**Private Sector Non-Reimbursable Loan Policy**

Introduction

# This policy sets out the conditions for UNDP to accept non-reimbursable loans of persons from a commercial (i.e., for profit) entity (“Private Sector Partner”) subject to the application of **UNDP Financial Regulation 5.07.** This policy does not apply to the loan of personnel from other donors.Government/governmental and CSO/NGO contributions of personnel on non-reimbursable loan are received further to the UNDP Non-Reimbursable Loan policy found [here](https://popp.undp.org/policy-page/non-reimbursable-loan-agreements).

# This policy takes effect immediately and applies to all non**-**reimbursable loans of personnel negotiated by UNDP with Private Sector Partners (each a “PS non-reimbursable loan” or “PS NRL”).

# The purpose of this policy is to set forth the policy and procedures related to negotiating and concluding agreements with, and receiving gratis personnel from, Private Sector Partners under the PS non-reimbursable loan modality.

# The PS NRL modality is the means by which UNDP may in-source private sector expertise to assist UNDP in developing solutions to complex issues and increase the capacity and responsiveness of UNDP. A Private Sector Partner provides the continued services and individual expertise of its employee (the “Specialist”), who must be dedicated to the services being provided under the PS NRL (the “Assignment”), on a full-time and exclusive basis, and be temporarily integrated into a UNDP Office or Business Unit for a defined period/project, to assist in the execution of activities of a technical nature or knowledge sharing activities. The PS NRL modality may not be used to (i) acquire services from a Private Sector Partner itself as a corporate entity, in which the involvement of the Private Sector Partner extends beyond the individual contribution or work of the Specialist, and/or (ii) engage a group of specialists from the same Private Sector Partner or in conjunction with other private sector partners to accomplish the purpose of the assignment. In such cases, a *pro-bono* agreement must be negotiated with the Private Sector Partner to that effect.

# The loan of Specialists from Private Sector Partners is permitted within the limits established by this policy.

# A PS NRL must be concluded between the Private Sector Partner and UNDP’s Central or Regional Bureau concerned on behalf of the Office or Business Unit to which the Specialist will be assigned, through the signing of an agreement containing all of the necessary terms and conditions, including those relating to the conduct of the Specialist (the “MOA”). The PS NRL MOA template associated with this policy is available [here](https://popp.undp.org/document/non-reimbursable-loan-agreement-private-sector).

# A PS NRL must be without cost to UNDP, including with respect to salary or remuneration, allowances, medical, dental and life insurance or other benefits of the person provided on loan to UNDP, for which the Private Sector Partner is solely responsible. Consistent with the premise of no cost to UNDP, the arrangement also requires the Private Sector Partner to be responsible for any liability associated with or arising from the performance of the services and other activities of the Specialist while deployed to UNDP under the MOA.

Conditions of PS NRLs

# The Private Sector Partners are subject to the due diligence policies and procedures of UNDP for private sector partnerships in addition to the specific requirements set forth in this policy.

# The Specialist loaned from Private Sector Partners may be deployed to provide services to any UNDP Office that is in a family duty station. Any exception to the foregoing must be approved by the UNDP Security Office.

# PS NRLs are temporary in nature and may not exceed two years. A PS NRL may be extended once for a maximum of one year on an exceptional basis. In such cases, the MOA must be amended.

#  UNDP may not use the PS NRL to substitute, supplement or replace staff members.

Legal status and obligations of Specialists

# A Specialist deployed to UNDP on a PS NRL is not a staff member of UNDP or otherwise employed or contracted by UNDP. The contractual relationship for the provision of the Specialist’s support to UNDP through a non-reimbursable loan is established between the Private Sector Partner providing the Specialist and UNDP, and is not subject to the United Nations Staff Regulations or Rules. For the purpose of the Convention on Privileges and Immunities of the United Nations, (the “Convention”), Specialists may be considered ‘experts on mission’ within the meaning of Article VI, sections 22 and 23, of the Convention when performing functions for UNDP. If required by UNDP to travel, they may receive a United Nations travel certificate at UNDP’s discretion.

# UNDP does not have a direct contractual relationship with the Specialists. The only relationship is with the Private Sector Partner through the signing of a MOA. In addition, the Specialist must sign and issue an undertaking to UNDP, in the format attached to the MOA (the “Undertaking”), before commencing their Assignment. No Specialist may commence their Assignment with UNDP before providing the signed Undertaking. During the performance of their Assignment with UNDP, the Specialist will be bound by the Standards of Conduct set out in ST/SGB/2002/9, binding on experts on mission[[1]](#footnote-2), the other provisions of the Undertaking attached to the MOA, and any terms agreed to by the Private Sector Partner in the MOA. Among other things, the Specialist may neither seek nor accept instructions from authority external to UNDP, including governments and the Private Sector Partner itself. The Specialist may not engage in any activity that is incompatible with the proper discharge of their terms of reference. The Specialist is required to exercise the utmost discretion in all official business and may not communicate to any other person, authority or government, nor to the Private Sector Partner, information known to the Specialist by reason of their work with UNDP that has not been made public, except in the course of the Specialist’s duties or by explicit authorization of UNDP, nor shall the Specialist at any time use such information to private advantage. These obligations do not cease upon completion of the Specialist’s Assignment with UNDP.

