Service Contract

**Following amendments have been made on 1 July 2018:**

Para 10, d): Editorial changes to remove the percentages related to various charges in PoPP as they may be subject to be updated accordingly.

Streamlining action to extend the waiver validity period from 12 to 24 months for the payment of the 8.33% in lieu of Pension. Extension of the lumpsum arrangement is now delegated to the Regional Bureau (Para 25, f) and g).

Para. 34, b), rationalization on the paragraph on competitive selection for SCs and ability of Country Offices to establish Service Contract Rosters for all levels of SCs and how to create and maintain rosters for SC positions (Annex VII). Reduction of the minimum number of required candidates for interview/assessment from three (3) to two (2) to ensure a competitive and transparent process. In exceptional cases, allow to proceed with the assessment/interview process when there is only once candidate that meets the requirements, provided the efforts at sourcing additional candidates is documented. In addition a paragraph was added to allow for the lateral transfer of SCs from one project to another with similar functions, without having to resort to re-advertising the vacancy and going through a new competitive process, provided that the candidate has a complete and satisfactory performance evaluation record.

Alignment and clarification of conditions for employment of former staff in receipt of a UNJSPF benefit under an SC with new thresholds (Para 36, b)

Removal of the obligation of having SC holders repeat a medical examination every two years, exception made of those with security, driving or manual work functions. In addition, a paragraph was added to allow the Office to request that the SC holder undergo a medical examination in certain circumstances (Para 38, a), b), c), and d).

Para 40 – Streamlining to allow Service Contracts to be initially issued for periods of less than six months in the exceptional situations listed in the SC User Guide upon approval of the Resident Representative, instead of the HR Business Partner.

**Following amendments have been made on 1 July 2016:**

Under the improper use of the service contract, para 6, section iii has been added.

Clarification that individuals employed by a government must seek special leave without pay before being offered a Service Contract (para. 4).
Para. 34, c) was added to reflect the provisions, which previously required a Fast Track activation request. The Bureau Director is authorized to grant a waiver of competitive recruitment for up to 20 Service Contracts per annum, per country office. Please refer section (c) for more details.

Clarification was provided to a) under para. 34 that the office must comply UNDP standards for a transparent and competitive selection process “in accordance with the Guiding Principles listed in the Recruitment and Selection Framework.”

Clarification was provided in para. 36 on when the former staff members in receipt of a UN pension may be engaged on SC.

Clarification on contracting of close relatives of UNDP staff members was reflected in para 37).

Clarification on the timing of service evaluations and when the service evaluation may be documented in a note to file (para. 43).

Clarification of provisions following implementation of Atlas wave 2 and removal of references to procurement processes was provided in para. 6, 7, 8, 19, 34, 39, 43, 44.

Clarification that contracts must be terminated where misconduct, including fraud, has been established in paras. 45 and 46.

26 June 2015: Clarification of danger allowance provisions for SC when absent from the duty station (para 18).

20 Nov 2013: Revised basis of calculation of Danger Allowance rates for Service Contracts, effective 1 December 2013 (para 18).

14 October 2013: Inclusion of option to enrol eligible dependents into the medical insurance scheme. (para. 22 (d)).

1. The policy has been revised to address changing conditions and responds to country office recommendations calling for more clearly established rules and instructions. This revision supersedes the 1998 version of the Service Contract User Handbook.

2. The Director of OHR has delegated to UNDP Resident Representatives full responsibility and accountability to issue and manage SCs in accordance with this User Guide. The Resident Representatives may delegate the responsibility for proper use of SCs to the “Responsible Officer”, who manages the planning and contracting of human resources necessary to meet the office goals, objectives and work plan.
Relevant Policies

3. Basic Principles

a) The service contract (SC) is a modality for hiring individuals under a non-staff contract.

b) The SC is a decentralized contracting instrument, which is cost effective and flexible for use only by UNDP country offices and regional centres outside of Headquarters. The SC is not for use in HQ duty stations and Liaison Offices e.g. New York, Geneva, London, Madrid, Montreal, Paris, Rome, Vienna, Brussels, Copenhagen, Geneva, Tokyo and Washington.

c) Payment under the SC is based on services satisfactorily provided in accordance with the terms of reference under the SC. The payment terms can be based on (i) all-inclusive lump-sum monthly payments, where cash payments are included for pre-existing social security as described in the Section on Social Security Arrangements below or (ii) monthly remuneration with provision of a local social security scheme where applicable and legally feasible, see Annex I

4. Legal Framework

a) As individuals contracted under SC, they are not staff and therefore, are not covered by UN Staff Regulations and Rules.

b) The SC is a legal document between UNDP and the individual contracted and must be concluded on the basis of the contract template form, attached hereto as Annex I. The SC cannot be modified without consultation with, and clearance of, the OHR Policy Unit and the Legal Office (LO). The SC is governed by this User Guide.

c) An annex to the SC provides conditions of service, and the individual is entitled only to those conditions as provided for in the SC.

d) By signing the SC, individuals acknowledge and accept that the terms of engagement are different from those that apply to UNDP staff and that there are no expectations for contract renewal.

e) Social Security and other conditions of the SC are generally consistent with what is called for in the local labour market for similarly situated services, except where UNDP has defined a minimum or maximum standard. For example, a maximum termination indemnity is established for all SC holders, irrespective of local practice; a minimum standard of 16 weeks is set for maternity leave, irrespective of local practice.
f) Although UNDP Offices are to take into account local conditions in establishing the appropriate remuneration for the market, this must not be construed as subjecting UNDP or the SC to national legislation. As this is a UNDP contract, it cannot be subjected to national legislation. Adherence to the User Guide by the UNDP Office is essential in protecting UNDP’s legal interests.

