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United Nations Development Programme

20 January 2026

Dear Mr. Sharma,

Subject: **Substantive budget revision-1 of Effective Financing for Development (EFD) Project for 2026.**

Please find attached, for your information and record, signed copy of the substantive budget revision-1 of the Effective Financing for Development (EFD) for 2026. The budget has been prepared as per the signed annual work plan.

Thank you for your continued collaboration.

Yours sincerely,

DocuSigned by:
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Julien Chevillard
Deputy Resident Representative

Mr. Dhani Ram Sharma
Joint Secretary, International Economic Relations Division (IERD),
MoF and NPD, Effective Financing for Development (EFD)
Singha Durbar, Kathmandu

cc: National Project Manager

UN House, Pulchowk | GPO Box 107, Kathmandu, Nepal | Tel: 5523200 Fax: (977-1) 5523991, 5523986
E-mail: registry.np@undp.org | Web: www.np.undp.org

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Empowered lives.
Resilient nations.

UN Development Programme
Nepal - Kathmandu

Project ID: 01003761
Award ID: 1376292
Project Title: Effective Financing for Development (EFD)

Donor	Donor Code	Fund	Budget in US$			
			2025	2026	2027	Total
UNDP	000012	04000	300,000	200,000	250,000	750,000
	000012	04010	-	25,000		25,000
						-
Total Budget			**300,000**	**225,000**	**250,000**	**775,000**
Total Budget as per last revision			300,000	250,000	250,000	800,000
Net Increase/ (Decrease)			-	(25,000)	-	(25,000)
Award Total						**775,000**
Unfunded			**140,600**	**149,900**	**180,900**	**471,400**

Start Year: 1 January 2025

Operational close date: 31 December 2027

Financial close date: 31 December 2028

Implementing Agency: Ministry of Finance (MoF)

Revision Type: Substantive budget revision-1

Brief Description: Substantive budget revision-1 has been prepared to reflect total annual budget of USD 225,000 (USD 200,000 from TRAC I and USD 25,000 from TRAC II) for 2026. The revision has been initiated based on the signed annual work plan and decision of the project board meeting of Effective Financing for Development (EFD) project.

Signature

Om Prakash Bhattarai
National Project Manager/Under Secretary, IERD

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Julien Chevillard
Deputy Resident Representative, UNDP

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Annual Work Plan 2026

Country: Nepal

Project Title: Effective Financing for Development Project (EFD)

UNDAF Outcome(s): By 2027, Nepal achieves enhanced economic performance through diversified sources of finance, improved productivity, and increased resilience, enabling inclusive growth and sustainable development as the country progresses towards graduation from LDC status.

UNDAF Output (s): Strengthened policy environment leads to acceleration of SDG implementation and sustainable LDC graduation

Implementing Partner: Ministry of Finance

Other Partners:

In 2026, the project will focus on the following results to be attained:

1. Policy environment and institutional capacity improved for development effectiveness including increased government's absorptive capacity for ODA funded projects.
2. Development finance management and tracking Capacities strengthened for evidence-based decision making.
3. Institutional Capacity of the Ministry of Finance and relevant entities improved to mobilise development finance through innovative financing instruments.

CPAP Period: 2023 to 2027

UNDP Strategic Plan Focus Area: Inclusive Economic Growth

Quantum Project ID: 01003761

Project Duration: January 2025 to December 2027

Management Arrangement: NIM

Total budget	US$ 225,000
Total allocated resources:	
• Government	-
• UNDP (04000)	US$ 200,000
• UNDP (04010)	US$ 25,000

Agreed by (Implementing Partner): OM Prakash Bhattarai
Under Secretary, MoF
16 Jan. 2026

Agreed by (UNDP): DocuSigned by: 2B6D826A661446B...

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Effective Financing for Development Project

Annual Work Plan 2026

tlas Award ID if relevant:

uantum Project ID: 01003761

uration of this plan (start month/year - end month/Year): 1 January to 31 December 2026

NSDCF/CPD Outcome: By 2027, Nepal achieves enhanced economic performance through diversified sources of finance, improved productivity, and increased resilience, enabling inclusive growth and sustainable development as ıe country progresses towards graduation from LDC status.

