palpa, Dhading and Tanahun and on 26 March 2023, 18 April 2023 and 25 April 2023 in Makawanpur, Nuwakot and Sindhupalchowk respectively.

MCA-Nepal organized stakeholder meetings in the project-affected districts prior to issuing of the notices, a part of the preliminary action to acquire land as per Clause 6 of the Land Acquisition Act, 1977.

Consultation Program at Atrauli in Response to Grievances

MCA-Nepal organized a consultation program with the local community at Atrauli, Ghiring Rural Municipality-1, Tanahun district on 27 May 2023. The consultation was conducted in response to grievances registered against the proposed route of the transmission line.

The meeting was held in the presence of Mrs. Radhadevi Adhikari, Deputy Chairperson

of Ghiring Rural Municipality; Mr. Kashi Ram Gaire, Assistant Chief District Officer of Tanahun, and Mr. Ravi Chandra Ghorasini, the Chairperson of Ghiring 1, along with 20 affected people.

MCA-Nepal continues to consult and engage with affected communities in all ten districts to ensure grievances are well addressed before the project goes into implementation.



A consultation program with the local community at Atrauli, Ghiring Rural Municipality-1, Tanahun district conducted on 27 May 2023.

ELECTRICITY TRANSMISSION PROJECT

Stakeholder Meeting for Land Acquisition in Sindhupalchowk and Nuwakot Districts

MCA-Nepal organized stakeholder meetings in the Nuwakot and Sindhupalchowk districts prior to the issue of a notice on preliminary action to acquire land as per Clause 6 of the Land Acquisition Act, 1977.

The meeting in Nuwakot district was convened on 10 April 2023 under the chairmanship of the Chief District Officer of Nuwakot Mr. Kiran Thapa and in Sindhupalchowk district on 21 April 2023 under the chairmanship of the Chief District Officer of Sindhupalchowk Mr. Ramesh Neupane.

Both meeting took decision to start works on the preliminary action as per the Land Acquisition Act, 1977.

Such meetings are being organized in all 10 districts where the Electricity Transmission Project will be implemented.



Participants at the stakeholder meeting in Nuwakot district organized on 10 April 2023 before issuing notice on preliminary action to acquire land.



Mr. Khadga Bahadur Bisht, ED, MCA-Nepal briefing participants at the stakeholder meeting in Sindhupalchowk district on 21 April 2023 before issuing a notice on preliminary action to acquire land.

Submission of Preliminary Action Reports on Land Acquisition

Preliminary Action Reports on land acquisition have been submitted to District Administration Offices of Chitwan and Nawalparasi (Bardaghat Susta East).

The reports were handed over to Mr. Surendra Paudel, Chief District Officer, Chitwan, and Mr. Krishna Prasad Lamsal, Chief District Officer,

Nawalparasi (Bardaghat Susta East) on 17 May and 18 May 2023 respectively.

District Administration Offices in both districts have decided to issue public notices as per Clause 9 of the Land Acquisition Act, 1977 as the next step. Similar meetings will be organized in all districts where the Electricity Transmission

Project will be implemented.

As per the provisions of the Land Acquisition Act, 1977 and after the formation of the Compensation Fixation Committee in nine of the ten affected districts, MCA-Nepal is expediting the process to acquire land for the construction of the transmission line.



Mr. Hari Krishna Uprety, Land Acquisition Specialist, MCA-Nepal, submitting the Preliminary Action Report on land acquisition to Mr. Krishna Prasad Lamsal, CDO, Nawalparasi (Bardaghat Susta East) district on 18 May 2023.



Mr. Surendra Paudel, Chief District Officer, Chitwan, addressing the program conducted to submit the Preliminary Action Report on land acquisition in Chitwan district on 17 May 2023.

Cadastral Verification Surveys of Lands under TL Routes

MCA-Nepal has completed cadastral verification surveys of lands under the transmission line routes in the remaining districts of Sindhupalchowk, Makwanpur and Nuwakot after verification by Government of Nepal (GoN) surveyors from District Survey Offices.

The verification was carried out in Makwanpur, from 7 April to 28 May 2023, in Nuwakot from 23 May to 20 June 2023 and in Sindhupalchowk from 18 May to 14 June 2023.

With this, cadastral verification works have been completed in nine districts except in some disputed tower locations.

The verifications are part of preliminary actions to acquire land to construct around 315 km of double-circuit 400 kV transmission lines as per the Land Acquisition Act, 1977.

After the completion cadastral field verifications, MCA-Nepal will prepare preliminary action reports as per Clause 8 of the Act.



The cadastral verification survey of lands under the transmission line routes in Makwanpur district.



