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MILLENNIUM CHALLENGE ACCOUNT NEPAL (MCA-NEPAL)

Date: 30 August 2024

Press Release

MCA-Nepal Signs Contract for 18 km Cross Border Transmission Line

Kathmandu. MCA-Nepal signed a contract for the critical 18 km cross-border electricity transmission line, a critical component of the broader Electricity Transmission Project under the Millennium Challenge Corporation (MCC) Nepal Compact funded by the Government of Nepal and U.S. Government. As MCA-Nepal marks the one-year anniversary of the Compact's Entry-Into-Force, this new milestone reflects the unwavering commitment from all stakeholders to enhancing regional energy trade between Nepal and India.

The contract, valued at USD 12.36 million, has been awarded to Transrail Lighting Ltd., which will construct the transmission line from the 400 kV New Butwal Substation in Nawalparasi Bardhaghat Susta West to the Nepal-India border within the contract duration of 21 months.

In the presence of officials from the Ministry of Finance, National Electricity Authority (NEA), MCC and MCA-Nepal, the contract was signed by Mr. Khadga Bahadur Bisht, Executive Director of MCA-Nepal, and Mr. Amol Wankhede, representative of Transrail Lighting Ltd.

Dr. Ram Prasad Ghimire, Secretary, Ministry of Finance and MCA-Nepal Board Chair said, "Along with the signings of the three substation contracts worth USD 126 million, this 18 km transmission line project is set to play an important role in helping Nepal make strides in achieving its domestic power goals and reinforcing Nepal's position in the regional energy market."

Mr. Kul Man Ghising, Managing Director at NEA, stated, "This 18 km segment is not just a construction project; it's a critical link that will enhance Nepal's energy infrastructure and deepen our cross-border energy cooperation with India. This accomplishment is a testament to the strategic foresight and dedication of all involved."

Addressing the signing ceremony, Ms. Diane L. Francisco, MCC Resident Country Director, said, "The successful contracting of the 18 km cross-border transmission line marks a major milestone in our shared journey to transform Nepal's energy landscape and economic future. This achievement is one of many successes of the MCC Nepal Compact in the past year, but it is particularly significant as it paves the way for the larger 297 km transmission line project."

Mr. Khadga Bahadur Bisht, Executive Director of MCA-Nepal, added, "As we celebrate the first anniversary of the MCC-Nepal Compact, this contract signing is a clear indicator of the progress we are making. The 18 km cross-border segment, separated from the larger project to expedite its completion, shows the Government of Nepal's commitment to meeting the project goals of this National Pride Project, and reaffirms that collaborative effort from all stakeholders leads to a successful outcome."

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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For remaining 297 km of transmission line, MCA-Nepal's preparations are on track to launch the bid before the end of this year.

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