PD Output 1.1. Strengthened policy environment leads to acceleration of SDG implementation and sustainable LDC graduation

EXPECTED OUTPUTS (Please include baseline, associated indicators and annual Targets)	PLANNED ACTIVITIES (List key activities to be undertaken during the year which will contribute to the respective outputs)	Targets for Planned Activities	PLANNED BUDGET for 2026														Multi-year budget			
			Q1	Q2	Q3	Q4	RESPONSIBLE PARTY	Responsible UNDP CO staff	Implementing agent code	Funding Source Code	Donor names and codes	Budget Codes	Budget Description	Unit Cost	Unit	Total (USD)	2025	2026	2027	Total
Output 1: Policy environment and institutional capacity improved for development effectiveness including increased government's absorptive capacity for ODA funded projects.																				
ctivity Result 1: olicy environment and stitutional capacity nproved for evelopment	Activity 1.1 - Strengthen coordination between all three level of governments on mobilizing and utilizing development finance (coordination structure, policy support, dialogues)	6 events will be conducted to provide training and policy support for province and local level					MoF	Kalpana Sarkar	001138	04000	UNDP	75700	Workshop & Learning cost	2,000	6	12,000	32,000	12,000	15,000	59,000
							MoF		001981	04000	UNDP	72100	Contractual Service Company	800	5	4,000	5,000	4,000	15,000	24,000
							MoF		001138	04000	UNDP	71600	Travel Local	60	200	12,000	5,000	12,000	3,000	20,000
	Activity 1.2 - Provide support to the Ministry of Finance for dialogue between government and development partners for development effectiveness.	2 Local Donors meeting will be held and 8 Projects Monitoring will be conducted					MoF		001138	04000	UNDP	75700	Workshop & Learning cost	2,000	2	4,000	3,400	4,000	1,000	8,400
							MoF		001138	04000	UNDP	71600	Travel Local	1,500	8	12,000	14,000	12,000	1,000	27,000
	Activity 1.3 - Strengthen Nepal's participation and contribution to global forum on development finance and effectiveness.	3 Government officials will participate in global forum					MoF		001138	04000	UNDP	71600	Travel International	4,000	3	12,000	12,000	12,000	12,000	36,000
	Support from National Consultant to draft DCR for 2025/26 and to conduct a study on Foreign Exchange Risk on Total debt servicing.	DCR for 2025/26 and a study on impact of foreign exchange risk on debt servicing will be carried out.					UNDP		001981	04000	UNDP	71300	Local Consultant	3,000	2	6,000	30,000	6,000	15,000	51,000
	Sub Total Activity 1															**62,000**	**101,400**	**62,000**	**62,000**	**225,400**

EXPECTED OUTPUTS (Please include baseline, associated indicators and annual Targets)	PLANNED ACTIVITIES (List key activities to be undertaken during the year which will contribute to the respective outputs)	Targets for Planned Activities	PLANNED BUDGET for 2026														Multi-year budget			
			Q1	Q2	Q3	Q4	RESPONSIBLE PARTY	Responsible UNDP CO staff	Implementing agent code	Funding Source Code	Donor names and codes	Budget Codes	Budget Description	Unit Cost	Unit	Total (USD)	2025	2026	2027	Total
ctivity Result 2: evelopment finance anagement and racking Capacities trengthened for vidence-based decision aking	Activity 2.1 - Data integrity and stakeholder proficiency in the DFMIS through the establishment of robust data audit and validation protocols.	Further enhancement of DFIMS features and AMC.					UNDP	Kalpana Sarkar	001981	04010	UNDP	72100	Contractual Service Company	7,500	2	15,000	-	15,000	-	15,000
dicator: Publication of CR	Activity 2.2 - Periodic training to the focal points of government and development partners on the effective use of DFMIS	8 orientation program targeting to major stakeholders including DPs, INGO's, Government Officials of 3 tiers of Government will be held for the smooth operation of DFMIS					MoF		001138	04000	UNDP	75700	Workshop & Learning cost	1,500	6	9,000	16,000	9,000	22,000	47,000
							UNDP		001138	04010	UNDP	75700	Workshop & Learning cost	2,000	1	2,000	-	2,000	-	2,000
aseline: 0							MoF		001138	04000	UNDP	71600	Travel Local	80	80	6,400	4,000	6,400	6,000	16,400
nnual Target: 2	Activity 2.3 - Production and Dissemination of knowledge products including Development Cooperation Reports to enhance the use of DFMIS for evidence-based decision making	Publish DCR, SoP and Technical Assistance Report					MoF		001138	04000	UNDP	74200	Printing and Production Costs	2,000	3	6,000	6,000	6,000	5,000	17,000
							MoF		001138	04000	UNDP	75700	Workshop & Learning cost	2,500	2	5,000	3,000	5,000	5,000	13,000
							MoF		001138	04000	UNDP	71600	Travel Local	40	60	2,400	3,000	2,400	5,000	10,400
	Total of Outputs 2															**45,800**	**32,000**	**45,800**	**43,000**	**120,800**
ctivity Result 3: stitutional Capacity of ie Ministry of Finance nd relevant entities nproved to mobilise evelopment finance rough innovative nancing instruments.	Activity 3.1 - Create enabling environment to attract new sources of financing through the effective functioning of the innovating finance	3 Workshop / consultation meeting /dialogue will be held and 2 local consultant will be hired to draft Alternative Development Finance Mobilization Rule					MoF	Kalpana Sarkar	001138	04000	UNDP	75700	Workshop & Learning cost	1,500	3	4,500	8,000	4,500	10,000	22,500
							MoF		001138	04000	UNDP	71600	Travel Local	40	30	1,200	1,000	1,200	14,000	16,200
dicator: Number of apacity Development rograms aseline: 0 nnual Target: 15							UNDP		001981	04010	UNDP	71300	Local Consultant	4,000	2	8,000	-	8,000	-	8,000
	Activity 3.2 - Provide technical support to MOF and other relevant entities to finalize and approve Bond Framework and make the government ready for the thematic bond issuance	International and national technical advisor will be hired and 5 consultation meeting and dialogue will be held					MoF		001138	04000	UNDP	75700	Workshop & Learning cost	2,000	5	10,000	-	10,000	15,000	25,000
							MoF		001138	04000	UNDP	71600	Travel Local	40	30	1,200	60,000	1,200	-	61,200
	Total of Outputs 3															**24,900**	**69,000**	**24,900**	**39,000**	**132,900**

