**UN Agency Services**

1. Consistent with the mandate to provide services to entities of the UN system on request by a UN Agency, UNDP has an underlying responsibility to provide such services as long as the requested services and their provision are (i) consistent with the regulations, rules, policies and procedures[[1]](#footnote-2), and aims of UNDP, such as progress towards the Sustainable Development Goals, and (ii) the requesting UN Entity agrees to pay the related costs for the provision of the services and remain financially responsible for such services.

1. Generally, when these two pre-conditions are met, UNDP Offices should provide the requested services. If there is any challenge envisaged, or unclear which UNDP Office is better positioned to provide the requested services, the requested UNDP Office should consult with OFM/FPMR.

# Types of Services and Cost Recovery

1. Services that UN Agencies may request are driven by their operational needs, whether the needs for the UN Agency’s own operations or as part of programme implementation by the UN Entity. UNDP does not charge a UN Agency for transactions and services that were not requested. Furthermore, UNDP does not charge for transactions and services that become necessary due to processing errors that may have originated within UNDP.

1. Those services that a UNDP Office is able to provide is primarily driven by the capacities and expertise either already in place at that office or that the office is able to add itself or access from other UNDP Offices.

1. Typical services that UNDP may provide to UN Agencies may be classified into the following categories:
2. Standard Services
3. Ad-hoc Services
4. Global Services
5. Common or Shared Services

1. All services must be provided in accordance with UNDP regulations, rules, policies and procedures. In addition, all support services by UNDP shall be provided on the basis of full cost recovery. Existing guidance on costing is provided in [Annex 1](https://popp.undp.org/node/836) . Guidance on the types of services presently provided is included a[s Annex 3 .](https://popp.undp.org/node/841) Further technical guidance on billing and cost recovery, please refer to [agency services procedures](https://popp.undp.org/node/11671).

1. UNDP will issue final bills detailing the support services provided, including any required UN Agency references, the cost of the service, the amount due to UNDP, and other information which the UN Agancy shall reasonably require, which will be agreed with UNDP in advance.
2. The frequency of billing shall be agreed between UNDP and the Agency, where applicable, in the relevant Service Level Agreement. Billing by UNDP shall occur at least annually, and be issued no later than 31 January for the preceding calendar year during which the Support Services were rendered.

1. For procedures on billing and fee collection, please refer to the policy [Service Clearance Account (SCA), Charging, Billing and Fee Collection](https://popp.undp.org/node/11541).

1. In the event that planned increases/decreases in the total base costs of Ad-Hoc Services or Global Services exceeds five per cent (5%), for reasons other than financial adjustments due to currency and inflationary adjustments, as well as local system-wide salary scale revisions and/or other mandatory costs, UNDP shall consult with the UN Agencies, in the course of determining the necessary cost adjustment. UNDP shall give reasonable notice to the UN Agencies of changes to, or discontinuation of services.
2. UNDP Agency Service Portal has been designed to improve service delivery to UN agencies and automate the associated billing process for UNDP Offices. The portal will allow UN agencies that require UNDP services to access all services covered under the Universal Price List (UPL) and Local Price Lists in a centralized portal. This portal replaces the outdated processes whereby, UN agency service requests were mostly managed through offline, email-based processes, that have differed across UNDP.  For further details, please refer to policy [[Service Clearance Account (SCA), Charging, Billing and Fee Collection](https://popp.undp.org/node/11541).](https://popp.undp.org/node/11541)

# Standard services

1. Standard services are those that are provided in the same way each time they are requested, and following the standard procedures in more or less the same fashion across UNDP Offices. A list of standard services is included in the Universal Price List ([Latest UPL in UNDP's Agency Site for UN Agency partners](https://undp.sharepoint.com/sites/UNAgencies/Universal%20Price%20List%20UPL/Forms/AllItems.aspx?viewpath=%2Fsites%2FUNAgencies%2FUniversal%20Price%20List%20UPL%2FForms%2FAllItems%2Easpx)- UPL). All costs are computed using the existing guiding costing methodology ([Annex 1)](https://popp.undp.org/node/836). If a UNDP Office assesses that the UPL does not fully cover the total costs for providing services, they can establish locally negotiated prices using transparent, prevailing market rates. These rates should be communicated to the UN Agency prior to implementation.

