



Millennium Challenge Account Nepal

Newsletter Issue 3: January – February 2020

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KEY HIGHLIGHTS

Mr. Sishir Kumar Dhungana appointed the new Chairperson of MCA-Nepal Board



Mr. Sishir Dhungana, secretary of Ministry of Finance addressing the press.

Mr. Sishir Kumar Dhungana, the new Secretary of the Ministry of Finance, has been recently appointed as the new Chairperson of Millennium Challenge Account Nepal's Board of Directors. He previously served as the Secretary of the Department of Revenue under the Ministry of Finance. He has more than 22 years of experience as a civil servant having served in different capacities. Prior to his appointment as the Secretary (Revenue) he was working in the Prime Minister and Council of Ministers' Office. He succeeds Mr. Rajan Khanal, the former Secretary of the Ministry of Finance. He had previously served as the Director General of the Department of Customs. He is a postgraduate from Nepal Commerce Campus, Minbhawan, Kathmandu.

15th MCA-Nepal Board meeting held

The 15th Meeting of the MCA-Nepal Board took place on 10 February 2020. The board welcomed Mr. Sishir Kumar Dhungana as the Chairperson of the Board of Directors of MCA-Nepal. The Board members thanked Dr. Rajan Khanal, outgoing Chairperson of the Board for his role, leadership and contribution to steer MCA-Nepal from its early days. In the same meeting the Board of Directors were updated on the activities of MCA-Nepal with allocation of funds for current expenditure, and provided other updates regarding transmission line activity, EIA Report preparation, technical assistance activities and road maintenance projects by the Executive Director. The Board made decisions and came up with resolutions on various agendas, including the following: approval of Project Cooperation Agreement with Department of Roads (DoR), approval of Procurement Plan for 2020, and approval of budget reallocation. The Board also discussed on the need to develop land transfer protocol in coordination with other Ministries. To read the full synopsis of the Board meeting please visit our website at : www.mcanp.org

MCC Compact Q & A booklet published



MCA-Nepal has published and released a question and answer booklet about the MCC Nepal Compact. The booklet incorporates frequently asked and discussed questions regarding the Compact. The booklet was published with the guidance and approval of the Ministry of Finance. The purpose of the booklet is to provide information on the MCC Nepal Compact, its goals, objectives and milestones related to the selection of Nepal for the compact. It also addresses the questions related to the Compact raised by various stakeholders. The booklet can be found at MCA-Nepal's website in the Documents & Reports section under the [Publication and Resources](#) sub section.

Anti-Fraud and Corruption training organized in Kathmandu



His excellency Mr. Randy Berry inaugurates the three day Anti-Fraud and Corruption training at Royal Singi Hotel.

An Anti-Fraud and Corruption training was organized in Kathmandu from 15-17 January 2020 to equip MCA-Nepal's staff with the knowledge and skills to prevent, detect and re-mediate the risk of fraud and corruption in the execution of the Compact program.

Inaugurating the event on 15 January, the U.S. Ambassador to Nepal, Mr. Randy Berry highlighted the progress Nepal has made in the control of corruption and recalled this as one of the indicators that helped Nepal qualify for the Compact.

Ambassador Berry also expressed his belief that the projects under the US grant will be delivered in an environment free from corruption and fraud. Addressing the event, Mr. Shree Krishna Nepal, Joint Secretary at the Ministry of Finance, reiterated the commitment of the Government of Nepal towards good governance, and emphasized the importance of a corruption free working environment to foster economic growth in the country.

Mr. Richard Messick, Senior Anti-Fraud and Corruption Advisor to the MCC, and Mr. Christopher P. Williams, Senior Director for Anti-Fraud and Corruption at the MCC, resource persons in the three-day comprehensive training shared MCC's anti-fraud and corruption policy and provided

insights on mitigating fraud and corruption related vulnerabilities during program implementation in



Mr. Khadga Bisht, Executive Director, MCA-Nepal & Mr. Troy Kofroth Resident Country Director, MCC signing the pledge.

the training. Mr. Khadga Bahadur Bisht, the Executive Director at MCA-Nepal and Mr. Troy E. Kofroth, the Resident Country Director at MCC welcomed the participants.