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XPECTED OUTPUTS Please include baseline, ssociated indicators and nnual Targets)	PLANNED ACTIVITIES (List key activities to be undertaken during the year which will contribute to the respective outputs)	Targets for Planned Activities	PLANNED BUDGET for 2026 Q1	Q2	Q3	Q4	RESPONSIBLE PARTY	Responsible UNDP CO staff	Implementing agent code	Funding Source Code	Donor names and codes	Budget Codes	Budget Description	Unit Cost	Unit	Total (USD)	Multi-year budget 2025	2026	2027	Total
ctivity Result 4: Project Management Cost	Human Resources & Office running cost						MoF	Kalpana Sarkar	001138	04000	UNDP	71400	Contractual Service - Individual	4,800	12	57600	60,000	57,600	65,000	182,600
							MoF		001138	04000	UNDP	72200	Office Equipment	250	2	500	700	500	800	2,000
							MoF		001138	04000	UNDP	72400	Communication and AV Equipment	50	12	600	600	600	600	1,800
							MoF		001138	04000	UNDP	71600	Travel - Local	50	4	200	200	200	200	600
							MoF		001138	04000	UNDP	72800	IT Equipment	1,000	4	4000	500	4,000	4,000	8,500
							MoF		001138	04000	UNDP	72500	Stationeries and Supplies	350	12	4200	6,000	4,200	4,200	14,400
							MoF		001138	04000	UNDP	73100	Maintenance - Premises	200	12	2400	2,400	2,400	2,400	7,200
							MoF		001138	04000	UNDP	73300	Maintenance - IT Equipment	100	5	500	500	500	500	1,500
							MoF		001138	04000	UNDP	73400	Rental, Fuel, Repair and Maintenance	300	12	3600	3,000	3,600	3,600	10,200
							MoF		001138	04000	UNDP	74200	Audio Visual and Printing Production Costs	25	4	100	100	100	100	300
							MoF		001138	04000	UNDP	74500	Miscellaneous (Sundry and Insurance)	300	12	3600	2,000	3,600	3,600	9,200
							UNDP		001981	04000	UNDP	74500	Delivering Enabling Service (DES)	15,000	1	15000	21,600	15,000	16,000	52,600
	Evaluation																-	-	30,000	30,000
	Sub Total for Project Management Cost															92,300	87,600	82,500	131,000	370,900
	Total															225,000	300,000	225,000	275,000	800,000

TRAC I	200,000
TRAC II	25,000
Total	225,000

Multi-year Unfunded Budget

2025	2026	2027	Total
140,600	149,900	180,900	471,400
Total Budget			1,271,400

Prepared by:
Ajaya Hamal
Administrative and Finance Associate, EFD
Date:

DocuSigned by:
Review and agreed by:
Dharma Swarnakar
Policy Advisor and ARR, UNDP
Date:

DocuSigned by:
Review and endorsed by:
Kalpana Sarkar
Portfolio Manager, UNDP
Date:

Approved by:
Om Prakash Bhattarai
Nationl Project Manager, EFD
Date:

DocuSigned by:
Approved by:
Julien Chevillard
Deputy Resident Representative, UNDP
Date:

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Quantum Entry-2026

Task Number or Resource	Task Name	Unit of Measure	Planning Currency	Funding Source	Raw Cost	Raw Cost (USD)	Burdened Cost	Burdened Cost (USD)	Start Date	Finish Date	2025		2026		2027	
											Raw Cost	Burdened Cost	Raw Cost	Burdened Cost	Raw Cost	Burdened Cost
Project 01003761	Effective Financing for Development (EFD)				800,000.00	800,000.00	800,000.00	800,000.00								
Task Output 1	Government has strengthened capacity to mobilise and utilize development finance				800,000.00	800,000.00	800,000.00	800,000.00								
Task Activity 2.1	MoF-Development finance management and tracking Capacities strengthened				95,800.00	95,800.00	95,800.00	95,800.00								
71600 - Travel		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	26,800.00	26,800.00	26,800.00	26,800.00	01/01/2025	31/12/2027	7,000.00	7,000.00	8,800.00	8,800.00	11,000.00	11,000.00
74200 - Audio Visual&Print Prod Costs		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	17,000.00	17,000.00	17,000.00	17,000.00	01/01/2025	31/12/2027	6,000.00	6,000.00	6,000.00	6,000.00	5,000.00	5,000.00
75700 - Training, Workshops and Confer		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	52,000.00	52,000.00	52,000.00	52,000.00	01/01/2025	31/12/2027	15,000.00	15,000.00	14,000.00	14,000.00	23,000.00	23,000.00
Task Activity 2.2	UNDP-Development finance management and tracking Capacities strengthened				25,000.00	25,000.00	25,000.00	25,000.00								
72100 - Contractual Services-Companies		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	8,000.00	8,000.00	8,000.00	8,000.00	01/01/2025	31/12/2027	4,000.00	4,000.00			4,000.00	4,000.00
72100 - Contractual Services-Companies		Currency	USD	UNDP|04010|TRAC 2|00012|UNITED NATIONS DEVELOPMENT PRO - 04010|UNITED NATIONS DEVELOPMENT PRO	15,000.00	15,000.00	15,000.00	15,000.00	01/01/2025	31/12/2027			15,000.00	15,000.00		
72200 - Equipment and Furniture		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO					01/01/2025	31/12/2027						
75700 - Training, Workshops and Confer		Currency	USD	UNDP|04010|TRAC 2|00012|UNITED NATIONS DEVELOPMENT PRO - 04010|UNITED NATIONS DEVELOPMENT PRO	2,000.00	2,000.00	2,000.00	2,000.00	01/01/2025	31/12/2027			2,000.00	2,000.00		
Task Activity 1.2	UNDP-Policy environment and institutional capacity improved				51,000.00	51,000.00	51,000.00	51,000.00								

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Task Number or Resource	Task Name	Unit of Measure	Planning Currency	Funding Source	Raw Cost	Raw Cost (USD)	Burdened Cost	Burdened Cost (USD)	Start Date	Finish Date	2025		2026		2027	
											Raw Cost	Burdened Cost	Raw Cost	Burdened Cost	Raw Cost	Burdened Cost
71200 - International Consultants		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO					01/01/2025	01/01/2027						
71300 - Local Consultants		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	51,000.00	51,000.00	51,000.00	51,000.00	01/01/2025	01/01/2027	30,000.00	30,000.00	6,000.00	6,000.00	15,000.00	15,000.00
72100 - Contractual Services-Companies		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO					01/01/2025	01/01/2027						
Task Activity 1.1	MoF-Policy environment and institutional capacity improved				174,400.00	174,400.00	174,400.00	174,400.00								
71600 - Travel		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	83,000.00	83,000.00	83,000.00	83,000.00	01/01/2025	31/12/2027	31,000.00	31,000.00	36,000.00	36,000.00	16,000.00	16,000.00
72100 - Contractual Services-Companies		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	24,000.00	24,000.00	24,000.00	24,000.00	01/01/2025	31/12/2027	5,000.00	5,000.00	4,000.00	4,000.00	15,000.00	15,000.00
72200 - Equipment and Furniture		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO					01/01/2025	31/12/2027						
72800 - Information Technology Equipmt		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO					01/01/2025	31/12/2027						
75700 - Training, Workshops and Confer		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	67,400.00	67,400.00	67,400.00	67,400.00	01/01/2025	31/12/2027	35,400.00	35,400.00	16,000.00	16,000.00	16,000.00	16,000.00
Task Activity 3.1	MoF-Institutional Capacity of the Ministry of Finance and relevant entities improved				115,900.00	115,900.00	115,900.00	115,900.00								
71600 - Travel		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	68,400.00	68,400.00	68,400.00	68,400.00	01/01/2025	31/12/2027	61,000.00	61,000.00	2,400.00	2,400.00	5,000.00	5,000.00
75700 - Training, Workshops and Confer		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	47,500.00	47,500.00	47,500.00	47,500.00	01/01/2025	31/12/2027	8,000.00	8,000.00	14,500.00	14,500.00	25,000.00	25,000.00

