**FRAMEWORK AGREEMENT**

**BETWEEN**

**THE UNITED NATIONS DEVELOPMENT PROGRAMME**

**(UNDP)**

**AND**

**[UN ENTITY]**

**FOR THE PROVISION OF SUPPORT SERVICES**

**AND**

**METHODOLOGIES FOR COST RECOVERY**

**Background**

**WHEREAS**, [UN Entity] is the United Nations organisation devoted to gender equality and the empowerment of women. It is also responsible for mobilising efforts by the United Nations to promote gender equality, increase opportunities and combat discrimination throughout the world;

**WHEREAS**, UNDP provides certain services to other UN entities, consistent with its mandate and relevant decisions and resolutions of the General Assembly, Economic and Social Council and the Executive Board;

**WHEREAS**,UNDP and [UN Entity] (hereafter the “Parties” and each a “Party”) share similar objectives to help meet the Millennium Development Goals and desire to cooperate in areas of mutual concern to enhance the effectiveness of their efforts along with other partners;

**WHEREAS,** the management of the Resident Coordinator system is firmly anchored in UNDP, providing enhanced UN coordination at country level under the guidance of the United Nations Development Group (UNDG);

**WHEREAS**, [UN Entity] has requested and UNDP has agreed to provide certain services on a non-exclusive basis, at global and country level;

**NOW, THEREFORE**, the Parties agree as follows:

**Article I**

**Purpose and Scope**

* 1. The purpose of this Agreement is to establish a framework for:
1. Support services to be provided by UNDP to [UN Entity] (the “Client”);
2. The procedures for implementation, governance and oversight of Support services provided by UNDP;
3. The principles, methodology and arrangements governing the full recovery of costs for the provision of Support Services, both at headquarters and country level.

**Article II**

**Provision of Support Services**

2.1. In order to implement the specific arrangements for the provision of Support Services envisioned hereunder, Service Level Agreements (SLAs) shall be entered into, as set out in Article III, paragraph 3.7, which shall be subsidiary to this Agreement.

2.2. All Support Services provided by UNDP under this Framework Agreement shall be provided in accordance with UNDP’s Regulations, Rules, policies and procedures.

2.3. For the purposes of this Agreement, Common and Shared Services shall be governed by separate country-level agreements.

**Article III**

**General Principles, Cost Methodology, Billing and Payment**

**General principles**

3.1 The Support Services to be provided by UNDP to the Client are as follows: Standardized Services which are transactional services provided in a more or less consistent manner across UNDP offices based on the Universal Price List ( “Standardized Services”); Local Ad-hoc services which are services that vary in nature and cannot be standardized across different UNDP offices (e.g. IT support services, airport pick-up, pouch administration, programme services), (“Ad-Hoc Services”); and services provided at the global level including headquarters (“Global Services”).

3.2 All Support Services by UNDP shall be provided on the basis of full cost recovery. The Parties agree that the provision of services provided by UNDP is contingent upon availability of funds for the services and timely receipt of payments from the Client.

3.3 UNDP shall give reasonable notice to the Client of changes to, or discontinuation of, Ad Hoc Services or Global Services or costs thereof. The notice period shall not be less than six (6) months, unless otherwise specifically agreed between the Parties. In relation to Standardized Services, the Universal Price List (“UPL”) is periodically updated and reviewed by UNDP, to ensure its effectiveness. The outcome of such reviews may result in changes to costs and/or costing methodology. Final changes shall be promptly communicated to the Client.

3.4 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 Client, in the course of determining the necessary cost adjustment.

3.5 To permit the Parties to plan and incur expenses, adjustments arising from paragraph 3.3 and 3.4 above, or as specifically agreed by the Parties, shall only be prospective and shall not result in any increase in cost to the Client in relation to actual Support Services rendered prior to the required cost adjustment being communicated to the Client.

**Cost Methodology**

3.6 The cost methodology for Support Services shall be as follows:

1. The costs for Standardized Services provided locally shall be regulated by the UPL. The UPL is computed using the “True Hourly Cost Methodology” (Annex 1).
2. The costs for Ad-Hoc Services shall be based on locally negotiated prices using transparent, prevailing market rates or the True Hourly Cost Methodology and set out in a local price list and agreed locally between the Parties.
3. The costs of Global Services shall be determined on a case-by-case basis according to the True Hourly Cost Methodology.

**Service Level Agreements**

3.7 The terms and conditions for the provision of Ad-Hoc and Global Services shall be agreed in writing between the Parties, in a Service Level Agreement (“SLA”) in advance of the provision of the services. The SLA shall include at a minimum the name and address of the office providing and receiving the services, a description of the services, related costs, client inputs, frequency of service, delivery times, and the duration over which the service shall be provided. For Standardized Services based on the UPL, while no further subsidiary agreement is required, the Parties may conclude an SLA, if this supports the business needs and facilitates the efficient and effective delivery of services and payment.

**Billing Arrangements**

3.8 UNDP will issue final bills detailing the Support Services provided, including any required Client references, the cost of the service, the amount due to UNDP, and other information which the Client shall reasonably require, which will be agreed with UNDP in advance.

3.9 The frequency of billing shall be agreed between the Parties, where applicable, in the relevant SLA. Billing by UNDP shall occur at the minimum annually, and be issued no later than 31 January for the preceding calendar year during which the Support Services were rendered.