In the same event, MCA-Nepal team committed to maintain ethical behavior at all times and institutionalize the values of integrity and accountability in its everyday business by signing on an integrity pledge poster.

The Nepal Compact will be implemented in line with the Government of Nepal's anti-corruption and fraud related regulations, and additionally, MCA-Nepal will also follow MCC's Policy on Preventing, Detecting and Re-mediating Fraud and Corruption in MCC Operations. The policy prohibits any fraud and corruption, which include acts of coercion, collusion, corruption, fraud, and obstruction of investigation into allegations of fraudulent or corrupt practices, in the solicitation and use of MCC funds.

In September 2017, the U.S. Government's MCC signed a Compact with the Government of Nepal. The Compact aims to increase the availability and reliability of electricity, improve the quality of the roads network and facilitate power trade between Nepal and India – helping to spur investments and accelerate economic growth that will benefit all Nepali people.

Jonathan Brooks, the Deputy Vice President for Europe, Asia, Pacific, and Latin America (EAPLA) Millennium Challenge Corporation visits MCA Nepal Office



Mr. Jonathan Brooks, Deputy VP of EAPLA MCC interacting with MCA-Nepal's staff during his visit.

Jonathan Brooks, Deputy Vice President for Europe, Asia, Pacific, and Latin America (EAPLA) for the Millennium Challenge Corporation visited Kathmandu from February 7-10. Mr. Brooks's visit was a part of the on-going consultations on MCC as a part of the partnership with Nepal. He also met with MCC and MCA-Nepal staff, the new MCA-Nepal Board Chair and other government officials including the newly appointed Minister of Physical Infrastructure and Transport (MoPIT).

Mr. Brooks stated that the Compact principles were atypical however, he stressed that the ultimate goal of the Compact is to contribute in the country's overall economy and income generation. He stressed the importance of it to be ratified by the parliament but also agreed that the on-going dialogue between MCC and stakeholders will continue.

Mr. Brooks answered questions from the staffs, requesting staff to continue the work in progress and emphasized on project management, that trying to change any clause on the agreement would mean taking a step back in progress of the current work.

Land compensation rate fixed for Ratmate Sub-station



Mr. Shiva Dhakal, ESP Land Acquisition expert presenting to local representatives at Ratmate, Nuwakot.

A Compensation Fixation Committee meeting held on 29 January 2020 fixed the compensation rate for land to be acquired for the construction of a sub-

station at Ratmate, Ward No. 7, Belkotgadhi Municipality of Nuwakot. Mr. Drona Pokharel, Chief District Officer of Nuwakot chaired the meeting. Shiva Dhakal, ESP Specialist from MCA-Nepal, presented summary of exercises carried out by the sub-committee for land valuation, and presented the indicators adopted for land valuation and classification of land. Executive Director of MCA-Nepal Mr. Khadga Bahadur Bisht also participated in the meeting .

Based on the study, the land for Ratmate was classified into three categories and five indicators for land valuation were agreed upon. After the presentation, he shared the agenda of meeting and participants provided opinions. The committee endorsed the rate recommended by the sub-committee led by Mr. Badri Nath Gaire, the Assistant Chief District Officer of Nuwakot district.

Compensation rates have been fixed in three categories based on natures of lands to be acquired. Lands under category; a) those who will be completely displaced owning a land area of 3 Ropanis or less will receive 15% compensation of land value ; (cont.)

(contd.) b) those with land area less than 5 ropanis will be receiving 10% compensation of their land's value. Besides the rate of land, resettlement allowances as provisioned in the Resettlement Policy Framework were also determined by the committee. Based on determined resettlement allowances will be provided as follows; a) moving allowance b) land clearance and land development allowance; c) rental allowance for six months d) food security allowance to each physically displaced family. Similarly, physically displaced families whose income source is agriculture, those dependent on brick industry, poultry farming and rice mill industry will also be receiving allowances with an amount as transitional allowance.

