ADMINISTRATIVE ARRANGEMENT

BETWEEN

THE ASIAN DEVELOPMENT BANK (ADB)

AND THE

UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

FOR FUNDS TRANSFERRED BY ADB TO UNDP AS AN IMPLEMENTING PARTNER IN SUPPORT OF A PROJECT

ADVANCING CLIMATE AND SUSTAINABILITY FINANCING IN LAO PDR (THE "PROJECT")

DATED 10 April 2025

(THE "ADMINISTRATIVE ARRANGEMENT")

Whereas the **Asian Development Bank (ADB)** and the **United Nations Development Programme (UNDP)** (hereinafter also referred to singly as "Party" and collectively as "Parties") signed a Memorandum of Understanding on 12 April 2019 for continued and deepened collaboration supporting the progress towards the Sustainable Development Goals in Asia and the Pacific;

Whereas ADB on 10 April 2025 approved a technical assistance titled TA 10464-LAO Strengthening Public Finance and Investment Planning to Advance Climate Commitments (the "Overall Project")

Whereas ADB has agreed to transfer an amount of One Hundred and Four Thousand Seven Hundred and Sixty USD (104,760.00 USD) to UNDP to implement certain activities in furtherance of the Overall Project as set out in Appendix A ("the "Project" or "project");

Whereas UNDP has agreed to receive and administer the funds transferred by ADB to UNDP upon the terms and conditions set forth hereinafter;

Whereas the government of each ADB developing member country in which the project activities will be conducted has been duly informed of the intended transfer of funds by ADB to UNDP.

Now therefore ADB and UNDP agree as follows:

Article I. The purpose and utilization of the funds transferred by ADB to UNDP

1. The purpose of the funds transferred by ADB to UNDP is to support the project.

2. The funds transferred by ADB to UNDP shall be used to cover the project activities and costs as set out in Appendix A of this Administrative Arrangement, to be indicatively implemented from 10 April 2025 to 31 November 2025.

3. The activities and/or costs to be covered by the funds transferred by ADB to UNDP as set out in Appendix A may be reviewed periodically by ADB and UNDP as may be required, and may be adjusted subject to mutual agreement by ADB and UNDP.

4. The funds transferred to UNDP by ADB under Article II (1) below shall be treated as UNDP resources and administered in accordance with UNDP Financial Regulations and Rules.

Article II. ADB funds to be transferred to UNDP

1. ADB shall transfer to UNDP a total amount (hereafter referred to as "ADB funds"[1]) of One Hundred and Four Thousand Seven Hundred and Sixty USD (104,760.00 USD), in three installments, as agreed by UNDP and ADB in the schedule of payments annexed to this Administrative Arrangement, within 30 days after signing of this Administrative Arrangement.

2. The instalment of ADB funds shall be deposited in the following UNDP account:

Account Name:	UNDP Contributions Account
Currency:	US$
Bank Name:	CITIBANK
Bank Address:	399 Park Avenue, New York, New York 10222-4617, USA
IBAN:	36349562
BIC:	CITIUS33
Bank's ABA Code:	021 000 089

3. ADB will inform UNDP when ADB funds are paid via e-mail message with remittance information to: contribution@undp.org

Article III. Organizational responsibilities, accountability and management

1. UNDP shall be responsible for the project, using funds that are transferred by ADB to UNDP for the project; and

2. UNDP shall be responsible to ADB for the proper use of funds transferred by ADB to UNDP, including use for the specific country or countries and purposes for which these

[1] The term "ADB funds" does not imply that the funds transferred by ADB are ADB's own funds; fundstransferred by ADB may be ADB funds or funds from trust funds administered by ADB.

funds are approved by ADB.

3. An advisory committee shall be established with a mandate to include monitoring progress and providing advice to the responsible UNDP project manager concerning management and implementation of the project. Where an advisory committee or steering committee is already established for the project, such a committee may be used for this purpose, provided ADB can fully participate.

4. The UNDP Country Office in Lao PDR shall provide ADB with semi-annual status reports on progress in implementation of the project as well as the latest approved budget for the project with the progress reports to be in the standard format for UNDP progress reports, unless otherwise agreed by ADB and UNDP. If special circumstances so warrant, UNDP may provide more frequent reporting at the expense of ADB.