g) The individuals engaged under a SC are neither staff members nor “officials” for the purpose of the Convention on the Privileges and Immunities of the United Nations of 13 February 1946. They may however, be given the status of “experts on mission” in the sense of Section 22 of Article VI of the Convention. Such determination is made in each case by the Secretary-General who alone has the authority to assert immunity on behalf of the Organization. If they are required to travel on behalf of UNDP, they may be given a UN certificate in accordance with Section 26 Article VII of the Convention.

h) The services performed by an individual engaged under a SC, do not carry any authority either directly or by delegation, to legally bind UNDP or otherwise enter into any agreements or financial obligations on behalf of UNDP with other international organizations, governments, legal entities or individuals.

i) Individuals engaged under a SC serve in their individual capacity and not as representatives of a government institution, corporative body or other authority external to UNDP.

j) Individuals that are employed or affiliated with a government institution, corporate body or other authority external to UNDP must provide evidence that they have been accorded special leave without pay, or a similar status, from their employer prior to being engaged under a SC. Notwithstanding the disclosure, the individual engaged under a Service Contract is bound by the principle of impartiality as specified in paragraph i) above and in the contract.

k) During the period of service with UNDP, individuals engaged under SC are required to uphold the standards of conduct set forth in their contract and the ST/SGB/2002/9 a copy of which must be provided to all SC holders upon signature of the SC. SC holders may not engage in any activity that is incompatible with the discharge of their duties with the Organization. They are to exercise the utmost discretion in all matters of official business of the Organization. They may not communicate at any time to any person, government, entity or authority external to UNDP, any information known to them by reason of their association with UNDP which has not been made public, except in the course of their duties or by authority of the UNDP Administrator or the designate, nor shall they use the information for private advantage. These obligations do not lapse upon cessation of their service with UNDP.

l) No individual under a SC can be engaged in any activity in conflict with the obligations under the SC or in public employment, except for teaching at academic institutions,
as set out in the standards of conduct in the SC. In cases of activities outside of the SC, including employment, the SC holder must immediately notify the UNDP Office for final determination by the UNDP Office as to the appropriateness of the activity. The Responsible Officer must inform the SC holder of this requirement during the initial orientation upon engagement.

m) Copyright in any materials produced by the SC holder while they are engaged under a SC and within the scope of the SC vests in UNDP.

5. **When to Use an SC**

a) The SC is intended for engaging individuals under the following conditions:

i. national personnel or others legally authorized to work in the country;

ii. for non-core support services in the UNDP Office that would normally be outsourced to a company, i.e. custodial, security and IT service, refer to ST/IC/2005/30 document on outsourcing;

iii. for development project personnel, where UNDP on request of an executing entity, or implementing partner under the harmonized operational modalities (hereinafter “executing entity/implementing partner”) or, where UNDP itself serves as implementing partner of a development project, provides personnel contracting services to support execution or implementation of the project; the SC issued will be limited to services to that project only, refer to http://content.undp.org/go/userguide/results/; and

iv. **No authority other than UNDP may issue a UNDP SC.** Therefore, an executing entity/implementing partner issues its own contracts, but may use the UNDP SC as a guideline. See Annex IV, which provides a matrix on how to use the SC.

b) For any of the above activities that are less than 6 months, the IC contract must be used except in the case of exceptional situations as mentioned in section 40.

6. **Improper Use of the SC**

a) The following are examples of the improper use of the SC:

i. hiring international personnel;

ii. hiring local office personnel for core functions (i.e. staff functions that are of a continuing nature and are part of UNDP’s central work, except...
services that would normally be outsourced to a company and functions that are within the development project context);  

iii. hiring local office personnel to perform internal control functions. Refer to Annex VI for the list of minimum control functions that must not be undertaken by individuals holding a Service Contract.  

iv. as a form of probation for possible conversion to core functions within the management project;  

v. as means to minimize or inflate compensation; and  

vi. as means to complement duties of non-performing staff or staff on any type of leave.  

b) SC holders can participate in Staff Council/Association events that are open to the larger UN/UNDP community. However, a SC holder cannot hold representational or decision making roles on matters that concern staff members such as, participation in Compliance Review Boards or Panels (CRB/CRP), and Contracts, Assets and Procurement (CAP) Committees or serve as the Chair or offices of the Staff Council/Association as these roles, by definition apply to staff serving on appointments under the UN Staff Regulations and Staff Rules.  

c) Individuals engaged under SC cannot supervise UNDP staff holding temporary, fixed-term, continuing or permanent appointments under the Staff Rules. However, a SC may supervise another SC holder or IC depending on the nature of their functions.

7. Competition for temporary or fixed term appointment positions

When applying for UNDP positions under the TA/FTA of the Staff Rules, individuals holding SCs are to be considered as external candidates. Therefore, all processes applied for external candidates must be followed. However, a SC holder can be given priority consideration through a transparent and competitive process in accordance with the Guiding Principles listed in the Recruitment and Selection Framework.

8. Conversion from Individual Contract (IC) to SC

When individuals have been on IC, and the duration of the functions and other requirements set forth in this User Guide qualify for the use of a SC, it is appropriate to convert such individuals to SCs based on the following principles:

a) the competitive process used to engage the IC was consistent with the process required for engagement of an SC,  

b) special attention must be paid to explain the range of conditions of service, including social security coverage;
c) The rate of remuneration would be based on the SC remuneration scales for the location, including the addition of social benefits or payment in lieu thereof, as described in this User Guide.

d) The offer letter issued by the UNDP Office must specify the change in status and in benefits, and request the individual to sign the letter attached to the offer in the form set forth below:

"I understand that my form of contract with UNDP is being changed as of (date), from an "Individual Contract (IC)" to that of a "SC". I also understand that the main purpose of this change is the extended duration. The change in my contractual status and in my remuneration and benefits has been explained to me. In accepting these arrangements, I understand that issuance of the SC does not entitle me to any adjustments or benefits in respect of my prior service with UNDP under IC signed _________."