Task Number or Resource	Task Name	Unit of Measure	Planning Currency	Funding Source	Raw Cost	Raw Cost (USD)	Burdened Cost	Burdened Cost (USD)	Start Date	Finish Date	2025		2026		2027	
											Raw Cost	Burdened Cost	Raw Cost	Burdened Cost	Raw Cost	Burdened Cost
Task Activity 3.2	UNDP-Institutional Capacity of the Ministry of Finance and relevant entities improved				17,000.00	17,000.00	17,000.00	17,000.00								
71300 - Local Consultants		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	9,000.00	9,000.00	9,000.00	9,000.00	01/01/2025	31/12/2027					9,000.00	9,000.00
71300 - Local Consultants		Currency	USD	UNDP|04010|TRAC 2|00012|UNITED NATIONS DEVELOPMENT PRO - 04010|UNITED NATIONS DEVELOPMENT PRO	8,000.00	8,000.00	8,000.00	8,000.00	01/01/2025	31/12/2027			8,000.00	8,000.00		
72100 - Contractual Services-Companies		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO					01/01/2025	31/12/2027						
Task Activity 4.1	MoF-Project Management Cost				238,300.00	238,300.00	238,300.00	238,300.00								
71400 - Contractual Services - Individ		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	182,600.00	182,600.00	182,600.00	182,600.00	01/01/2025	31/12/2027	60,000.00	60,000.00	57,600.00	57,600.00	65,000.00	65,000.00
71600 - Travel		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	600.00	600.00	600.00	600.00	01/01/2025	31/12/2027	200.00	200.00	200.00	200.00	200.00	200.00
72200 - Equipment and Furniture		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	2,000.00	2,000.00	2,000.00	2,000.00	01/01/2025	31/12/2027	700.00	700.00	500.00	500.00	800.00	800.00
72400 - Communic & Audio Visual Equip		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	1,800.00	1,800.00	1,800.00	1,800.00	01/01/2025	31/12/2027	600.00	600.00	600.00	600.00	600.00	600.00
72500 - Supplies		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	14,400.00	14,400.00	14,400.00	14,400.00	01/01/2025	31/12/2027	6,000.00	6,000.00	4,200.00	4,200.00	4,200.00	4,200.00
72800 - Information Technology Equipmt		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	8,500.00	8,500.00	8,500.00	8,500.00	01/01/2025	31/12/2027	500.00	500.00	4,000.00	4,000.00	4,000.00	4,000.00
73100 - Rental & Maintenance-Premises		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	7,200.00	7,200.00	7,200.00	7,200.00	01/01/2025	31/12/2027	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00

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Task Number or Resource	Task Name	Unit of Measure	Planning Currency	Funding Source	Raw Cost	Raw Cost (USD)	Burdened Cost	Burdened Cost (USD)	Start Date	Finish Date	2025		2026		2027	
											Raw Cost	Burdened Cost	Raw Cost	Burdened Cost	Raw Cost	Burdened Cost
73300 - Rental & Maint of Info Tech Eq		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	1,500.00	1,500.00	1,500.00	1,500.00	01/01/2025	31/12/2027	500.00	500.00	500.00	500.00	500.00	500.00
73400 - Rental & Maint of Other Equip		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	10,200.00	10,200.00	10,200.00	10,200.00	01/01/2025	31/12/2027	3,000.00	3,000.00	3,600.00	3,600.00	3,600.00	3,600.00
74200 - Audio Visual&Print Prod Costs		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	300.00	300.00	300.00	300.00	01/01/2025	31/12/2027	100.00	100.00	100.00	100.00	100.00	100.00
74500 - Miscellaneous Expenses		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	9,200.00	9,200.00	9,200.00	9,200.00	01/01/2025	31/12/2027	2,000.00	2,000.00	3,600.00	3,600.00	3,600.00	3,600.00
Task Activity 4.2	UNDP-Project Management Cost				82,600.00	82,600.00	82,600.00	82,600.00								
72100 - Contractual Services-Companies		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	30,000.00	30,000.00	30,000.00	30,000.00	01/01/2025	31/12/2027					30,000.00	30,000.00
74500 - Miscellaneous Expenses		Currency	USD	UNDP|04000|TRAC (Lines 1.1.1 and 1.1.2)|00012|UNITED NATIONS DEVELOPMENT PRO - 04000|UNITED NATIONS DEVELOPMENT PRO	52,600.00	52,600.00	52,600.00	52,600.00	01/01/2025	31/12/2027	21,600.00	21,600.00	15,000.00	15,000.00	16,000.00	16,000.00
										TOTAL	300,000		225,000		275,000	275,000
										TRAC I	300,000		200,000		275,000	775,000
										TRAC II	-		25,000		-	25,000