Article IV. General management and other support costs

1. Within the total amount transferred by ADB to UNDP for the project, eight percent (8%) of the total funds shall be allocated to UNDP to cover UNDP general management support costs (as defined by UNDP) as set out Appendix A, provided that actual total general management support costs shall not exceed eight percent (8%) of the total funds utilized by UNDP to finance eligible expenditures (other than the general management support costs) under the project.

2. Other implementation support services costs (as defined by UNDP) incurred by UNDP related to the specific activities to be financed by funds transferred by ADB to UNDP may be included as line items in the budget, in consultation with ADB, for utilization of such funds with these costs additional to the funds provided for the general management support costs.

Article V. Currency for payments, accounts, and expenditure

1. All payments by ADB to UNDP, and all financial accounts and statements submitted by UNDP to ADB shall be expressed in United States Dollars.

2. The value of payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations Operational Rate of Exchange in effect on the date of payment, appropriately documented by UNDP.

Article VI. Annual and final financial statements

1. UNDP shall provide ADB an annual financial statement as of 31 December each year, certified by the UNDP Comptroller, and on use of the funds transferred by ADB to UNDP during the previous year, not later than 30 June the following year.

2. The International Public Sector Accounting Standards shall be applied to accounting records and annual financial statements.

3. After completion and financial closing of the project, UNDP shall provide ADB, not later than 30 June of the year following the financial closing, a final financial statement, certified by the UNDP Comptroller, on the use of the funds transferred by ADB to UNDP.

4. All financial statements as well as other financial reports and statements of expenditure related to funds transferred by ADB to UNDP will be provided by the UNDP in the standard UNDP formats.

Article VII. Use of interest income

1. Any interest income attributable to funds transferred by ADB to UNDP may be retained by UNDP and used for eligible expenditures under the project in accordance with the terms of this Administrative Arrangement, subject to the following conditions: (i) the amount transferred at any time does not exceed the equivalent of USD 500,000 and (ii) ADB confirms the original source of funds does not prohibit such arrangement. Otherwise, the interest shall be returned to ADB. In this regard, ADB will advise UNDP of any instances in which the original source of funds that are being transferred to UNDP may have restrictions that prevent ADB from allowing UNDP to retain interest less than $500,000 for eligible expenditures under the project.

Article VIII. Ownership and disposition of equipment

1. Ownership of equipment, supplies and other properties purchased by UNDP with funds transferred by ADB to UNDP shall vest in UNDP. Matters related to transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

2. On completion of the project, all equipment, goods, supplies and/or properties purchased by UNDP with funds transferred by ADB to UNDP shall be transferred to the beneficiary developing country in accordance with relevant policies and procedures of UNDP, unless otherwise agreed by ADB.

Article IX. Project completion

1. UNDP shall notify ADB when all activities relating to the project implemented by UNDP using funds transferred by ADB to UNDP have been completed.

2. UNDP shall prepare and submit to ADB a project completion report in the standard UNDP format on completion of the project including supplementary information that ADB may require for preparing its Technical Assistance Completion Report on use of funds transferred by ADB to UNDP.

3. Notwithstanding the completion of the project, UNDP shall continue to hold unutilized funds that have been transferred by ADB to UNDP for the project until all eligible expenditures incurred prior to completion of the project have been paid and activities brought to an orderly conclusion.

Article X. Disposition of unexpended funds after completion or pre-termination

1. When the project is completed or in the event that the Administrative Arrangement is pre-terminated, any funds that have been transferred by ADB to UNDP for the project and (subject to Article VII) any interest income attributable to funds transferred by ADB to UNDP shall be returned to ADB after all eligible expenditures incurred prior to the completion of the project or pre-termination of this Administrative Arrangement, as the case may be, have been paid, unless otherwise agreed by ADB. Funds should be returned in the original currency of funds transfer.

2. UNDP will not be required to return to ADB the remaining amount if such amount is One Hundred US Dollars (US$) or less.

Article XI. Internal and external audit

1. The use of ADB funds transferred by ADB to UNDP for implementation of the project by UNDP shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP.

2. Should the annual Audit Report of the Board of Auditors of UNDP to its governing body contain observations concerning the project and/or related financial management of funds transferred by ADB to UNDP for this purpose, such information shall be made available to ADB.