9. **Staff members under temporary, fixed term, continuing or permanent / appointments**

a) UNDP staff members that perform functions that are central to UNDP’s core work and hold contracts under temporary, fixed-term, continuing or permanent appointments must not be separated for the purpose of issuing a SC.

b) Former staff members that are separated on grounds of disciplinary action or unsatisfactory performance are not eligible for a SC.

c) Staff members separated for abolition of post or reduction in posts cannot be offered a SC with the same functions they occupied before separation. In the case of separation by retirement or abolition of post, the break in service requirement governing the separation must be strictly adhered to. No exception shall be granted to the minimum break in service period.

d) Any offer of a SC to a staff member who has separated by resignation must be made after a break in service of at least 1 month.

10. **Budget Planning**

a) Budget planning and funds sufficiency checks must be carried out prior to the processing and approval of hiring and extension of all SCs. Although the terms of reference for a SC require a job title it is not subject to ICSC classification standards.

b) UNDP Offices must ensure that monetary budget allocations have been approved for the full duration of the initial SC in order to engage individuals to work in the UNDP Office.
c) If the SC is to continue during a financial year beyond the initial contract period, UNDP Offices must ensure that budget provision is made and incorporated in the request for allotment for the relevant financial year.

d) Request for project budget allocations must include a description of the activity to be carried out, the duration of the activity, and an estimated annual cost for each contract including social security contributions over and above the gross pay. The Responsible Officer should ensure that the budget allocations include the pro forma costs for all expenditures related to the SC, such as insurance, security, learning, payroll charges, performance bonuses and overtime, where relevant (refer to Annex III for check list and the proforma costs for SC holders.

Remuneration Structure and Pay Setting Principles

11. Establishing pay guidelines at the local level

a) The basis for the establishment of conditions of service for Service Contract (SCs) holders is found in the local labour market. Therefore, the remuneration package for Service Contracts must be consistent with prevailing levels of pay for similar services and comparable work in the local labour market. The creation of Service Contract remuneration scales is a process and responsibility primarily managed by Country Offices. The Director of the UNDP Office of Human Resources (OHR) has therefore delegated to UNDP Resident Representatives full responsibility and accountability to collect and analyze data locally to create and update Service Contract remuneration scales.

b) The design of the system of remuneration for Service Contracts is based upon broad bands in an integrated pay structure to provide for wide pay ranges which support both flexible contracting and pay movement through performance measures as further set out in the Handbook on Setting Remuneration for Service Contract Personnel. Country Offices are expected to comply with the structural guidance that will make the process straightforward and consistent across duty stations while preserving the flexibility needed to be effective at the local level.

c) The Resident Representatives may delegate the responsibility for setting of SC remuneration scales to the “Responsible Officer”, who manages the planning and contracting of human resources necessary to meet the office goals, objectives and work plan. The OHR Headquarters unit responsible for Policy and Compensation are responsible for providing advisory support and guidance to Country Offices in the setting of remuneration for SCs. Organizational reporting mechanisms will be established on a periodic basis to ensure the proper setting of SC remuneration.

12. Pay setting for individuals hired under a SC

Pay setting for individuals contracted will be determined on the basis of the following:
a) Level of the responsibility, which can be expressed in five broad bands or ranges:

i. **First range**: SC1-2, representing work in the custodial, maintenance, security, driving and messenger areas; this would be considered mechanical and physical operations;

ii. **Second range**: SC3-4, representing work of a more basic processing support nature covering clerical, secretarial, certain technical functions; this work requires appropriate educational background and relevant work experience;

iii. **Third range**: SC5-7 representing work of a specialized and comprehensive support nature progressing to integrated execution at the higher level; this work requires appropriate educational background and relevant work experience;

iv. **Fourth range**: SC8-9 representing work of an analytical nature requiring basic conceptual comprehension; this work requires appropriate educational background and relevant work experience;

v. **Fifth range**: SC10-11 representing work of a conceptual, analytical and advisory nature at the higher professional level related to development, humanitarian and emergency project work that require substantive innovation and may involve some functions that are supervisory in nature to oversee project activities. Qualifications at this level include a postgraduate degree and relevant experience commensurate with the job.

c) The pay ranges established are for the purpose of having an objective and analytical basis for setting the levels of pay for individual contracts to ensure objectivity and non-arbitrariness in pay setting and also to avoid any basis for charges of under or over-payment in relation to the market or of favoritism in setting pay rates. Further guidance in aligning the TOR to the pay ranges can be found in the Handbook on Setting Service Contract Remuneration.

13. **Pay adjustment**

After a SC is issued the level of remuneration established on initial contract must not be adjusted for any reason. In the event that the SC is extended, the pay will either remain the same or be adjusted if the remuneration scale has been revised in accordance with the Handbook on Setting Service Contract Remuneration. If upon renewal of the SC it is established that the level of remuneration has surpassed the market rates for similar situated services, the level of the remuneration remains unchanged with no adjustment for each contract renewal until the gap is closed.

14. **Currency of Remuneration**
The SC stipulates a fixed level of remuneration in local currency and payments are made in local currency, except in duty stations where it is the common practice of organizations that are retained as comparators for setting the SC remuneration scale, make remuneration payments in a currency other than the local currency. If the remuneration scale is denominated in a currency other than the local currency and is paid in local currency, the UN prevailing rate of exchange must be applied. Payment of remuneration to SCs in currencies other than the local currency should be based upon documentary evidence of similar practice by all the surveyed and retained employers and confirmation of legality by the appropriate national authorities.