1. The UPL sets rates for each standard service. However, depending on the scope of services requested or the size and complexity of certain services such as procurement, staff selection and recruitment etc., the services anticipated under the standard process may be deemed inadequate or inappropriate and the requested service would then be classified as ad-hoc and costed accordingly. The UPL issued each year includes explanatory notes to help offices make this distinction. If a UNDP Office assesses that the specific service(s) requested should be classified as ad-hoc and priced accordingly, it should establish a locally negotiated price using the existing guiding costing methodology (See [Annex 1)](https://popp.undp.org/node/836) and communicate those prices prior to implementation to the UN Agency(ies) concerned. As UPL prices apply to the specified standard services to UN agencies, inputs to UNDP projects and programmes, are separately set out in [Delivery Enabling Services policy.](https://popp.undp.org/node/11271)

# Ad-hoc services

1. Ad hoc services are those that due to their nature cannot be standardized across different Country Offices; or vary in scope each time they are provided.
2. Ad-hoc services may be required or requested in certain circumstances, for instance the provision of legal advice or representation on an agreement or case,[[2]](#footnote-3) enhanced local security services for movement of cash in countries without banking facilities, or other services such as advisory support.

1. Ad-hoc services are not included in the UPL and should be managed based on a Local Price List (LPL) or other locally negotiated prices using transparent, prevailing market rates or on the existing guiding costing methodology ([Annex 1)](https://popp.undp.org/node/836) and set out in a local price list and agreed locally between the parties.

# Global Services

17. Global Services refer to services provided at the global level including Headquarters and Global Shared Service Centres. Costing is determined based on the guiding costing methodology [(Annex 1)](https://popp.undp.org/node/836) in principle, and should include additional direct costs in providing such services.

# Common or shared services

1. Common services are provided to several UN agencies resident in a given country, on the basis of mutual agreement between resident UN agencies on which agency will manage the common services. Example of services includes provision of office space, janitorial, travel, ICT, security, administration of UN clinic and related services.

1. The services are generally established and managed in accordance with the [United Nations Development Group (UNDG) Guidance on Business Operations Development.](https://undg.org/document/undg-business-operations-strategy-user-manual-a-step-by-step-guide-to-building-a-bos-framework/) Those Guidelines provide principles and basic approaches to setting up common services and the related governance framework. Services under the Business Operations Strategies (BOS) can be delivered in different ways ranging from designating lead agencies to establishing integrated service centres and/or common service teams, depending on volumes and local needs. Common security services are managed in accordance with the Operational Guidelines for support to the UN Security Management System.

1. Common services costs are shared among the agencies based on pre-agreed, relevant, objective criteria for each cost category, such as space occupied or respective numbers of personnel. However, when there is no local agreement among participating UN agencies on cost sharing, the UPL is the default mechanism for charging for all standardized services. Offices should assess if the UPL is an adequate mechanism to recover cost of common services. If UPL is not adequate, Offices should evaluate and negotiate with participatory agencies to arrive at LPL cost recovery rates that enable UNDP to fully recover common service costs.

# Institutional Arrangements

1. A signed corporate MOU or Framework Agreement with a UN Agency on the service provision is concluded at the Headquarters level. UNDP Country Offices do not need to have a separate MOU locally, and a [repository](https://intranet.undp.org/unit/bms/Repository%20of%20Agency%20Agreements/Forms/AllItems.aspx) of signed agreements for services is retained in Bureau for Management Services for reference.

1. Corporate MOUs and Framework Agreements are signed by the Director and Assistant Administrator, Bureau for Management Services. The nature of such corporate agreements is to set a broad framework of cooperation through service provision, without specifying service lines and corresponding procedures.

