**Non-Reimbursable Loan Policy**

**1.0 Regulations and Rules**

1. This policy sets out the conditions for UNDP to accept Non-Reimbursable Loans of persons from Governments, donors or from other sources external to UNDP subject to the application of **UNDP Financial Regulation 5.07.**

**2.0 Policy**

Introduction

1. The purpose of this policy is to clarify the provisions relating to receiving personnel under non-reimbursable loan modality. The annex to the present policy contains a model of the memorandum of agreement (MOA) for such loans, which should be drawn up between the government, donor or public entity external to UNDP (Partner Entity (ies)) and the recipient office. The MOA is the legal basis of the arrangement and is to be concluded between the Partner Entity and the recipient office. (LINK to MOA)
2. The non-reimbursable loan of persons from Partner Entities is permissible, subject to the provisions of Financial Regulation 5.07 and applicable procedures of the Office of Human Resources and this policy.
3. A non-reimbursable loan is defined as a loan of the services of a person without any cost to UNDP for his or her salary or remuneration, allowances, medical, dental and life insurance or other benefits.

Purposes for which non-reimbursable loans may be negotiated

1. Non-reimbursable loans may be negotiated between a Partner Entity and UNDP for the provision of services to UNDP required to assist in the execution of activities of a technical nature or for knowledge sharing activities where a best practice has been established.
2. Where UNDP has not been approached by a Partner Entity and requires assistance of a technical nature and chooses to use the non-reimbursable loan modality, it should present its request collectively to its known Partner Entities.
3. Such loans may be negotiated in respect of services for any UNDP Office that is in a family duty station, any exception must be approved by the UNDP Security Office.
4. The use of non-reimbursable loans should be temporary in nature with initial individual loans not exceeding a duration of two years and cumulatively, not exceeding five years.

1. Under no circumstances shall a non-reimbursable loan be used to engage a person as a staff member, or build professional skills in that person so as to position or enable that person to be later considered for a staff appointment, or a consultant contract. Such loans may not be used to acquire services from private entities, instead a *pro-bono* agreement must be negotiated to that effect.
2. UNDP may limit the number of non-reimbursable loans from a Partner Entity at any given time.

Legal status and obligations of persons serving on non-reimbursable loan

1. Persons whose services are accepted on a non-reimbursable loan are not staff members of UNDP or otherwise employed or contracted by UNDP. The contractual relationship of such persons to UNDP is established by MOA between the entity providing the person, and UNDP. Their relationship is subject only to the terms of that agreement and not to the United Nations Staff Regulations or Rules. For the purpose of the Convention on Privileges and Immunities of the United Nations, such persons are considered ‘experts on mission’ within the meaning of article VI, [sections 22](http://www.un.org/hr_handbook/English/sourcedocuments_/09administrativ_/02%20PRIVILEGES%20AND%20IMMUNITIES/Section%2022.doc) and [23](http://www.un.org/hr_handbook/English/sourcedocuments_/09administrativ_/02%20PRIVILEGES%20AND%20IMMUNITIES/Section%2023.doc), of that Convention when performing functions for UNDP. If required by UNDP to travel, they may receive a United Nations travel certificate.
2. During the performance of their services with UNDP, persons on non-reimbursable loans shall be bound by the Standards of Conduct set out in ST/SGB/2002/9, binding on experts on mission[[1]](#footnote-2), and any provisions agreed to by the Partner Entity in the MOA. Persons on a non-reimbursable loan shall neither seek nor accept instructions from any Government or any other authority external to UNDP. They shall not engage in any activity that is incompatible with the proper discharge of their terms of reference. They are required to exercise the utmost discretion in all official business and may not communicate to any other person, Government or authority information known to them by reason of their work with UNDP that has not been made public, except in the course of their duties or by explicit authorization of UNDP. Nor shall they at any time use such information to private advantage. These obligations do not cease upon completion of their service.
3. Persons on non-reimbursable loans shall:
   1. be given access to UNDP premises and systems in accordance with UNDP’s policy;
   2. complete all training courses deemed mandatory by UNDP;
   3. neither exercise supervisory functions on UNDP staff members nor commit UNDP financially or otherwise;
   4. not be considered for employment by UNDP for a period of six months following the conclusion of the loan.

Title rights

1. The title rights, copyright rights and all other intellectual and/or ownership rights in any material produced by the person serving on a non-reimbursable loan basis shall be vested exclusively in, and remain with UNDP.

Requisites for acceptance of services on a non-reimbursable basis

1. The requisites for acceptance of services on a non-reimbursable basis include:
2. In coordination with the OHR Business Partner, the Bureau or Office concerned prepares the Terms of Reference (ToRs) listing the duties and functions and duration of the loan. When necessary, the OHR Business partner will assist with the selection strategy based on competition and the need to secure the highest standards of efficiency, competence and integrity;
3. A communication from the prospective Partner Entity agreeing:
4. To provide the services requested under subparagraph (a) above, free of all costs to UNDP;
5. To the established value of the services to be based on UNDP’s pro-forma costs for functions at a similar level.
6. In accordance with the principles of full cost recovery on in-kind contributions, to pay eight percent (8%) per cent of the value of the services to the credit of an account specified by OFM;
7. Certification by the requesting office that the proposal does not directly or indirectly involve additional financial liability for UNDP, except as agreed in the MOA;
8. Review of the MOA by the Legal Office (LO), if any changes to the MOA template are made;
9. If applicable, approval of the candidate(s) by the Office of Human Resources in accordance with the established policies and procedures of that Office, the selection strategy agreed to or the specific selection procedure detailed in the MOA between the Partner Entity and the recipient office;
10. Acceptance of the candidates by any Governments or authorities to which they may be assigned during the period of the non-reimbursable loan, if applicable.
11. The requisites of paragraph 15 (b) shall be set out in the MOA signed between UNDP and the Partner Entity.

Duration of service and termination of agreements

1. Individual non-reimbursable loans are negotiated for a period not to exceed five years. A non-reimbursable loan may be terminated at any date prior to its scheduled expiration at the request of the person serving on loan, the Partner Entity or UNDP giving the notice agreed upon in the MOA.

Evaluation

1. A written evaluation of services performed by persons on a non-reimbursable loan will be made by the responsible Office and transmitted, on request, to the Partner Entity, with a copy to the Office of Human Resources.

1. "Regulations Governing the Status, Basic Rights and Duties of Officials other than Secretariat Officials, and Experts on Mission" [↑](#footnote-ref-2)