15. Remuneration Subject to Taxation

a) The total remuneration paid to individuals engaged under a SC must be specified in gross terms. The remuneration paid to the SC is not exempt from national or local taxation. UNDP is not responsible for payment of tax on earnings or other taxes due on the remuneration of the SC, nor is UNDP responsible for reimbursement of taxes paid by SC holders in respect of earnings received under SC with UNDP. The payment of taxes is the sole responsibility of the individual under SC. UNDP reserves the right to request proof of payment of taxes by the SC holder. In certain cases, national governments exempt SC holders from payment of taxes. Such exemption is solely within the purview of the national government and cannot be based on representations by UNDP that SC holders are exempt.

b) The UNDP Office must not be involved in making payroll deductions for the purpose of remitting monies to the national tax authorities, nor is it required to report the earnings of SC holders to the tax authorities. The UNDP Office must notify the SC holder upon entry that the SC holder must be in compliance with their national taxation obligations. This is also detailed in the SC template.

c) In some cases, Governments have concerns that SC holders are not complying with their tax obligations. In such cases where Governments request information from the UNDP Office relating to SC holders, it is appropriate to do the following:

i. Provide the Government with the names of SC holders in the country and general information on pay scales and inform the Government that UNDP does not provide specific financial information relating to particular individuals;

ii. Inform the SC holders that the UNDP Office has provided their names and general pay scales to the Government and remind them that they must be in compliance with their tax obligations; and

iii. Advise the Government that the UNDP Office has notified SC holders as set forth in item b) above.
16. Overtime

da) UNDP Offices may consult the OHR Policy Unit and the Legal Office on such government queries as necessary.

b) While overtime work is generally discouraged, situations arise when it is necessary for individuals engaged under a SC to work more than the established work hours. In such cases overtime pay may only apply to SB1 to SB3 levels and shall not exceed 40 over time hours per month; SC holders engaged in the higher ranges are not subject to overtime pay.

c) As with the overall remuneration package, the rate of overtime pay is based on the local market. In locations where the local labour practice is not specific on the amount of time that constitutes overtime and corresponding compensation, where local practice favors cash payments, subject to budgetary considerations, overtime shall be compensated on the basis of one and half the normal rate. Where local practice favors compensatory time off, subject to exigencies of service, SCs shall be compensated on the basis of one and half the normal rate. The compensatory time off must be utilized within four months following the month in which the overtime work is done, otherwise it is forfeited.

c) Overtime pay must be requested and approved by the supervisor in advance of the extra work period to be performed, subject to the availability of funds. The cost of overtime pay must be funded from the same source as the SC itself. UNDP Offices must ensure that sufficient funds exist for functions that may reasonably expect payment of overtime.

d) Overtime pay must be monitored closely and kept to a minimum.

17. Performance Bonus

a) The Performance Bonus for individual Service Contract holders is governed entirely through service quality assessment. The decision to grant a Performance Bonus is not automatic or granted as an entitlement.

b) During the Service Quality Evaluation process, the Supervisor of the SC holder makes a recommendation for a Performance Bonus and confirms that the individual has met all the contract objectives and the performance was more than satisfactory. In assessing the performance, Country Offices consider the quality of the individual’s services in comparison to the performance of other SC holders conducting similar services. The Resident Representative has sole discretion to approve recommendations for Performance Bonuses based on the Service Quality Evaluation and the availability of resources under the project.
c) The Performance Bonus is a one-time payment granted to a SC Holder at the end of a twelve month contract after the service quality assessment. The Performance Bonus is calculated as a percentage of 1 to 3% of the gross annual remuneration rate that was in effect at the time of the evaluation taking into consideration the level of quality of service performance. Refer to Remuneration Handbook for further guidance.

d) UNDP Offices must ensure that budget provision is made for performance bonuses and is incorporated in the request for allotment in advance for the relevant financial year.

18. **Danger Allowance**

a) In addition to the base monthly remuneration, SCs who serve in locations where dangerous conditions prevail as determined by the ICSC are paid a Danger Allowance.

b) The Danger Allowance is payable based on presence at the duty station. SCs on maternity, paternity, annual or sick leave continue to be eligible as long as they remain in the duty station. The Danger Allowance is also payable for time away from the designated duty station on official duty travel up to a maximum of seven consecutive calendar days including weekends and holidays falling during that period. Payment ceases from the eighth day of official duty travel. If the SCs travel on mission to another location that qualifies for Danger Allowance, they will receive Danger Allowance at the rate of that location instead of the rate of their parent duty station.

c) Danger Allowance is not payable for days spent away from the duty station on annual leave or any type of special leave. Payment of Danger Allowance is lifted when dangerous conditions are deemed to have abated.

d) Danger allowance shall be paid at the Danger Pay rate established at the duty station for locally recruited staff. It is paid as a monthly lump-sum. For SC holders who spend one complete month in the area where the allowance is applicable, the monthly sum is paid irrespective of the number of days in the month. For periods of less than one month, the amount of danger allowance is prorated on the basis of 365 days; the daily rate is calculated by dividing the annual amount by the number of days actually spent at the duty station. Danger Allowance is payable for a minimum of one day and is not prorated on an hourly basis.

19. **Processing SC payments**

The payments for SCs are processed through the global payroll module in ATLAS. The ONDEMAND job aids should assist with the processing of hire/extension and SC payments in ATLAS. Refer to onDemandweb.undp.org.

20. **Use of the SC for other UN agencies**

a) UN Funds and Programmes (UNFPA, WFP, UNOPS and UNAIDS, etc.), which traditionally share UNDP's administrative and contracting machinery, may wish to use
the SC modality, in the interests of simplification and harmonization processes led by the United Nations Development Group. In such cases, they issue the SC in their own name, and can draw on this User Guide as a reference.

b) Alternatively, when UNDP is called upon to issue SCs on behalf of other UN bodies, such services must be provided on the basis of a MoU with the requesting UN body. When an agreement is reached between a UN body and UNDP to issue SCs, the SC modality will follow this User Guide, except that the service contract must specify that it is limited to service with the requesting UN body. The agreement between UNDP and the requesting UN body must provide that in issuing these contracts UNDP does not incur an additional liability - legal, financial or otherwise. The agreement must further specify that claims and costs resulting from the use of the SC must be the responsibility of the requesting UN body, and not of UNDP except in the case of the gross negligence or willful misconduct of UNDP. All such agreements must be cleared by the OHR Policy Unit and the Legal Office.

c) UNDP Offices must ensure that their costs are recovered when providing such service in line with UNDP’s cost recovery policies.

