



MILLENNIUM CHALLENGE ACCOUNT NEPAL (MCA-NEPAL)

Date: 6 March 2024

Press Release

MCA-Nepal Board Advances 18 km Cross-Border Segment of the Power Transmission Line

The 40th MCA-Nepal Board meeting held on 6 March 2024, decided to advance the 18 km Nepal portion of the Butwal-Gorakhpur power transmission line on a priority basis by separating it from the larger 315 km transmission line. The Board determined that expediting cross-border section will help to meet the obligations of the cross-border power trade agreement between Nepal and India.

“MCA-Nepal Board made this determination collectively owing to the critical importance of this segment to the Government of Nepal (GoN) and the Nepal Electricity Authority (NEA). The separation of the 18 km segment from the larger transmission line network will enable a quicker procurement process and its implementation in order to ensure that the line is completed on time by May, 2026 to connect with the lines under construction on the Indian side of the border.” shared Mr. Nabin Raj Singh, Joint Secretary and Spokesperson at the Ministry of Energy, Water Resources and Irrigation post the Board meeting.

The cross-border transmission line is a critical component of the Electricity Transmission Project and will facilitate cross-border electricity trade to meet Nepal’s needs. In October 2019, both the Governments of Nepal and India agreed to the financing and ownership framework that will govern the implementation of the New Butwal – Gorakhpur cross-border transmission line.

For the remaining 297 km transmission line, MCA-Nepal continues to work to procure the services of design-build contractors to complete the construction of the transmission lines within the agreed timeline.

MCA-Nepal remains committed to ensuring the transmission lines are built on time, within budget, and in accordance with GoN and MCC’s environmental and social standards.

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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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