# Each Specialist will:

* 1. be given access to UNDP premises and systems in accordance with UNDP’s policy, except those specified in the MOA with the Private Sector Partner or decided from time to time by UNDP as being non-accessible to the Specialist;
	2. complete all training courses deemed mandatory by UNDP;
	3. not exercise supervisory functions or commit UNDP financially or otherwise;
	4. not be engaged in any project or activity for or on behalf of UNDP that involves or may involve directly or indirectly UNDP engaging with the Private Sector Partner, providing financial benefit to the Private Sector Partner, or that directly or indirectly impacts or may impact the interests of the Private Sector Partner vis-à-vis the UN, including UNDP.[[2]](#footnote-3)

# During the term of the Assignment, the Specialist must be relieved from all responsibilities and duties in relation to the work at and of the Private Sector Partner. The Specialist shall be dedicated and report exclusively to UNDP to undertake the Assignment under the terms of the MOA, including the Terms of Reference (ToRs) and the Undertaking, while being on full pay and benefits from the Private Sector Partner. The Specialist may not engage in outside activities except as expressly approved in writing by the Bureau Director.

# The Private Sector Partner may seek feedback from UNDP for purposes of the Specialist’s performance evaluation and talent development. Notwithstanding the foregoing, in no case may the Private Sector Partner request or the Specialist provide any information that has not been made public, directly or indirectly known by or made known to, or incidentally acquired by, the Specialist by virtue of the Specialist’s Assignment with UNDP.

Title rights

# The title rights, copyright rights and all other intellectual and/or ownership rights in any material produced by a Specialist will be vested exclusively in and remain with UNDP.

Process for entering into a PS NRL arrangement

# The process for requesting or accepting offers to enter into a PS NRL arrangement from prospective Private Sector Partner(s), include:

1. The Bureau concerned commences discussion of a potential non-reimbursable loan with prospective Private Sector Partner(s), normally through one of the following means:
	1. UNDP may reach out to one or multiple prospective Private Sector Partners to discuss a potential partnership. UNDP may prepare in advance the ToRs, listing the duties and functions and duration of the proposed Assignment to be covered under a PS NRL, or start with general discussion on a partnership scheme, which may lead to a PS NRL. If discussing with multiple prospective Private Sector Partners, the Bureau will competitively analyse the offers/proposals received from the potential Private Sector Partners for their unique collaborative advantage, in order to select the prospective Private Sector Partner which will offer the PS NRL.
	2. UNDP may prepare the ToRs for a PS NRL and issue a call for proposal (CfP) or expression of interest (EoI).
	3. A prospective Private Sector Partner may reach out to UNDP for a potential partnership.
2. If the ToR is not prepared under the process described in a), above, the Bureau prepares it in discussion with a specific prospective Private Sector Partner based on their offer/capacity.

1. Once the Private Sector Partner is selected and the ToR is finalized, the Private Sector Partner and the Bureau will agree on the individual who will be offered to UNDP as the Specialist through the PS NRL.[[3]](#footnote-4) In doing so, the Bureau may decide and agree with the selected Private Sector Partner to select the Specialist based on competition, with the BMS/OHR Business partner assisting with the selection strategy. If applicable, BMS/OHR will select the Specialist in accordance with the selection strategy.
2. The Private Sector Partner must agree:
3. to provide the services requested under subparagraph a) above, free of all costs, direct and contingent, to UNDP;
4. in conjunction with UNDP, to the established value of the services, based on UNDP’s pro-forma costs for functions at a similar level; and
5. in accordance with the principles of full cost recovery on in-kind contributions, to pay eight percent (8%) of the value of the services as determined in accordance with subparagraph ii. above, as GMS.
6. Certification by the requesting Bureau that the proposal does not directly or indirectly involve additional financial liability for UNDP, except as set forth in the MOA template.
7. Review of the MOA by BMS/OLS, if any changes to the MOA template are made.

Due diligence requirements

# Throughout the process, the Bureau must undertake appropriate due diligence of the prospective or selected Private Sector Partner(s) in accordance with UNDP’s [Policy on Due Diligence and Partnerships with the Private Sector](https://popp.undp.org/document/policy-due-diligence-and-partnerships-private-sector) and related procedures.

Formalization of the non-reimbursable loan

# Formalization of the MOA between UNDP and the Private Sector Partner will adhere to this policy, as well as relevant requirements under UNDP’s [Private Sector Partnerships](https://popp.undp.org/policy-page/private-sector-partnerships) Policy and Procedures.

Termination of agreements

# A PS NRL may be terminated at any time prior to its scheduled expiration by the Private Sector Partner or UNDP, according to the MOA.

Certification and Evaluation

# If requested by the Private Sector Partner, certificate of service/contribution and/or a written evaluation of the assistance provided by the Specialist may be issued by the Business Unit to which the Specialist was assigned. The evaluation may be in the format prescribed by Private Sector Partner if acceptable to UNDP and subject to the confidentiality requirements set out in paragraph 13 above. The Business Unit will provide a copy to BMS/OHR.

1. "Regulations Governing the Status, Basic Rights and Duties of Officials other than Secretariat Officials, and Experts on Mission" [↑](#footnote-ref-2)
2. The Private Sector Partner must ensure that any of their employees who may be selected as the Specialist for a PS NRL are not engaged in any activities described in this sub-paragraph, and that any employee who is engaged in such activities will not be selected as the Specialist. [↑](#footnote-ref-3)
3. Prior to the final selection, the Bureau will assess any possible conflicts of interest of the candidate through the UNDP Conflict of Interest Declaration Form to be duly filled out by the candidate. [↑](#footnote-ref-4)