21. Social Security Arrangements

Social Security coverage in one form or another is obligatory and must be guided by local conditions. Most importantly, such coverage must be provided in such a manner so as not to create legal implications for UNDP under the local law. Such coverage shall be in place from signature of the SC by UNDP and the SC holder. Coverage under the service incurred disability/injury/death sections is at no cost to the individual.

22. Medical Insurance

a) Individual SC holders may remain in a pre-existing medical scheme, whether through previous employment, a spouse or other source. In such case, UNDP provides a cash amount equivalent to both employer and subscriber’s contribution, as part of the monthly remuneration, provided there is proof of coverage and the cash amount does not exceed the monthly fee amount for the SC medical insurance contract with Cigna, offered by UNDP. The individual must present proof of participation and coverage at the commencement of the SC. The UNDP Office is responsible for verifying that the individual has adequate coverage. The SC must notify the UNDP Office of any change in coverage during the term of the SC as provided in the SC. The payment of cash for medical insurance, without the individual having coverage, is not permitted. The SC must stipulate the manner in which coverage for health benefits is provided.

b) Alternatively, the UNDP Office may make arrangements for medical coverage under a local private scheme provided that the premium is lower than the global Cigna
International "Group Life, Disability & Medical insurance plan" and that the scope of coverage meets the standard established under the Cigna plan.

c) In such case, UNDP remits the full premium directly to the private scheme. This option is not available if the premiums under this scheme are more than the monthly premium under the Cigna Plan.

d) In the case that the Cigna coverage is used, the premium is established in US dollars. The local currency value must be determined monthly on the basis of the UN operational rate of exchange. The premium must be collected and remitted monthly at the time of processing the remuneration in order to have coverage. Only the premium for the SC holder is subsidized by UNDP.

   i. UNDP does not subsidize Cigna medical insurance for the SC holder’s recognized dependents. The SC holder may choose to enroll dependents recognized by UNDP within 30 days of the starting date of their service contract, provided the SC holder pays the full premium for them. These premiums are collected by means of a payroll deduction every month.

e) In countries where a national medical scheme exists, individuals under SC may contribute directly to such a scheme, if permitted. To use this option, the UNDP Office must receive adequate evidence that the individual has coverage. It is not permitted to include an amount for medical coverage in the SC remuneration where no coverage is in place. Under this arrangement, the UNDP Office contributes the actual monthly cost of the insurance. This option is only available where UNDP has no obligation to contribute directly to the national scheme, as it cannot be subject to the national scheme.

   f) UNDP Offices must ensure that all SC holders have adequate medical coverage. UNDP Offices are also responsible for ensuring that no SC holder travels on UNDP mission travel outside the country of residence without arranging medical coverage under Cigna or other local private scheme for the duration of the mission, at no cost to the SC holder.

23. **Group Life and Disability Insurance**

   a) All persons hired on a SC must be covered for service incurred disability/injury/death, at no cost to the SC holder.

   b) SC holders must be enrolled under the global Cigna "Group Life, Disability & Medical insurance plan which provides cover for death and permanent disability as a result of any cause. In the event of death and disability as a result of any cause, a claim must be submitted under the "Group Service-Incurred Death and Disability Insurance Plan" for compensation through Cigna.
c) UNDP Offices may arrange a local scheme for Life and Disability insurance provided that the premium is lower than the global Cigna "Group Life, Disability & Medical insurance plan" and that the scope of coverage meets the standard established under the Cigna plan. Otherwise, UNDP Offices must use the Cigna plan arranged by UNDP Headquarters.

d) The current premium for the Cigna scheme is $8.88 per month. This amount must be paid by the UNDP Office in respect of each contract holder. The premium is established in US dollars. The local currency value must be determined monthly on the basis of the UN operational rate of exchange. The premium must be collected and remitted monthly at the time of processing the remuneration.

e) The UNDP Office must maintain a record in ATLAS of amounts collected, should there be any questions or audit at a later date.

f) No monthly/quarterly report showing names of covered individuals will need to be submitted to Cigna. However, if the UNDP Office is covering SC holders with the Cigna insurance, regular monthly premiums must be accounted for each month without exception.

g) For this premium amount, subject to the Cigna policies in place, the SC holder would be eligible to receive up to the ceiling established under this benefit for permanent total disability and, in the event of the SC holder’s death, the surviving spouse and/or dependents would receive up to the ceiling established under this benefit.

24. Claims for death or disability

a) In the event of death of a SC holder, the UNDP Office must promptly notify the insurance company. Information surrounding the death, contractual status and other documentation must be provided by the UNDP Office as requested by the insurance company.

b) In the event of a service incurred disability which prevents the SC holder from continuing to perform according to their contract, a claim can be submitted under the "Group Service-Encurred Death and Disability Insurance Plan" for compensation through Cigna, or under the local scheme established by the UNDP Office.

c) Each UNDP Office must ensure it has a copy of the policy on file since the claim procedure is set forth therein. The current certification required by Cigna for settlement of death, service-incurred injury or disability claims is:

i. a report from the UN examining physician;

ii. evidence of valid contract at the time of death or disability; and
iii. an indication that the premiums have been paid throughout the contract.

d) The UNDP Office must have on file the original entry medical report, should there be any question regarding the medical condition of the SC holder.