3. If information about the expenditure of funds transferred by ADB to UNDP is requested by ADB for conduct of ADB internal and external audits related to transfer of funds by ADB to UNDP for the project concerned, UNDP shall provide the information as reasonably requested to the ADB.

Article XII. Application of safeguard policies

1. UNDP shall implement the project using funds transferred by ADB to UNDP in accordance with applicable UNDP safeguard policies.

2. Notwithstanding paragraph (1) of this Article, if any cases arise which ADB has assessed in accordance with its policies and procedures, has, or may likely have, adverse social or environmental impacts, ADB and UNDP shall consult and agree on the applicable requirements and documentation to be put in place to mitigate and/or address such impacts (and the more stringent requirements and documentation between the Parties shall prevail), and to be assured by UNDP in implementation of the project.

Article XIII. Procurement of works, goods, and services - Eligible countries

1. ADB and UNDP recognize the importance and value of international competition in procurement of works, goods and services, to the extent this is consistent with the country eligibilities set out in their respective statutory instruments for procurement of works,

goods and services. Funds transferred by ADB to UNDP shall be used for procurement of works, goods and services from ADB member countries only, unless otherwise approved by the required ADB and UNDP authorities on a case-by-case basis. To the extent consistent with the criteria of country eligibility for procurement of works, goods and services noted in this paragraph, ADB and UNDP support the principle of the widest possible open and competitive selection in procurement of works, goods and services to ensure value for money and as a precaution against corrupt practices.

2. Any procurement of works, goods and services using funds transferred by ADB to UNDP for the project shall be by open and competitive selection processes within the ADB member country eligibility set out in paragraph (1) of this Article, unless otherwise approved in advance on a case-by-case basis.

3. Subject to compliance with the ADB member country eligibility requirement noted in paragraph (1) of this Article and to open and competitive selection noted in paragraph (2) of this Article, as well as ADB's sanctions list in [Article XVI(8)] below, all procurement of works, goods and services using funds transferred by ADB to UNDP for the project shall be carried out using and in accordance with UNDP policies, procedures and documentation for the procurement of works, goods and services as set out in the UNDP Procurement Manual and procedures (as amended from time to time). ADB and UNDP will advise each other of any pertinent changes to their respective procurement policies, so that harmonization of standards can be assessed and maintained.

Article XIV. Recognition of ADB financial support

1. UNDP will make best efforts to include in its public documentation pertaining to the project for which ADB transfers funds to UNDP, a public acknowledgement of ADB financial support for the project.

Article XV. Pre-termination

1. ADB and UNDP shall consult between themselves and with the authorities in the beneficiary developing country prior to pre-termination of the project by either organization.

2. Either organization may pre-terminate the Administrative Arrangement which shall cease to be in force thirty (30) days after either organization has given notice in writing to the other organization of its decision to terminate the Administrative Arrangement.

3. In the event of pre-termination, UNDP will provide to ADB a statement of expenditure for all unliquidated expenses.

4. In the event of pre-termination, ADB and UNDP shall consult with each other about the appropriate steps to be taken and/or any further actions which may be necessary to take with respect to the project, including settlement of any outstanding commitments and liabilities.

Article XVI. Anti-corruption procedures and investigations

1. ADB and UNDP agree that it is essential to take all necessary precautions to avoid corrupt, fraudulent, collusive, coercive, or unethical practices as well as obstruction (collectively, "**Prohibited Practices**" as defined in paragraph 7 of this Article XVI). To this end, in implementing the project using funds transferred by ADB to UNDP, UNDP shall maintain standards of conduct that govern the performance of its staff, including the prohibition of Prohibited Practices, in connection with the award and administration of contracts, grants, or other benefits, as set forth in the Staff Regulations and Rules of the United Nations, the UNDP Financial Regulations and Rules and the UNDP Procurement Manual.

2. ADB and UNDP shall consult with each other in respect of any matter that may arise from or in connection to Prohibited Practices with respect to the project.

3. All allegations of any such practices shall be investigated promptly and, where confirmed, appropriate follow-up action shall be initiated without delay by ADB in accordance with applicable ADB policies, procedures and guidelines where such allegations involve ADB staff/personnel and/or activities and by UNDP in accordance with applicable UNDP policies, regulations and rules where such allegations involve UNDP staff/personnel and/or activities. If an allegation involves staff and personnel of both Parties, the Parties shall coordinate and cooperate to the extent permissible by the Parties' respective policies and procedures.