The cadastral verification survey of lands under the transmission line routes in Sindhupalchowk district.



The cadastral verification survey of lands under the transmission line routes in Nuwakot district.

Consultation with CFUG in Sindhupalchowk

MCA-Nepal completed consultations with a Community Forest User Group (CFUG) in Sindhupalchowk on 31 March 2023.

The consultations are part of a series of consultations being conducted with various CFUGs and Leasehold Forest User Groups (LFUG) in project-affected districts to share outcomes of the Environmental Impact Assessment and provide required information before the mobilization of the forest census and Resettlement Action Plan (RAP) preparation teams.

The MCA-Nepal team will further evaluate and record the impact of the project on affected forest user groups based on the findings from the consultations.

The construction of transmission lines and substations will unavoidably affect some national forests and result in the clearing of forests to some extent. The transmission line is expected to cross 121 Community Forests and eight Leasehold Forests.



Mr. Shyam Kumar Upadhyaya, Quality Assurance Manager-Environment, Health and Safety, MCA-Nepal interacting with representatives of a CFUG in Sindhupalchowk on 31 March 2023.

Household Surveys in Two Project-affected Districts



Household surveys in Chitwan and Nawalparasi (Bardaghat Susta East) to obtain a socio-cultural, demographic and economic database of project-affected families.

MCA-Nepal has completed household surveys in Chitwan and Nawalparasi (Bardaghat Susta East) to obtain a socio-cultural, demographic and economic database of project-

affected families.

The surveys were conducted from May 21-25 in Chitwan and June 6-11 in Nawalparasi (Bardaghat Susta East). These surveys will be carried out in

all ten districts affected by the construction of transmission lines.

The process is also an integral part of MCA-Nepal's Resettlement Action Plan.

Ratmate Livelihood Restoration Program

Certificate Distribution Events

MCA-Nepal distributed graduation certificates to participants of various trainings under the Livelihood Restoration Program in Ratmate on 1 and 2 June. The events were conducted in the presence of Mr. Keshav Khanal, Chief-Agriculture Knowledge Centre and Mr. Mahesh Acharya, Deputy Executive Director (DED)-Project Delivery (PD), MCA-Nepal in Belkotgadhi-7. 42 participants of goat rearing training, 24 participants of poultry farming

training, and 36 participants of commercial agriculture training were provided with training completion certificates in the events. Vegetables produced by the beneficiaries were also displayed.

The two-year Livelihood Restoration Program (LRP) being implemented in the Ratmate Substation site has been delivering various trainings to enhance the income-generating skills of affected people as per

their livelihood choices. Currently, 272 people are being supported by the program, of which 108 are engaged in agriculture and livestock related activities, and 164 are engaged in one of 18 different vocational and skills based trainings. 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.



Graduates of Commercial Agriculture Training receiving training completion certificates from Mahesh Acharya, DED-PD, MCA-Nepal and Prakash Basnet, ESP Specialist, MCA-Nepal



Participants of Commercial Agriculture and Animal Husbandary Training.



Participants of Beautician Training.

Cooperative established for Project Affected People

MCA-Nepal's Livelihood Restoration Program has supported the establishment of Bhimeshwar Multipurpose Cooperative Ltd. at Mahadevphant and registered in Belkotgadhi Municipality on 15 May 2023.

The multipurpose cooperative will support project affected people in Belkotgadhi Municipality to access loans for all types of enterprises and businesses, set up subsidiary industries, and encourage savings among members.

In the months of April to June, 18 project affected people joined as shareholders in the cooperative purchasing 50 shares.

There are 58 shareholders in the organization.

ROAD MAINTENANCE PROJECT

Training on Asphalt Lab Equipment



Mr. Sushil Babu Dhakal, Director General at the DoR, distributing certificates of completion to trainees at the closing ceremony on 19 May 2023.

A three-week-long training on Asphalt Lab Equipment, organized in the Department of Roads (DoR) by MCA-Nepal from 20 February- 3 March and 15-19 May 2023, successfully concluded on 19 May 2023.

The training was conducted to ensure technical knowledge transfer, equipment commissioning, and ensure the sustainability of the equipment for design, construction, and research purposes.

In the closing ceremony, Mr. Sushil Babu Dhakal, Director General at the DoR distributed certificates of completion to 12 trainees from DoR, Institute of Engineering-Transport Faculty and MCA-Nepal.



Participants at the Closing Ceremony of the three-week-long training on Asphalt Lab Equipment, organized by MCA-Nepal from 20 February- 3 March and 15-19 May 2023.