25. Pension benefits

a) The UNDP Office must ensure that individuals engaged under SC are covered under a pension age plan as appropriate.

b) Coverage may be provided through one of the following options, and the SC must stipulate which option is selected:

c) A private group scheme, if available locally, which can be a cost-effective approach for all SC holders in the country. The UNDP Office makes the appropriate payments directly to the scheme, for all individuals engaged under SC. The contribution of the UNDP Office to a private scheme must be accounted for at the time of processing payments in ATLAS. The UNDP Office must maintain a record of its contributions to the private social security scheme in its permanent record keeping system.

d) Another alternative is for the individual SC holder to remain in a pre-existing private scheme. To use this option, the UNDP Office must receive adequate evidence that the individual has coverage. It is not permitted to include an amount for social security in the SC remuneration where no coverage is in place. Under this arrangement, the reasonable and customary amount of the premium for the location is added to the lump sum remuneration package.

e) In countries where a national social security scheme exists, individuals under SC may contribute directly to such a scheme, if permitted. To use this option, the UNDP Office must receive adequate evidence that the individual has coverage. It is not permitted to include an amount for social security in the SC remuneration where no coverage is in place. Under this arrangement, the reasonable and customary amount of the premium for the location is added to the lump sum remuneration package. This option is only available where UNDP has no obligation to contribute directly to the national scheme, as it cannot be subject to the national scheme.

f) In countries where no pension scheme is in place or where there is only a national scheme that does not permit direct participation by the SC holder, a lump sum equivalent to 8.33% of the monthly remuneration rate is provided. This option is approved by the Director, OHR on an exceptional basis for the duration that no pension scheme is in place and is subject to review every twenty four months thereafter. The extension of the lump sum option is approved by the Regional Bureau upon certification by the Office that there continues to be no other viable pension scheme available.
g) The initial request for approval of the lump sum option must be submitted to the Director OHR through the respective HR Business Advisor at Headquarters, prior to issuance of the SC. The request must confirm that all criteria for the lump sum has been met with all documented proof kept on file should there be an audit check at a later date. The Country Office must specify this option in the contract; the SC holder must sign a Certificate of No Contest that confirms agreement to receive the pension contribution in the form of a lump sum. A copy of the Letter of No Contest (refer to Annex V) and the calculation sheet must be provided to the SC holder and a copy kept on the file.


a) Individuals engaged under SC who serve at, or travel at UNDP’s expense to, a designated hazardous duty station are automatically covered by the Malicious Acts Insurance Policy (MAIP) and must therefore be included under the safety and security measures implemented by the UNDP Country Office under the Security Plan. Failure to comply with security instructions may render the insurance coverage null and void in so far as it relates to the SC holder in question. Furthermore, non-compliance with security instructions is grounds for termination of the SC for cause. The UNDP Office must therefore ensure that the information on MAIP and the relevant security instructions are available to SC holders.

b) All claims, together with supporting documentation, must be submitted by the SC holder to the local Human Resources Administrator, who is responsible for reviewing such claims and forwarding them to the HR Advisor serving the duty station in Headquarters.

27. Medical Evacuation

a) Individuals engaged under SC are not eligible for medical evacuation unless they are on official travel status outside the duty station. However, the UNDP office may facilitate the medical evacuation in cases of an emergency nature, where the local health services are inadequate and the SC holder requests the assistance of UNDP. The cost for such medical evacuation shall be facilitated at the full cost of the SC holder. The SC holder must be provided with advance notice and agree in writing to pay the full cost of the medical evacuation.

b) Under the global Cigna International "Group Life, Disability & Medical insurance plan, in the case of emergency or major disability the cost of special transportation of an insured SC holder from the first place where the SC holder is injured or stricken by a disease to the first hospital where treatment is given, is covered up to the ceiling established under this benefit. If the SC holder is enrolled under the Cigna plan for medical coverage, the CO must inform Cigna International when a medical evacuation takes place to facilitate guidance and support.
28. **Annual Leave**

   a) Annual leave will be accrued in accordance with the general local practice, except that in no case is the SC to provide for less than 1.5 days of paid leave per month (for example, 18 days per year if the SC is for a twelve-month period; if less than twelve months, the leave is pro-rated).

   b) All annual leave must be taken within the period of the SC.

   c) When the SC is extended for an additional period, it is possible that the SC may be allowed to carry an accumulated annual leave to a maximum of 18 days.

   d) Unused vacation leave at the end of the SC cannot be commuted to cash.

29. **Absence without Remuneration**

   a) SC is an engagement with UNDP for the time bound delivery of a specific project activity or service and it is against this principle that leave of absence with or without pay to take up another assignment is not permitted except for compelling family reasons, such as birth of a child, serious illness or death in the family.

   b) Absence without Remuneration may be granted for a period of one-month or less in total during the term of the contract and is subject to exigency of services. In these particular cases, a SC holder must first exhaust all annual leave before leave of absence without remuneration is granted.

   c) In the event that a SC holder is called upon to serve in the military forces of his country for training or active duty and is required to do so by national law, the Country Office should seek exemption of SC holders from such military service through a formal agreement with the national authorities. The objective for such exemption is to minimize the disruption of services under the SC and to avoid any conflict between the military obligations and the independent/impartial nature of the SC. Should all attempts at reaching an agreement with the national authorities for such exemption fail, an exceptional waiver may be granted to allow for absence without remuneration for the duration of the military service. Requests for such waiver must be submitted to the through the respective HR Business Advisor at Headquarters.

   d) During the period of absence without remuneration, the SC holder is solely responsible for continuing payment of the appropriate contributions for social security coverage, as UNDP’s obligation to make such payments is discontinued during this period.

30. **Absence due to sickness**
a) The SC holder is entitled to sick leave in accordance with the general local practice, except that in no case shall an SC provide for less than one day of sick leave per month at full pay (for example, 12 days per year if the SC is for a 12-month period; if less than 12 months, the leave is pro-rated).

b) A medical certificate must support any absence from work of more than three consecutive working days.

c) After three uncertified sick leave days in any 6 month period, medical certification is required for any medically related absence for the rest of the contract period.

d) In the event that an individual surpasses the sick leave limit in the contract period, the period in excess is to be charged against accrued annual leave. In case annual leave has been exhausted, the subsequent period of sick leave is unpaid.

e) Unused sick leave at the end of service is not commutable to cash at the end of the contract period, and cannot be carried over, in the event of an extension, if any.