Apart from the above, physically and economically displaced families will be provided with NRs. 18,000 as transportation allowance per family and chronically-ill patients, senior citizens and people with different abilities will benefit with NRs. 36,000 as vulnerable allowance (NRs. 3000 per month for 12 months).

25 representatives from various government authorities, local government, affected local communities, including MCA-Nepal staff and the Executive Director of MCA-Nepal took part in the meeting. The meeting was conducted according to Clause 13 of Land Acquisition Act, 1977 .

A notice regarding the land to be acquired was published on 5 February 2020 on Gorkhapatra Daily. Millennium Challenge Account Nepal (MCA-Nepal) is in the preparatory phase to construct the Ratmate Sub-station as a part of its Electricity Transmission Project (ETP), which will build 312 km long 400 kV transmission line in Nepal across 10 districts covering three Provinces.

Technical Team to address Request for Alignment Changes

The Environmental and Social Performance (ESP) – Land Acquisition and ETP team from MCA-Nepal visited four districts: Makwanpur, Chitwan, Dhading and Nuwakot from 9 - 13 of February 2020. The principal objective of the field visit was to find the feasibility of the route change requested by local residents of these districts as per the registered grievances.



MCA-Nepal ETP Team addressing requests regarding re-alignment from community representatives .

The team consulted with local residents, municipal representatives and the local government officials to reassess the proposed path of the transmission line re-alignment at different places. The team inspected the registered areas, which were monitored through walk over survey. A general visualization of major forest areas, Community Forest User Group (CFUGs) and settlements was done at field level with the help of ESP on-site CAs.

Project related maps, routes and documents were reviewed to estimate the tentative disturbance to forest and settlements as a result of change in route as requested by the claimants. As a result the following considerations were made:

- Tower no. 111 and 112 at Icchakamana Rural Municipality, Ratmate-Damauli section to save the agricultural land and to try and reroute without disturbing forest coverage,
- Gajuri and Benighat Rorang—although the shift seems to be difficult due to scattered settlement and difficult terrain,
- Re-route at Siddhalekh Rural Municipality, Kharantar

Compensation rate for assets of affected people fixed in Ratmate, Nuwakot



MCA-Nepal team with local representatives during the Compensation Fixation Meeting at Ratmate, Nuwakot.

A Compensation Fixation Committee meeting held on 17 February 2020 fixed compensation rates against fruits, crops, plants as well as houses, huts, sheds, brick factories etc., which will be affected in the course of acquiring land for the construction of a sub-station at Ratmate, Ward No. 7, Belkotgadhi Municipality of Nuwakot. Mr. Drona Pokharel, Chief District Officer of Nuwakot chaired the meeting. Shiva Dhakal, ESP-Specialist, MCA-Nepal presented the summary of affected assets and exercises carried out with different stakeholders to determine the compensation rates of affected assets in the meeting. Mr. Pokharel, as chair of the meeting opened the floor for discussion on the proposed rates of affected assets after the presentation.

The meeting decided that fruits and crops found within the area of the sub-station construction area will be compensated as per their rates received from Agriculture Knowledge Centre, Nuwakot. However fruits and crops not listed by

Agriculture Knowledge Centre will be compensated based on the rates mentioned in the Resettlement Work Plan, approved by the program. Similarly, affected plants will be compensated based on a rate list provided by the Division Forest Office, Nuwakot.

Compensation against physical infrastructures, such as houses, huts, sheds, brick factories etc. affected in the process of land acquisition will be based on the valuation conducted by the Urban Development and Building Office, Nuwakot.

In the same meeting, project affected families and representatives of the local government requested the committee to disburse the compensation amount in single installment. 27 representatives from various government authorities, local government, affected local communities, MCA-Nepal staff and the Executive Director of MCA-Nepal took part in the meeting. The meeting was conducted according to Clause 13 of Land Acquisition Act, 1977. Millennium Challenge Account Nepal (MCA-Nepal) is in the preparatory phase to construct the Ratmate Sub-station as a part of its Electricity Transmission Project (ETP), which will build 312 km long 400 kV transmission line in Nepal across 10 districts covering three Provinces.



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