**Universal Price List (UPL) and Local Price List (LPL)**

1. The Executive Board has emphasized in Decision 2012/27, the principle of full cost recovery as stipulated in General Assembly resolution 62/208 and in Decision 2013/9, the need to implement General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, in particular chapter II, section D, on ensuring full cost recovery.

1. UNDP is committed to providing administrative services to UN agencies and programmes through its global office network, in line with UN agency requests and the UNDP office’s ability to respond to them.  **All costs associated with services to UN agencies at the programme country level are to be fully reimbursed** **by the respective UN agencies**.

1. At the corporate level, Memoranda of Understanding (MoU) are concluded with UN Agencies regulating the overall framework of the relationship. These agreements specify that UNDP will provide services on a cost recovery basis and that no additional local contracts or letters of agreements are required (although, a local service level agreement (SLA) may be useful in clarifying service provision levels and expectations). A corporate process for review of these MoUs has been established through the Partnership Review Group (BERA/Partnerships). Signed MoUs are uploaded to the corporate library: [**Partnership MoUs**.](https://intranet.undp.org/unit/pb/Partnerships%20Library/Forms/AllItems.aspx)

1. If a UNDP office assesses that it cannot provide quality or timely services, or lacks the requisite capacity for such, it can inform the UN agencies in advance and decline to provide the requested services. However, UNDP offices should make every effort to provide requested services.

1. Within the parameters of UNDP’s policies and procedures, as articulated in this POPP chapter, UNDP offices should not decline to provide services to Quantum  **agencies** without BMS/OFM approval (bms.ofm.fbp@undp.org).

# Universal Price List (UPL)

1. To ensure reimbursement of all associated costs, a transaction-based fee has been established through the ***Universal Price List***, which contains a menu of standardized services available to UN entities from all UNDP’s Offices. The UPL is updated by BMS/OFM on an annual basis. The UPL rates represent a summary of the standard list of services offered to partner agencies and their corresponding costs. Offices wishing to provide feedback on services and fees, or requiring further clarifications, should contact their BMS/OFM Financial Business Partnering focal point.

1. The UPL service cost drivers are: (a) staff salaries; (b) time spent by personnel in providing transactional services, and (c) share of general operating expenses such as office space and use of essential office of equipment and supplies. UPLs reflect the last available pro-forma salary costs for each applicable UNDP office location at the time of their publication. In addition, the staff time allocation reflects full costs by including leave entitlements. The UPL calculation is based on a number of prescribed standard services (currently 26).

1. There are four UPL categories available for use by UNDP offices based on the office classification:
	1. General Development Situation country offices
	2. Special Development Situation country offices
	3. Representation offices
	4. UNV Germany

1. The list of Special Development Situation countries is reviewed and revised annually by BMS/OFM in consultation with Regional Bureaus and includes countries in crisis or other strenuous circumstances.

1. Each service transaction is charged the cost indicated in the UPL, based on the country classification of General Development (countries are designated as High, Mid-High, Mid-Low or Low Cost) or Special Development. See [BMS/OFM/FBP UPL](https://intranet.undp.org/unit/ofrm/Financial%20Resource%20Management%20Policies/Forms/By%20FBP%20Document%20Category.aspx) for a detailed description of services included in the UPL, instructions for their use and UNDP office classifications.

1. Although specifically designed to price specified standard services to UN agencies, the UPL may be used for cost reimbursement of any transaction based services (see paragraphs 21-23 below).

1. The UPL is intended to cover standard services (as opposed to overly complex or novel scenarios which are covered under LPL as described below).

1. Deviations from published UPL rates for **standard** UPL services are subject to BMS/OFM approval (bms.ofm.fbp@undp.org). Given UN Agencies preference for standardized rates, deviations will only be exceptionally considered based on clearly justifiable and articulated information that has been discussed in advance with the UNCT/requesting agency.

1. As part of their oversight responsibility, Regional Bureaus are responsible for overseeing the application of UPLs by country offices and assessing any proposed deviations. Once cleared by the Regional Bureau, the deviation is subject to BMS/OFM approval.

# Local Price List (LPL)

1. In addition to the standard services contained within the UPL, UNDP is often requested to provide additional services that are not standardized across different country offices or included in the UPL. As in the past the provision of ad hoc or non-standard services should be agreed upon locally, subject to capacity and pricing considerations in-country prior to the provision of services. To recover the full costs of these services, the UNDP Office can establish a Local Price List (LPL) for recurrent services, to be **negotiated and agreed to locally by participating Agencies in advance of the service provision**. A separate tool is available to facilitate local price formulation, the negotiation of which is the responsibility of the concerned UNDP office with the requesting agencies/UNCT (See [BMS/OFM/FBP UPL)](https://intranet.undp.org/unit/ofrm/Financial%20Resource%20Management%20Policies/Forms/By%20FBP%20Document%20Category.aspx). The cost drivers, as indicated under UPL above, should be reflected in the LPLs.

1. Recovery of support service costs based on pre-determined percentages may be warranted under certain circumstances. Although these cases should be rare, this treatment may be justified provided the UNDP office has:
	* calculated and documented its determination of the % based charge;
	* reviewed its appropriateness periodically; and
	* consulted in advance with partners on the approach.