31. **Maternity Leave**

Paid maternity leave is to be established taking into account the general local practice in the market, except that in no case shall the period of maternity leave be less than 16 continuous weeks, which is the minimum standard. The maternity leave must fall within and be taken during the contract period.

32. **Paternity Leave**

a) Paid paternity leave must take into account the general local practice, except that in no case shall the paternity leave be less than four weeks, which is the minimum standard. The Paternity leave must fall within and be taken during the contract period.

b) The SC holder must have had at least 6 months of service with UNDP at the time of the birth of the child. The leave is to be taken in one or two equal periods during the first twelve months from the birth of a child.

c) The paternity leave is limited to once a year, regardless of the number of children born during that year, and can only be availed at a maximum up to six times during the total engagement within the UN system.

**Engagement of a Service Contract Holder**

33. **Terms of Reference**
a) For **development projects**, the responsibility for preparing the terms of reference rests with the executing entity/implementing partner with support from the UNDP Office focal unit. The terms of reference are incorporated into the SC, as an Annex.

b) For **management projects in the UNDP Office**, the terms of reference for SC are prepared by the **Responsible Officer** well before the contracting process to allow adequate time for advertising for professional levels. The terms of reference are the basis for the UNDP Office to measure compliance and overall results.

c) The terms of reference must clearly highlight the following:

   i. Objectives and targets, as further detailed in the individual work plan;

   ii. Measurable outputs of the work assignment;

   iii. Reporting structure;

   iv. Performance Indicators for evaluation of results;

   v. Skills and competencies expected of the individual;

   vi. Minimum qualifications and experience; and

   vii. Duration of the service.

d) An individual work plan must be established for the SC within one month of the contract signature, in line with the terms of reference. The work plan must be reviewed as necessary by the supervisor and the SC holder during the term of the contract.

34. **Selection by Competitive Process**

   a) UNDP Offices must comply with UNDP standards for a transparent and competitive selection process in accordance with the Guiding Principles listed in the Recruitment and Selection Framework Policy to ensure that the person selected is the best-qualified candidate to perform the job functions in a fully satisfactory manner, unless waived by the Bureau Director under sub-paragraph (c), below.

   b) The engagement process for SCs should follow these steps:

      The Office must prepare Terms of Reference (TORs) and advertise the position. The vacancy should be posted on the UNDP job website. Depending on the degree of knowledge and skills required, local media advertising is recommended, with due regard to the cost/benefit issue if it is envisaged that it will produce the calibre of candidate needed. For positions in the SB5 Band, it is also recommended that
international organizations and NGOs are informed of the vacancy as this might facilitate reaching potential candidates. The requisite academic qualifications for this level must include a postgraduate degree and years of relevant experience commensurate with the job.

The UNDP Office must establish an ad hoc panel for the purpose of selecting the best-qualified candidate. A minimum of two candidates must be assessed to ensure a competitive and transparent process. In exceptional cases, the Office may interview only one candidate after the competitive process if only one candidate meets the requirements, provided that the Office documents the efforts made to identify other qualified candidates, including re-advertisement. The selection process must ensure that due regard is given to achieving an equitable balance in terms of gender and diversity appropriate for the location. The Panel provides its recommendation to the Resident Representative for a final decision.

UNDP Offices may also use a roster of pre-assessed candidates, in accordance with locally established roster procedures. The selection process through the roster process remains subject to the approval of the Resident Representative. See Annex VII – Roster procedures.

UNDP Offices may also transfer an individual SC holder from one project to another in the same duty station with similar functions and the same level of remuneration, without having to re-advertise the vacancy and go through a new competitive process, provided that the candidate has a satisfactory service evaluation record. In such instances a new service contract must be issued.

c) The Bureau Director is authorized to grant a waiver of competitive recruitment for up to 20 Service Contracts (SC) per annum, per country office, however:

i. The process must ensure that the person selected is the best-qualified candidate to perform the functions in a fully satisfactory manner;

ii. References must be checked prior to issuing the service contract;

iii. Contracting of close family relatives and other conflict of interest matters must be verified prior to issuing the service contract;

iv. The individuals must be medically cleared and enrolled in the applicable medical and life insurance policy prior to issuing the service contract;

v. The service contract issued must be in compliance with the standard terms and conditions;

vi. The individuals must be informed of the contract terms and standards of conduct as set out in the POPP and the contract template; and
vii. The SC modality must be used for its proper purpose as set out in the existing policies and guidelines.

35. **Reference Checks**

a) UNDP Offices must require written independent references to verify the credentials and experience of the candidate and substantiate them prior to the issuance of an offer of contract.

b) Requesting offices, with support from the UNDP HR Unit, are responsible for conducting reference checks and documenting findings before submitting for issuance of a contract.

c) Candidates that apply for vacancies under a Service Contract must complete the modified format of the P-11 form to facilitate reference checks with previous employers.

36. **Engagement of former staff members in receipt of a UN pension**

a) Former staff members in receipt of a UN pension benefit may be engaged under SC, only if:

   i. The engagement represents both a cost-effective and operationally sound solution to meet the needs of the service;

   ii. Records show that a competitive process was carried out;

   iii. The break in service requirement is met;

   iv. The former staff member in receipt of a UN pension benefit was not separated on grounds of disciplinary action or unsatisfactory performance; and

   v. Provided the individual is medically cleared.

b) The Responsible Officer must ensure that the remuneration of a UNDP (or UN and its funds and programmes) retiree does not exceed the limits set for those receiving a UNJSPF pension benefit, currently set at USD50,000 per calendar year.

c) Engagement of former staff in receipt of a UNJSPF pension benefit must not exceed the duration of 6 months in one calendar year and are non-renewable.