3.10 It is the responsibility of the Client to ensure sufficient funds are available to pay UNDP for the Support Services.

**Payment**

**Atlas Agencies** (UNFPA UNOPS, UNV, UNCDF and UNW)

3.11 The ‘Atlas Agencies’ share the same financial management system, hence all Atlas transactions shall be recorded directly against the Atlas Agency’s chart fields, provided in the business unit of the Agency itself. For procurement and other services, these will be charged to the chart field provided by the Client.  The cost of the service will be charged to the same chart field in relation to which the service is requested.

3.12 Services by third parties contracted to provide services to or for the Client will be billed directly to the Client. The Client shall provide a valid Chart of Account or funds to UNDP within 5 working days of receipt of invoice from UNDP to pay for services by third parties to the Client. Any penalties for late settlement by third parties due to delays by the Client will be billed to the Client.

**Non-Atlas Agencies**

3.13 The “Non-Atlas Agencies” shall provide UNDP with advance funding before services can be rendered. Advance payments from “Non-Atlas Agencies” are received and recorded at Headquarters in a Service Clearing Account (SCA) for each Client . Services provided and applicable service fees are charged against the SCA balance. Certain services provided at the country office level must also be prefunded locally. When a Client requests a service, a budget sufficiency check is performed at the Agency fund level prior to service delivery. The service fee is determined by the Universal Price List or the Local Price List.

**Article IV**

**Liability**

4.1 The Client shall be fully responsible for any damage, loss and/or liability incurred (including with respect to the management, defense and settlement of any claims) in connection with the Support Services and any contracts concluded thereunder, except when arising from UNDP’s gross negligence or willful misconduct.

4.2 The provisions under this Article IV shall survive the termination of this Agreement.

**Article V**

**Term, Termination, Amendment**

5.1. Once signed by both Parties, this Agreement shall enter into effect on [..]. It shall remain valid unless it is terminated as set out in paragraph 5.2 below.

5.2. Either Party may terminate this Agreement by giving not less than six months’ notice in writing to the other Party of its intention to terminate the Agreement. Such termination shall provide adequate time for the necessary steps under paragraph 5.5 below to be taken and shall become effective on the date specified in the termination notice.

5.3. In the event of termination of this Agreement, subsidiary agreements, such as SLAs, shall also terminate on the date specified in the termination notice as set out in paragraph 5.2 above.

5.4 UNDP and the Client shall promptly notify their respective offices of receipt of such notice together with the effective date of the termination.

5.5 The Parties shall take the necessary steps to ensure that the activities carried out under this Agreement and its subsidiary agreements are brought to a prompt and orderly conclusion.

5.6. This Agreement may be amended, in writing, by mutual agreement of the Parties.

**Article VI**

**Notices and Addresses**

6.1. Any notice or request required or permitted to be given or made under this Framework Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall have been delivered by hand, certified mail or overnight courier, to the Party to which it is required to be given or at the address specified below or such other address as shall be hereafter notified.

For matters concerning the Framework Agreement:

UNDP: Assistant Administrator and Director

Bureau of Management

One United Nations Plaza, DC1-17 floor

New York, NY 10017

USA

Client: Director of Management and Administration

 Department of Management

[UN Entity]

220 E. 42nd Street, 4th Floor

New York, NY 10017

USA

On all other matters: The Heads of the UNDP Office providing the Support Services and the Client Office receiving Support Services.

**Article VII**

**Miscellaneous**

7.1. The Heads of UNDP and the Client’s Offices at the country, regional or global level, as applicable, shall periodically and jointly review Support Services and cost recovery arrangements and make recommendations, if any, to the UNDP Director, Bureau of Management.

7.2. UNDP is committed to providing quality services to the Client in an open and transparent manner. The Client shall provide complete and accurate information and documentation to enable UNDP to carry out services efficiently. The Client shall not be charged for transactions arising from processing errors by UNDP and any remedial action to correct such errors. UNDP may elect to charge the Client for Support Services requested and subsequently cancelled by the Client if resources have been engaged by UNDP. Should the Client and a particular UNDP office be unable to agree either on the level or quality of services provided, or the cost recovery to be paid, then the head of the service-providing and service-receiving offices will resolve the dispute directly.

7.3 UNDP and the Client shall use their best efforts to promptly settle, through direct negotiations, any dispute, controversy or claim that may arise from this Agreement. Where a dispute, controversy or claim is not settled within 60 (sixty) days from the date of notification, either Party may request that the controversy, claim or dispute be resolved through consultation between the UNDP Administrator and the Executive Head of the Client.

7.4 No UNDP office may decline to provide services except when authorized to do so by the Director, Bureau of Management, UNDP.

7.5. Failure by either Party to enforce a provision of this Agreement shall not constitute a waiver of that or any other provision of this Agreement. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

7.6. This Agreement and any subsidiary or related agreements comprise the complete understanding of the Parties in respect of the subject matter in this Agreement. Except as otherwise set out herein, this Agreement supersedes and replaces all cost recovery arrangements between the Parties for Support Services.

**IN WITNESS WHEREOF**, the duly authorized representatives of the Parties affix their signatures below

Signed in two original copies in English.

**For: UNDP For: Client**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 (Signature) (Signature)

Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: Assistant Administrator and Director Title: Director of Management Bureau of Management and Administration

Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_