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Summary of Substantive Budget Revision-1-2026

Project id: **01003761**

Award id: **1376292**

Project title: **Effective Financing for Development (EFD)**

Date: **20 January 2026**

				Year									Total		
				2025			2026			2027					
Outputs	Fund	Donor	Imp.Agent	Before	Changes	Total	Before	Changes	Total	Before	Changes	Total	Before	Changes	Total
01003761	04000	000012	001981	116,158	-	116,158	123,000	- 33,000	90,000	124,900	-	124,900	364,058	- 33,000	331,058
	04000	000012	001138	183,842	-	183,842	127,000	- 17,000	110,000	125,100	-	125,100	435,942	- 17,000	418,942
	04010	000012	001981	-	-	-	-	25,000	25,000						
	04010	000012	001138						-			-	-		
Grand Total				**300,000**	**-**	**300,000**	**250,000**	**- 25,000**	**225,000**	**250,000**	**-**	**250,000**	**800,000**	**- 25,000**	**775,000**

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Minutes of the Project Board Meeting of EFD Project

Date: 10/12/2025

Time: 15:30-16:30

Venue: Ministry of Finance

Attendees

Project Board function	Name	Title	Organization/Department
Project Director	Dr. Dhani Ram Sharma	JS/ NPD	Ministry of Finance
Development Partners	Mr. Julien Chevillard	DRR	UNDP
Beneficiary representative	Mr. Om Prakash Bhattarai	US/ NPM	Ministry of Finance
Invitee	Mr. Dharma Swarnakar	Economic Advisor	UNDP
Project assurance	Ms. Kalpana Sarkar	PM	UNDP
Invitee	Mr. Prem Upadhyay	DPM	EFD
Invitee	Mr. Ajay Hamal	AFA	EFD
Invitee	Mr. Bishesh Pradhan	DMA	EFD

Agenda

a) Progress and expenditure of EFD (July-November 2025)
b) Revision of Annual Workplan of EFD (July–Dec 2025)
c) Endorsement of 2nd Quarter (25Q2) Workplan of EFD
d) Proposal of Annual Work Plan (Jul 2025- Sep 2025) and 1st and 2nd quarter Work plan of EFD
e) Any Other Business (AOB) – Replacement of vehicle, frequency of PEB meeting

1. Introduction

The Project Executive Board (PEB) meeting of the Effective Financing for Development (EFD) Project was convened under the chairmanship of **Dr. Dhani Ram Sharma, Joint Secretary and National Project Director**. The meeting reviewed key progress updates, discussed strategic directions, and identified necessary follow-up actions.

Dr. Sharma welcomed all members and opened the meeting. He thanked UNDP for its continued support to the Ministry of Finance and the EFD Project. He also highlighted major project progress and introduced the agenda for the meeting.

He shared that the Project has made notable progress over the past year and off course in the current year too. He touched some of the key achievements of the project. He shared that in support of the project, the Ministry successfully approved and published the Foreign Aid Mobilization Policy 2025, Project Readiness filter 2025.

He also shared that MoF has conducted extensive policy and project readiness filter dissemination programs across multiple provinces, with additional sessions planned by the end

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of this month. He further informed that though Alternative Development Finance Mobilization Bill was submitted in the parliament, it couldn't advance due to dissolution of the House of Representative following the Gen Z movement. He expressed that it will advance once the HoR will in place.

Highlighting the importance of Institutional strengthening efforts, he updated that the Standard Operating Procedures for IERD are in the final stages of approval. Progress on thematic bond issuance, supported through UNDP's technical expertise, has opened important avenues for innovative financing. Similarly, the development of the Integrated National Financing Strategy (INFS) for pro-poor employment is a major step toward aligning financing with national development priorities. Dr. Sharma informed the Board that the project vehicle was damaged during the Gen Z movement inside Singha Durbar. He requested UNDP to provide a replacement vehicle at the earliest, citing operational difficulties.

The Chair informed that the Ministry is transitioning from physical to digital decision processes and expressed satisfaction that discussions with FCDO for digital reform support are progressing positively.