1. The following services are deemed non-standard:
	* The UPL does not cover specialized or locally provided ad-hoc services.
	* The UPL does not cover local security-related services that may be necessary in certain countries without banking facilities.

1. Both ad-hoc and local security services, and their estimated costs, should be covered through locally negotiated agreements between UNDP offices and concerned UN agencies.
2. Requests for services under the following exceptional circumstances are subject to a 25% surcharge (50% surcharge effective January 1, 2016) on top of the standard cost/price:
	* + Urgent requests requiring a turnaround of less than 3 business days.
		+ Requests for services before/after normal working hours.
		+ Where the portion of the procurement process that takes place outside Quantum is of a clearly complex (ad-hoc) nature involving specialized supply chain management processes, dedicated procurement staff, etc., offices must determine the actual cost of the exercise and reach agreement on full cost recovery. Charging the cost of specific components (e.g., dedicated staff) – in full or in part – to the project budget as a direct input to project delivery (i.e., negotiated transparent, prevailing rates using the UPL as a baseline) should be considered.
		+ If, due to its size and/or complexity, a procurement process must be submitted to a Regional ACP (or regular ACP), it should be treated like ad-hoc service subject to full cost recovery at transparent, prevailing market rates.

1. If the UNDP office assesses that the UPL does not cover fully the total costs for providing standard services, it may also establish a Local Price List (LPL) for these services, to be negotiated and agreed to locally by participating Agencies in advance of the service provision. Deviations from published UPL rates for standard UPL services are exceptional and subject to prior BMS/OFM approval (bms.ofm.fbp@undp.org).

1. Where costs cannot be fully recovered for non-standard services, the UNDP office can decline to provide the services. Within the parameters of UNDP policies and procedures, as articulated in this POPP chapter, UNDP offices should not decline to provide services to Quantum  **agencies** without BMS/OFM approval (bms.ofm.fbp@undp.org).

1. **Delivery Enabling Service Costing,** formerly known as **“Direct Project Costing”,** includes programme implementation and implementation support activities, costs incurred by UNDP to support project implementation. The pricing of inputs to UNDP projects & programmes should be based on actual costs for clearly identifiable services. There are three main options for implementing DPC:
	* Application of the CO workload study results, combined with multiple funding lines for posts
	* Application of the Universal Price Lists (UPL) or Local Price List (LPL) for transactional costs recovery
	* Creation and management of a stand-alone DPC project.

1. The UPL/LPL option may be preferred for operations support staff providing services to a full range of country office projects (as opposed to programme staff that typically support a narrower portfolio of limited projects). These services fees are no longer credited as income to XB. See [**Planning and Paying for Delivery Enabling Services to Projects**](https://popp.undp.org/node/2996) and [Use of the Universal Price List (UPL) or Local Price List (LPL) for Attributing Direct Project Costs](https://popp.undp.org/node/11736).

1. **Common/Shared Services** mostly relate to common premises and related services agreed on locally among the resident UN agencies. The cost for common/shared services is split proportionately among participating agencies. Based on agreements with resident UN agencies, UNDP COs can provide any service as a common/shared service if local service conditions are suitable. It should be noted in this context, that the common/shared service approach is the preferred approach to effective local service provision in the UN system. (Refer to [POPP Cost Recovery from Agencies at the Country Office Level](https://popp.undp.org/node/11671) and Common and Shared Services Guidelines). However, wherever there is no local agreement with resident UN agencies, the UPL is the default mechanism for charging for all standardized services. All costs associated with managing Common/Shared Services are to be fully reimbursed through the UPL or LPL.

1. To summarize the above paragraphs, specific BMS authorization (bms.ofm.fbp@undp.org) is required under the following circumstances:
	* UNDP offices should not decline to provide services to Quantum agencies without BMS/OFM approval
	* Deviations from published UPL rates for **standard** UPL services are subject to BMS/OFM approval (bms.ofm.fbp@undp.org).

1. Cost recovery by UNDP offices for services provided to UNV are covered in the attached [guidance note](https://popp.undp.org/node/4766).
2. The 2016 Advisory Note for the UNDG Cost Sharing Funds for the RC System which governed administrative arrangements for RCO’s around the world, as of 1 January 2019, has been revoked and no longer is applicable.  All positions and processes funded for RCO from sources other than the SPTF will be subject to normal UNDP cost recovery policies.  Accordingly, a budget provision must be made within respective RCO non SPTF budgets for direct, indirect and operational costs for example, office space, equipment, cost recovery (GMS) and UPL/LPL as appropriate.

UPL/LPL fees for the RC support are applicable to:

1. Recruitment Campaign under Activity 5 (Fund 13816) – UPL/LPL fees for UNDP’s direct costs in supporting recruitment is applicable in additional to GMS;
2. Coordination Fund under Activity 7 (fund 13825) – UNDP’s direct costs associated with support of the Coordination fund activities is to be fully recovered using the UPL/LPL;
3. Any other services requested by the RC that are not part of the turnkey solutions must be recovered on a “Pay as you go” basis, incurring UPL/LPL, direct costs and GMS as applicable.

For more detailed guidance note, please refer to [UN Development System Reform site.](https://intranet.undp.org/UNDSreform/SitePages/OverviewRef.aspx)