4. The Parties shall promptly refer to and consult with each other, as appropriate, in respect of any credible allegations of Prohibited Practices by individuals or entities contracted to provide goods, works or services financed out of the proceeds of the ADB funds ("**Third Parties**") relating to the Project through the Office of Anticorruption and Integrity of ADB ("**ADB-OAI**") and the Office of Audit and Investigations of UNDP ("**UNDP-OAI**").

5. UNDP shall conduct investigations, in accordance with UNDP investigation procedures, of allegations of Prohibited Practices by Third Parties which are covered by UNDP's investigative mandate. In this regard, UNDP shall coordinate with ADB in accordance with the ADB-OAI – UNDP-OAI Agreement for Cooperation and Sharing of Information to permit ADB to participate in such investigation in a manner that meets the requirements of ADB's Anticorruption Policy (1998). If UNDP considers that an allegation of Prohibited Practice does not warrant an investigation pursuant to its own policies and procedures, UNDP will inform ADB who shall nevertheless have the ability to take appropriate action, including continuing the investigation and imposing sanctions in accordance with ADB investigation and enforcement procedures. In order to facilitate ADB's ability to participate in investigations pursuant to this paragraph, UNDP shall include within its tender documents and contracts with Third Parties the Integrity Covenant set out in Annex 1 of this Administrative Arrangement. To the extent consistent with the respective policies and procedures of UNDP and ADB, the Parties shall keep each other regularly informed of actions taken pursuant to this Article and the results of such actions. Any

such information shared between the Parties shall be treated as confidential pursuant to their respective policies and procedures.

6. Nothing in this Agreement waives or limits the right or authority of either Party to suspend, sanction or take remedial action against any such Third Party in accordance with its policies and procedures. In this regard, the Parties acknowledge and agree that ADB has the right and authority pursuant to ADB's Anticorruption Policy (1998, as amended to date) and ADB's Investigation and Enforcement Framework (2024, as amended from time to time), to sanction (including to debar) any Third Party which ADB has determined to have engaged in Prohibited Practices on the basis of ADB's or UNDP's investigation findings.

7. The following definitions shall apply:

   a) "corrupt practice" means the offering, giving, receiving or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party;

   b) "fraudulent practice" means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

   c) "coercive practice" means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

   d) "collusive practice" means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;

   e) "unethical practice" means behavior that constitutes a conflict of interest, or that is contrary to the policies and requirements of doing business with UNDP, including but not limited to post-employment and gifts and hospitality provisions as defined by UNDP and as well as the integrity violations set out in ADB's Investigation and Enforcement Framework;

   f) "obstruction" means acts or omissions by a Vendor that prevent or hinder UNDP from investigating complaints of Vendor engagement in Proscribed Practices within the meaning of UNDP Vendor Sanctions Policy and obstructive practice as defined in ADB's Investigation and Enforcement Framework.

8. Any entity debarred, (including those cross debarred), or suspended by ADB in accordance with ADB's Anticorruption Policy and Investigation and Enforcement Framework shall be ineligible to participate in projects funded by ADB and implemented by UNDP pursuant to this section.

9. Consistent with ADB's and UNDP's standard practices, when a contract is to be issued in connection with implementation of the project activities, the contract documents shall

include an undertaking by the vendor or consultant (as the case may be) that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the vendor/consultant selection process or in contract execution. The relevant bidding/tender documents shall also include an Integrity Covenant in the form as set out in Annex I.