Mr. Om Prakash Bhattarai, Under Secretary and National Project Manager (NPM) highlighted the major progress and achievement of project from July 2025 to as of now. During his presentation, he mainly covered overall status of the project, major achievements, target vs. achievement status, oversight and monitoring updates, Risk analysis and ongoing risk-mitigation measures, proposed Annual Workplan for 2026 and proposed Workplan for 1st and 2nd quarters of 2026.

Updating the status of decision of last PEB meeting held on 9 June 2025, he shared that almost all the actions are completed and likely to complete by December end. He also proposed to endorse the revised workplan of 2025, and requested to approve annual workplan of 2026 and first and second quarterly work plan as attached. He also proposed conducting PEB meetings every six months instead of quarterly, considering the busy schedule of Board members.

Mr. Julien Chevillard, Deputy Resident Representative, UNDP thanked NPM for detail update and expressed continued commitment to support the project. He ssuggested presenting major findings from field monitoring visits during PEB meetings. Noting delays in DCR publication, he proposed joint actions for timely publication. He also recommended highlighting development partners' reporting status during DP meetings to encourage timely compliance. Expressing satisfaction with progress on SoP, thematic bond work, and overall, 2025 performance. He further informed the Board of ongoing discussions with FCDO on digital reform support. Mr. Julien emphasized the strategic importance of the Alternative Development Finance Mobilization Bill and encouraged resuming the process once the House of Representatives is in place. He emphasized the need for high quality assurance on such regulations, as it is crucial for the fund design to be attractive to investors. UNDP will be providing international comparative expertise to support the drafting process. He informed that the team is working to replace the vehicle and agreed with the proposal for biannual PEB meetings.

Mr. Dharma Swarnakar, Policy Advisor, UNDP shared that the approval of INFS has already been communicated to senior UNDP management and expecting early clearance from the Ministry for its publication. He committed that UNDP will continue supporting preparatory work for thematic bond issuance. He further updated on onboarding national and international consultants for the thematic bond work.

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Ms. Kalpana Sarkar, Portfolio Manager, UNDP requested the project team to ensure timely completion of all remaining activities planned for the current year.

Dr. Sharma concluded the meeting by expressing confidence in accelerating implementation in the coming months.

2. *(If applicable)* Review of previous Board agreed actions plans

Mr. Om Prakash Bhattarai proposed to revised annual work plan given the evolving situation, immediate requirement and funding space. The revised Annual Work Plan and its rational is attached herewith.

3. Project progress to date against project output indicators & Assessment of project spending, based on a review of the combined delivery report

Annual Target USD 300,000

Progress up to 9 December 2025 USD 246,600 (82%)

4. Oversight *(as applicable)* Evaluation / Field Monitoring / Audit / Spot checks

Oversight done through regular meetings and communication.

5. Risk Management

Due to scheduled election for the member of HoR, there might delay of designing, approval and execution of the project activities. For this it is planned to time adjustment. Following the assumption of new government, there might be policy change. It might impact on the implementation of project activities for the preparatory works and capacity building initiatives planned by the project. For this, it is planned to convince the new leadership about ongoing activities or adjust activities as per new policy. Due to unavailability and insufficiency of data and unwillingness of concerned agency to provide data in timely manner, it will impact on timely publication of flagship reports including DCR. For this, the project will systematically organize trainings on the DFIMS to the focal points of government entities and development partners and also advocate with MOF for other incentive mechanism to ensure the complete and timely submission of the data. Given the changing global scenario, the project is facing funding gap, which impact for compromising the achievement of project results due to the inability to deliver many project activities. For mitigate it, MoF will enhance efficiency and explore jointly with UNDP to find out new sources of funding.

6. Approval/Review of Workplans (including resources vs available funding)

a. The PEB reviewed and endorsed the progress report of from June 1 to 30 November, 2025 as attached. (Total projected disbursement up to November 2025 – USD 246,600). Board also reviewed and approved remaining activities and plan from 1 December to 31 December 2025.

b. The Board reviewed and endorsed the work plan of 3rd (25Q3) and 4th quarter of 2025 (25Q4) and revised annual workplan of 2025. The projected financing plan for 2025 is USD 300,000, 25Q3 is USD 71,000 and 25Q4 is USD 165,750.

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c. The Board reviewed and approved the annual workplan for 2026 and first and second quarter workplan for 2026. The projected financing plan for 2026 will be USD 225,000 and 26Q1 will be USD 62,150 and 26Q2 will be USD 60,000.