1. UNDP Offices sign a Service Level Agreement (SLA) to specify service lines, prices, and timeframe of service provision. The SLA is signed by the Head of Office providing the services. In cases where the scope of services are broad and cut across different functions, the SLA may be signed by Director/Assistant Administrator, Bureau for Management Services for a corporate-level SLA. Resident Representative may sign a local level SLA with the requesting UN Agency, after confirming that there is no corporate level SLA for the same services with the requesting UN Agency.

1. UNDP will provide services to UN Agencies on request. The Resident Representative may only waive the requirement to provide specific services in emergency or temporary situations, after consulting with the Director/Assistant Administrator, Bureau for Management Services.

1. In the following cases, a Service Level Agreement (SLA) is not mandatory:
2. If provision of standard services is covered by the MOU or Framework Agreement;
3. If the services are covered by a Common Services MOU, Framework Agreement or Business
4. Operations Strategy (BOS) signed by participating agencies; and/or
5. If services are within Universal Price List (UPL) and Local Price List (LPL) previously agreed by the UN Agency.

1. Where there is no signed corporate MOU or Framework Agreement with a requesting UN Agency on service provision, the requested services are non-standard (cannot be charged by UPL or LPL), and are not covered under common services, the requested office should inform the Directorate, Bureau for Management Services for institutional arrangements support, for example if such requested services qualify to be provided by UNDP.

# Risk Management

27. The following table identifies the main organizational risks in providing services to UN agencies/programmes and necessary steps that each UNDP Office/Unit should implement to mitigate the risks.

|  |  |
| --- | --- |
| **Description of Risk** | **Mitigation Steps** |
| Lack of agreement on scope of services and cost  recovery | Before providing services, the office should conclude and sign the standard [UNDP Service Level Agreement (SLA)](https://popp.undp.org/node/3586)with the client UN Agency. The standard SLA specifies the types of services that can be provided, the costs and associated deliverables (See Paragraph 24 Institutional Arrangements where conditions under which SLAs are not required). |
| The office may not have adequate or appropriate capacity to provide the service, either because of the type of service, or the complexity and/or expected scale/volume. | Before agreeing to provide the services, the office should assess its own capacity to provide the service, ensuring these are adequate and that providing the services will not negatively impact UNDP’s programmes and activities.    Where existing capacity is insufficient, the office should consult the Regional Bureau and Bureau for Management Services for advice for providing services either from another UNDP office, Regional Hub, Global Shared Service Centre.    Where the office either has or can acquire/access the capacity and the requesting UN Agency is ready to pay the cost, the office should not refuse to provide the service without written authority from the Director and Assistant Administrator, Bureau for Management Services. |
| Reputational risk: Lack of consistency with UNDP  Regulations and Rules | UNDP mutually recognizes other UN Agencies processes. However, where a UNDP Office assesses that there is reputational risk to UNDP in providing the services, outside of legal or investigative matters, they should discuss and resolve the issue locally with the agencies concerned, failure in which the office may decline to provide the service after obtaining written clearance from the Director, Bureau for Management Services. |

1. 1 The requesting agency is required to ensure the following:

   * + The correct authorization and documentation is provided along with the service request (requests will be processed via the UN Agency services Portal).
     + The Reference fields are completed; and
     + The request is signed by the appropriate agency official. In an emergency, if the appropriate agency official is not available, the UNDP Resident Coordinator may sign the request on behalf of the Agency.

   [↑](#footnote-ref-2)
2. Generally, legal services provided by the Administrative Law Practice (AL) or the Corporate and Institutional Law Practice (C&I) would be related or consequential to other services being provided by UNDP to UN Entities. All AL services would be specified under an SLA. Any other possible C&I legal services, with the exception of incidental/consequential services (for example, a claim arising out of a contract issued by UNDP for another entity), must be agreed directly between LO and the UN Entity. [↑](#footnote-ref-3)