



MILLENNIUM CHALLENGE ACCOUNT NEPAL (MCA-NEPAL)

Date: 28 May 2023

Press Release

GoN incorporates NEA's request for additional works under MCC Compact

Kathmandu. The Government of Nepal (GoN) has decided to incorporate Nepal Electricity Authority's (NEA) request to include additional works under the Electricity Transmission Project (ETP) of the MCC Compact.

It is estimated that a budget of up to USD 67 million might be required for the additional work which will be financed from the original Compact budget, and after full utilization of the original budget, any shortfall would be financed from the NEA.

Currently, it has been considered as the Government of Nepal's contribution for the Compact purpose, and simultaneous modification has been made in the annexes of the Compact through an implementation letter.

Change in the annexes includes provisioning revised budget for an estimated shortfall in the construction of the Nepal-India cross-border transmission line and additional scope of work in the three substations, i.e. installation of additional bays as per the current and future requirement of NEA.

Similarly, there will be some changes in the scope of the Road Maintenance Project (RMP). However, these scope changes will not impact the overall road maintenance works budget.

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.

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

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