International Roughness Index (IRI) Class 1 Equipment Training

MCA-Nepal organized an International Roughness Index (IRI) Class 1 Equipment training in collaboration with the Department of Roads (DoR) on 6, 7 and 12 of June 2023.

The training was a part of the Project Cooperation Agreement between MCA-Nepal

and the DoR. The three-day training was conducted to familiarize trainees with IRI Class 1 equipment's application and data collection for road maintenance.

Mr. Khadga Bahadur Bisht, Executive Director at MCA-Nepal, distributed certificates of completion to 16 trainees from the DoR, the Institute of Engineering transport faculty and MCA-Nepal during the closing ceremony on 12 June 2023.



Mr. Khadga Bahadur Bisht, Executive Director at MCA-Nepal, distributing certificate of completion to participants of International Roughness Index (IRI) Class 1 Equipment training on 12 June 2023.



Participants at the closing ceremony of a training on International Roughness Index (IRI) Class 1 Equipment organized on 12 June 2023.

MCC NEPAL COMPACT FACTS

Entry into Force (EIF): A Unique Feature in MCC Compacts

- Entry into Force (EIF) is an integral part of MCC's implementation model and marks the fulfillment of the conditions necessary for the successful completion of Compact projects within a five-year timeline.
- All MCC Compacts include an implementation preparation phase during which the conditions defined in the compact agreement are achieved to enable projects to be executed within a timeframe of five years. Various works are underway during this phase of the MCC Nepal Compact, including (but not limited to) Environmental Impact Assessments, Resettlement Action Plans, community engagement to finalize the transmission line alignment, the hiring of contractors, site access works on land acquisition and forest clearance. The completion of these preparatory works allows for the quick and unhindered execution of construction contracts during implementation and thereby enhances the likelihood of project completion within the five-year compact period.
- The Government of Nepal and MCC have mutually agreed to complete all preparatory works by August 2023 for formal implementation of compact projects via the signing of an Aide Memoire on 29 April 2022.

COMMUNITY VOICES

Raju's Journey from a Migrant Worker to an Entrepreneur

Like every youth, Raju Shrestha, a 29-year-old resident of Khalte in Belkotgadhi Municipality of Nuwakot district, also has a dream to provide a quality life for his family of five - a wife, two daughters and a son. For the same reason, Raju took up a job in Malaysia to make a livelihood and support his family, but it didn't last for long.

When MCA-Nepal acquired the required lands for the construction of Ratmate Substation under the Electricity Transmission Project (ETP), Raju and his family had to relocate as their land fell within the territory designated for the project. MCA-Nepal legally acquired 20 Ropani of land, which was in his father's name, for which Raju and his family were fairly compensated. Raju's father provided him with some amount of the compensation money. Raju used the fund to construct a house along the highway.

He also decided to open a small restaurant in his house realizing the potential of the location. During the same time, MCA-Nepal also launched the Livelihood Restoration Program (LRP) to restore the livelihoods of people affected by the project. During consultations for the program on choices to enhance skills, Raju opted for a training to improve his cooking skills to better his restaurant business. He then enrolled in a two-month long training in sweet and snack preparation.

With newfound knowledge and skills, Raju expanded the menu of his restaurant with delicious sweet and snack items, such as Samosa, Momo, Pakauda (fritters), and a variety of sweets. His culinary creations were well-received by the local community. Raju's hard work paid off when



he sold around ten kilograms of Jerry, along with other sweets, on the occasion of Mother's Day to earn approximately NRs. 10 thousand in a single day.

Buoyed by his initial success, Raju now plans to produce and sell more sweets during upcoming festivals. The increased demand during festive occasions presents an opportunity for him to further boost his sales and expand his business. Currently, his restaurant generates daily sales of around NRs. 3,000 to 3,500. Raju envisions expanding his business with the addition of more delectable items in the menu.

Raju is grateful for the support he received from the LRP. The training he received not only enhanced his cooking skills but also gave him the confidence to venture into culinary entrepreneurship. Raju's journey from being affected

by the project to becoming a successful entrepreneur is a testament to his hard work and the transformative power of the support and opportunities provided by the LRP.

The two-year program being implemented by MCA-Nepal Consultant SAPPROS Nepal is conducting livelihood activities as per the livelihood choices made by affected people.

Currently, 272 people are being supported by the program, of which 108 are engaged in agriculture and livestock related activities, and 164 are engaged in one of 18 different vocational and skills based trainings. 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.

Contact

Millennium Challenge Account Nepal (MCA-Nepal)

Lal Durbar Convention Centre, Yak & Yeti Complex, Durbar Marg, Kathmandu
+977-01-4540951 | info@mcanp.org | www.mcanp.org

Fostering economic growth with better access to electricity and roads