7. Approval of any decisions required

All the agendas mentioned in the serial number 6 are reviewed, discussed and endorsed the progress report and expenditure from June to November 2025 and endorsed 25Q3 and 25Q4 workplan. The Board also approved revised annual workplan of 2025, annual workplan for 2026, and first and second quarter workplan of 2026 as discussed and attached.

8. Summary of next steps

Summarize all the steps agreed during the meeting in the different agenda items:

Item	Matters raised	Next step	Deadline / Timeline	Focal point
1.	Vehicle replacement	UNDP to process support for a replacement vehicle	Earliest possible	UNDP
2.	DCR publication	Expedite publication; coordinate with UNDP for required support	Immediate & ongoing	Project Team / MoF
3.	Monitoring visit results	Include major monitoring findings in next PEB meeting presentation	Next PEB Meeting	Project Team
4.	Digital reform support	Continue engagement with FCDO through UNDP	Ongoing	UNDP & MoF
5.	ADFMB regulation	Begin drafting regulation after bill endorsed by either house	Upon bill endorsement	MoF / Project Team
6.	Frequency of PEB meetings	PEB to be held every six months	Effective from 2026	MoF / UNDP

Signed by:

Dr. Dhani Ram Sharma
National Project Director
EFD Project

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Mr. Julien Chevillard
Deputy Resident Representative
UNDP

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Empowered lives.
Resilient nations.

UN Development Programme
Nepal - Kathmandu

Project ID: 01003761
Award ID: 1376292
Project Title: Effective Financing for Development (EFD)

Donor	Donor Code	Fund	Budget in US$			
			2025	2026	2027	Total
UNDP	000012	04000	300,000	250,000	250,000	800,000
						-
						-
Total Budget			**300,000**	**250,000**	**250,000**	**800,000**
Total Budget as per last revision			300,000	250,000	250,000	800,000
Net Increase/ (Decrease)			-	-	-	-
Award Total						**800,000**
Unfunded			**140,600**	**149,900**	**180,900**	**471,400**

Start Year: 1 January 2025

Operational close date: 31 December 2027

Financial close date: 31 December 2028

Implementing Agency: Ministry of Finance (MoF)

Revision Type: General budget revision-2

Brief Description: General budget revision-2 has been prepared to revise budget code and activities within total allocated annual budget of USD 300,000 from TRAC I for 2025. The revision has initiated based on the signed annual work plan of Effective Financing for Development (EFD) project.

Signature

Om Prakash Bhattarai
National Project Manager/Under Secretary, IERD

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Julien Chevillard
Deputy Resident Representative, UNDP

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CHECKLIST FOR APPROVAL OF BUDGET REVISION

Project Name: Effective Financing for Development (EFD)
Project ID: 01003761
Award ID: 1376292

Details	Yes	No
Ensure that approved TRAC and non TRAC fund correctly reflected in AWP	√	
Review AWP and ensure that GMS and DPC cost reflected	√	
Budget Revision Cover page figures matches with Work plan figures	√	
Provide justification for budget revision on the cover page	√	
Review that non TRAC fund are being planned as per cost sharing agreement signed with the donor, or ASL provided (in case of TF or TTF)	NA	
Compare with previous budget revision page	√	
Ensure that work plan and budgets are approved by Project Board	√	
Review CDR and ensure that expenditure are properly recorded in CDR; Click here- How to Run CDR	√	
Review PRO and ensure that budget planned as per available budget; Click here- How to Run PRO Report	NA	

The above documents are duly reviewed and AWP, cover page, previous budget revision cover page, relevant quarter work plan, CDR and PRO attached.

Portfolio Manager: DocuSigned by: _____

Date:_____ Kalpana Sarkar

Details	Yes	No
Ensure there is no unprogrammed fund	√	
Ensure there is no cost sharing deficit	NA	
Ensure the budget is as per agreed delivery target	√	
Ensure that workplan and budgets are as per PEB minutes	√	

Deputy Resident Representative: DocuSigned by: _____

Date:_____ Julien Chevillard

Details	Yes	No
Cost recovery is correctly captured in the AWP (GMS and DPC)	√	
Quantum AWP is prepared as per signed AWP	√	
Quantum Entry of Budget is correct	√	

Prog Fin Asst: DocuSigned by: _____

Soujanya Maskey

Date:_____

Details	Yes	No
TRAC allocation is as per approved allocation sheet	√	
Revised project budget is as per availability of resources	√	

Finance Analyst: _____ DocuSigned by: _____

Nibedan Baidya

Operations Manager

Date:_____

Details	Yes	No
TRAC allocation is as per approved allocation sheet	√	
Revised project budget is as per availability of resources	√	

Portfolio Associate: DocuSigned by: _____

Surendra Sob

Date: 20 Jan 2026