10. With regard to sanctions obligations, UNDP shall, subject to the privileges and immunities of the United Nations, the United Nations Single Audit Principle and the UNDP's information disclosure policy, provide ADB, as soon as the respective relevant information is available, with a list detailing Third Parties with which UNDP intends to enter into contracts and/or issue long-term arrangements or purchase orders once they have been selected after a UNDP's procurement exercise (but before the procurement award is made by UNDP) (the "**ADB List**"). The ADB List shall contain the following information: (a) name of the Third Party; (b) country of registration, (c) address and nationality; (d) business registration number or birth date. If an entry in the ADB List presents any concerns to ADB, ADB will inform UNDP ("**Notice by ADB**") within 10 business days of having received the ADB List from UNDP, and the Parties will promptly consult with each other to jointly determine remedial measures, if required, in accordance with their respective applicable accountability and oversight frameworks. These remedial measures may include (a) the re-design of the project phase for a re-tendering process; (b) the suspension and/or termination of the project phase; and/or (c) the termination of the Agreement. The Parties also acknowledge and agree that in the event of a Notice by ADB, considering UNDP as the ultimate and final procurement authority in the procurement process, UNDP may, following consultation with ADB and to the extent other funding is available, decide to proceed under its own responsibility with the award using only funding from other donor/s and/or external funding source/s of UNDP to finance the applicable contract, long-term arrangement or purchase order, without use of ADB Funds. All costs incurred by UNDP until the Notice by ADB will be considered eligible costs, subject to the provisions of Articles III, XII and XIII of this Administrative Arrangement.

Article XVII. Application of access to information and disclosure procedures

1. ADB and UNDP recognize the importance of disclosure of information to the public. Both organizations have adopted access to information and disclosure policies based on the presumption of public disclosure of information and documentation received by or generated by them, subject to specific exceptions, including, information provided in confidence.

2. Access to and disclosure of documents and information received by or generated or maintained by ADB with respect to the project shall be governed by the ADB's Access to Information Policy (2018).

3. Access to and disclosure of documents and information received by or generated or

maintained by UNDP with respect to the project shall be governed by the UNDP Information Disclosure Policy and the UNDP Publications Policy.

4. In cases involving documents prepared with contributions of ADB and UNDP, the two organizations will consult and decide on a case-by-case basis on the disclosure of such documents.

5. ADB and UNDP will consult with each other in advance and prior to release of documents and/or information to ensure that release of such documentation and information is coordinated and does not contravene the access to information and disclosure policy of either organization.

Article XVIII. Confidentiality of information

1. All electronic, oral, printed and/or written information furnished by one party to the other which is designated as "confidential" shall be treated as confidential. Such confidential information shall not be disclosed without the prior knowledge and consent of the other party, except where such disclosure is required by law, under each party's access to information and disclosure policies, subject to the privileges and immunities of ADB and of the United Nations, including the UNDP, as may be applicable.

2. Consent to discuss and/or disclose such confidential information obtained as a result of activities carried out under the administrative arrangement shall not be unreasonably withheld.

Article XIX. Intellectual Property

1. ADB and UNDP will consult each other, as appropriate and if circumstances so require, on issues related to intellectual property and rights thereto including the necessity of separate legally binding agreements while taking into account each party's respective policies on intellectual property. Each party shall retain ownership of the intellectual property rights in any of its respective existing materials or work product that is shared with the other party in connection with the activities under this Administrative Arrangement. Management of any joint intellectual property output that arises under this Administrative Arrangement will be conducted by each party in accordance with their respective practices and procedures. If ADB and UNDP shall undertake a joint publication under a project, said joint publication will be subject to a separate co-publishing agreement between UNDP and ADB.

Article XX. Amendment of Administrative Arrangement

1. This Administrative Arrangement may be amended through an exchange of letters between ADB and UNDP. The letters exchanged shall become an integral part of this Administrative Arrangement.

Article XXI. Official Communications

1. All official communications and reports to ADB about this Administrative Arrangement for the transfer of funds from ADB to UNDP shall be addressed to:

ADB

Name: Kavita Iyengar

Title: Senior Country Economist, Lao PDR Resident Mission, Asian Development Bank

E-mail: kiyengar@adb.org

2. All official communications and reports to UNDP about this specific Administrative Arrangement for the transfer of funds from ADB to UNDP (including a copy of e-mails advising UNDP of the instalment payment as detailed in Article II (3) above) shall be addressed to:

UNDP

Name: Dao Xuan Lai

Title: Deputy Resident Representative

E-mail: dao.xuan.lai@undp.org

Article XXII. Entry into Force

1. This Administrative Arrangement shall not enter into force until satisfaction of the following: the signature of this Administrative Arrangement by both ADB and UNDP.

2. IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Administrative Arrangement to be signed in their respective names in two copies, each of which shall be an original.

