



MILLENNIUM CHALLENGE ACCOUNT NEPAL (MCA-NEPAL)

Date: 30 August 2023

Press Release

MCC Nepal Compact Starts 5-Year Project Timeline

Kathmandu. The Government of Nepal (GoN) and Millennium Challenge Corporation (MCC) today marked the official start of implementation for the MCC Nepal Compact Program, a program jointly funded by the GoN and MCC. The milestone follows an agreement between GoN and MCC that substantial progress on project preparation has been achieved.

Hon. Finance Minister Dr. Prakash Sharan Mahat and Vice President- Compact Operations at MCC Mr. Cameron Alford, exchanged the letter on the Entry into Force (EIF) of the Nepal Compact before key stakeholders at a gathering organized in the Ministry of Finance. EIF is an important milestone for MCC compacts as it marks the fulfillment of necessary conditions and preparation to ensure successful completion of Compact projects within a five-year timeline.

"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.

Joining the event, U.S. Ambassador Dean Thompson remarked "The U.S. and Nepal have shared a strong friendship for more than 75 years, and an exciting milestone in our friendship is the MCC-Nepal Compact, which will boost the prosperity of Nepal for the long term, provide good jobs, and improve access to electricity and transportation for Nepalis. We are glad to be here today for this important milestone and look forward to seeing the incredible impact the Compact will have in advancing economic growth in Nepal."

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

The GoN and MCC signed the MCC Nepal Compact on 14 September 2017 for two projects, the Electricity Transmission Project and the Road Maintenance Project, which will work to increase the reliability of electricity and lower the cost of transportation in Nepal. The program is co-funded by the US Government's Millennium Challenge Corporation (MCC) Compact grant of USD 500 million and the GoN's contribution of USD 197 million.

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The Government of Nepal established MCA-Nepal on 18 April 2018 under Development Board Act, 2013 BS as the accountable entity to implement a program co-funded by Nepal and US Government's Millennium Challenge Corporation.

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Fostering economic growth with better access to electricity and roads