For the
Asian Development Bank:

Name: **Shanny Campbell**
Title: ADB Country Director
Lao PDR Resident Mission
Date: 10 April 2025

For the
United Nations Development Programme:

Name: **Dao Xuan Lai**
Title: Officer in Charge
UNDP Lao PDR
Date: 10 April 2025

APPENDIX A
PROJECT ACTIVITIES AND COSTS

TA 10464-LAO
Applying a stronger focus on climate and sustainability finance for the preparation of the 10th NSEDP Financing Strategy

A. Background

In 2020, the Lao PDR initiated the Integrated National Financing Framework (INFF) process with support from UNDP and the wider UN system. The process resulted in the development of a Financing Strategy for its five-year national development plan, the 9th National Socio-Economic Development Plan (NSEDP). The 9th NSEDP Financing Strategy was endorsed by the Prime Minister in 2023. In addition to the core INFF chapters (domestic public finance, international public finance, domestic private finance, and international private finance), an additional chapter on thematic finance covering education, health and green and climate finance was also included. Chapter 5.3 of the strategy specifically focuses on ensuring that "Green growth and climate-resilient development are financed through sustainably increasing budget allocations, improved green budgeting, strategic mobilization of ODA, and increasing private investments in an enabling business environment." At the same time, the World Bank and ADB put forward a Reform Roadmap to address the macro-economic challenges facing the Lao PDR. A further decision was made to establish a 9th NSEDP Financing Strategy Committee, co-chaired by the Vice Ministers of the Ministry of Planning and Investment (MPI) and the Ministry of Finance (MOF), vide Prime Minister's Decision No. 120/PM, dated 28/8/2024. The National Committee is expected to govern the implementation of the 9th NSEDP Financing Strategy overall, while reporting to Cabinet and providing updates to the RoundTable Process. The Committee will be supported by a joint secretariat established in MPI and MOF.

MPI is currently taking stock of the progress made on implementing the 9th NSEDP Financing Strategy with UNDP's support. In parallel, the MPI is now developing the five-year plan for the period 2026-2030, the 10th NSEDP. An opportunity therefore exists to review the progress on implementing the 9th NSEDP Financing Strategy and the Macro-economic roadmap and to ensure that the Financing Strategy is adapted and fit-for-purpose to serve as a key financing policy document for the period 2026-2030. This requires revisiting the country's development priorities in the context of ongoing macro-economic challenges, anticipated LDC graduation, climate vulnerabilities and the need to advance green and sustainable investments. A need exists to mainstream climate financing and sustainable financing across the 10th NSEDP Financing Strategy and strengthen the Chapter 5.3. This is important given the ongoing revision of the national NDC commitments (NDC 3.0), the review and revision of its National Biodiversity Strategy and Action Plan (NBSAP) in parallel to the roll out of the UNDP Biodiversity Finance initiative (BIOFIN) in Lao PDR. The update of Lao PDR's NDC 3.0 is supported by UNDP's technical leadership while the process is fully coordinated with the UN-wide system. As the NDC 3.0 will be presented in November 2025 at COP30, it is critical that the country's ambitions must be matched by genuine public and private financial investments and coordinated international partnerships. The development of the 10th NSEDP Financing Strategy is an opportune moment for ensuring that Lao PDR's NDC ambitions are backed by development financing.

Under the National Planning for Inclusive Development Project that UNDP is implementing with MPI, committed activities for 2025 include the updating of the Financing Strategy for the 10th NSEDP together with ongoing technical support on the compiling of the 10th NSEDP plan itself. In light of President Trump's Executive Order on Reevaluating and Realigning United States Foreign

Aid, UNDP is currently exploring contingencies to implement the planned activities in a timely manner. It is therefore proposed that to prevent delay in delivering the Financing Strategy along with the 10th NSEDP to the National Assembly at the end of 2025, that activities are supported through other available sources of funding. Hence a request is being made to the Asian Development Bank for potential resources that could be allocated to this national exercise of developing the 10th NSEDP Financing Strategy.[2] Given that UNDP is the technical lead for the key processes including NDC 3.0, NBSAP and BIOFIN in Lao PDR and has long standing working relationships with the Ministry of Natural Resources and Environment (MONRE), UNDP is well positioned to facilitate the development of the 10th NSEDP Financing Strategy integrating a stronger focus on climate and sustainability finance.

B. Scope of Activities to be Provided.

The scope of activities includes the development of the 10th NSEDP Financing Strategy, including (i) external expertise and consultation workshops and (ii) capacity building for the newly formed National Committee on the Financing Strategy, as an orientation to the Integrated National Financing Framework process in the Lao PDR, the role and mandate of the committee, and identification of ways the committee can advance the policy reforms in the Financing Strategy. The development of the 10th NSEDP Financing Strategy includes taking stock of the progress made in implementing 9th NSEDP Financing Strategy, examining the financing needs of the 10th NSEDP, reviewing the fiscal envelope, projections of the climate financing flows and ODA trends for the next five years to determine resources available and the financing gap for which specific measures can be prioritized in the 10th NSEDP Financing Strategy.

C. Outputs and Delivery Timeline

The following tables detail the contract activities and budgetary allocations, together with the associated payment schedule

No.	Deliverables	Date / Period
1	Upon signing	10 April 2025
2	Report on completion of two consultation workshops	31 July 2025
3	Report on completion of Sensitization Workshop/Training	30 November 2025

D. Cost Breakdown

[2] The World Bank has indicated potential support to the process by looking at the linking of the NSEDP with the national budgeting process and the overall budget reform process that is ongoing.

No.	Description	Amount ($)
1	International expert to draft the 10th NSEDP Financing Strategy integrating the climate and sustainability finance focus May-September 2025 (40 days / 2 in country missions)	40,000.00
	Consultation workshops to review and update the 10th NSEDP Financing Strategy May-September 2025 • Costs of 3 workshops with key stakeholders including line ministries, private sector and development partners (40-50 pax): 15,000.00 • Costs of translation of documents for the stakeholder workshop and publication costs of the 10th NSEDP Financing Strategy: 8,000.00	23,000.00
	An introductory/structured training/ sensitization workshop for 9th NSEDP Financing Strategy Committee established by the Prime Minister, the relevant staff of the joint secretariat to the Committee at MPI and MOF and respective teams of key departments in MPI and MOF – in partnership UNDP SDG Finance Academy May-September 2025 (Costs of workshop venue, mission costs of experts.)	12,000.00
	Communications, monitoring and reporting April-November 2025 (Partial salary charges for project focal point undertaking all coordination and reporting to ADB)	10,000.00
	UNDP Delivery enabling services	12,000.00
	Subtotal	97,000.00
	General Management Support cost (8%)	7,760.00
	Total	**104,760.00**

E. Payment Schedule

No.	Payment Milestones	Percent	Amount ($)
1	Upon signing	40%	41,904.00
2	Report on completion of two consultation workshops	30%	31,428.00
3	Report on completion of Sensitization Workshop/Training	30%	31,428.00

Annex I

INTEGRITY COVENANT

Instructions: [Template to be inserted in UNDP's tender documents for contracts financed by ADB, and then incorporated in the associated contract documents or purchase order (as applicable) with the concerned Third Party]

Subject: Contract financed by the Asian Development Bank

In relation to the Purchase Order/Contract/Agreement No. [_____]/Invoice, entered into between United Nations Development Programme (UNDP) and [Contractor]_____on [____date] henceforth the "Contract", [Contractor] understands and acknowledges that the Contract is being financed with resources from the Asian Development Bank (ADB).

Activities under the Contract financed by the ADB under the procurement process are subject to the application by UNDP of UNDP's Sanctions Polices, including the provisions governing Prohibited Practices as defined therein, which are available at the website: UNDP Vendor Sanctions and said activities are also subject to the application by ADB of ADB's Anticorruption Policy (1998, as amended to date) and ADB's Investigation and Enforcement Framework (2024, as amended from time to time) which are available at the website: https://www.adb.org/who-we-are/integrity/main.

By entering into this Contract, [Contractor] agrees that (a) ADB, in coordination with UNDP, or (b) ADB directly, per the agreement between UNDP and ADB, may investigate allegations of Prohibited Practices and other integrity violations in connection with the Contract. In this regard, the [Contractor] shall cooperate in full with the investigation and maintain all documents and records related to the Contract for seven (7) years after completion of the Contract. ADB may sanction those which ADB has determined to have engaged in any such practices or violations.