37. **Contracting Close Relatives of UNDP Staff Members**
a) The spouse of a UNDP Staff Member or an individual engaged on a Service Contract may be engaged under SC, provided they are in no direct supervision of each other.

b) Contracting close relatives of UNDP staff members or an individual engaged on a Service Contract (father, mother, brother, son, daughter, brother or sister) must follow the conditions stipulated in the Policy on Family Relationship.

c) Notwithstanding the foregoing, the Responsible Officer must at all times ensure adherence to the requirements in the Staff Regulations and Rules relating to conflict of interest (refer to Staff Regulations and Rules 1.2 g m).

38. Medical Clearance

a) A medical examination, consistent with the requirements of the UN Medical Service, must be cleared by the UN Examining Physician or other recognized physician, before any UNDP contract offer is made. The cost of the medical examination should be charged to the same source of funding as the SC itself.

b) The medical clearance should be placed in the relevant file of the SC holder and it may be required at a later date in the case of a claim for disability or injury.

c) A new medical examination is required every two years for SC holders performing security functions, driving services and manual work, if extended.

d) SC holders may be required, at any time, to undergo a medical examination when requested to do so to protect the health and safety of SC holders and UN personnel, to follow-up chronic health conditions, or to assess how new or a change in health circumstances since a prior clearance might affect an SC holder’s capability to fulfill the functions for which they were contracted.

39. Contract Duration

a) Usually a SC is issued for a minimum period of 6 months, renewable, but not more than 12 months at a time. In the case of project personnel, the maximum period for the use of a SC is normally for the duration of the project.

b) Generally, services expected to be completed in less than 6 months should be contracted under the IC modality.

c) SCs are not intended to be of an indefinite duration. It must be recalled that in the UNDP Office SCs are used for work that could be outsourced and therefore the need for the services must be annually reviewed and documented at the time of renewing the SC.
d) All SC holders must be clearly notified at the outset, and then reminded upon renewal, if any, that there is no assurance of continued engagement and that the SC will be reviewed from year to year, on the basis of need for the service, availability of funds and the quality of performance.

40. Exceptional situations where contract duration may be less than 6 months

There may be certain situations, such as contracting for emergency operations, e.g. Tsunami Emergency Relief, or management and development projects, where issues of funding or uncertainty of duration, might make it difficult to issue an initial SC for 6 months or more. In such cases, and where the contract is expected to be extended, a SC of less than 6 months may be issued at the outset. This will avoid the need to switch the type of contract from IC to SC, after an initial short period. In accordance with their delegation of authority, this exception may be approved by the Resident Representative, prior to issuance of the SC. The Regional Bureau and the respective HR Business Advisors are to ensure proper oversight and monitoring.

41. Part-time work

a) Some of the functions and activities appropriate to the SC modality can be performed on a part-time basis. The basic principle for establishing the pay for part-time remuneration is that of pro-rating the pay from full-time pay for comparable work. For example, if a SC holder is engaged to work a four-day week (with normal working hours) the pay would be set at 80% of the pay for a SC with the same terms of reference on full-time basis. Similarly, any other elements in the pay package (e.g. the organization’s portion of the subsidy for health insurance; group life and disability insurance etc. will be 80%) are to be pro-rated in the same manner. In the case of the danger allowance which is granted in recognition of the requirement to report to work under dangerous conditions and not necessarily the duration of the work day, the full amount is paid.

b) The precise working arrangements of the part-time work must be clearly specified in the contract and understood by the SC and the immediate supervisor. Any change to the hours of work and pay must first be made by a contract amendment.

Service Quality Management

42. Training and Development

During the term of the SC, the UNDP Office may determine that a SC holder requires additional training and development in connection with the services. In all cases, such training and development shall be authorized in the interests of UNDP. For example, training related to Atlas, Results Based Management, etc. Proposals for training of SC holders are submitted to the Resident Representative for approval through the Supervisor.
43. **Service Evaluation**

a) Service monitoring and evaluation are mandatory and a regular management responsibility that are carried out as part of a process to provide regular feedback about individual performance and progress achieved against agreed terms of reference. Performance of the SC holder must be monitored and documented throughout the duration of the SC.

b) In this context, the purpose of the Service Evaluation is to:

   i. Review progress against agreed upon terms of reference and detailed work plan;
   
   ii. Provide feedback on the overall performance of the individual SC holder; and
   
   iii. Make informed decisions on contractual matters (extension, non-renewal).

c) A SC Service Evaluation form is provided in Annex II or in Atlas.

d) The SC Evaluation must be completed by the supervisor prior to contract expiration, ideally one month prior to expiry, after:

   i. Receiving a short written self-assessment by the SC holder including special accomplishments (to be attached to the Evaluation form); and
   
   ii. Holding a Service Evaluation session with the individual SC holder with a view to discuss performance.

e) The Service Evaluation must indicate satisfaction with service performance during the contract period including, as applicable, any mention of service provided above or below expected standards or in addition to those activities established in the TOR. Each Service Evaluation must specify whether the SC will be extended beyond the current duration.

f) The Service Evaluation must indicate if a Performance Bonus is recommended, in accordance with the criteria laid down under the section applicable to Performance Bonuses.

g) The Service Evaluation of SC holders must always be completed before the expiry of the SC, ideally one month prior to expiry.

h) For periods of service of less than twelve months, the service evaluation may be documented as a note to file. One full service evaluation report must be completed for any twelve month period.
i) Each Service Evaluation form must be filed for record keeping in the personal file by the human resources unit in the country office or online when available.

Contract Extension and Termination

44. Contract Extension

a) If a decision is taken to extend a SC, a brief review is made to see if the terms of reference are still valid or need to be modified. More often than not there will be little or no change in the terms of reference (TOR) for lower level SC holders since many of these contract holders will be providing basic services such as cleaner, gardeners, messenger work or driving. However, for contract holders at higher levels, a careful review of the TOR must be carried out. The UNDP Office should indicate under section VII of the Service Evaluation form why there is a continuing need for the activities that justify an extension of the SC.

b) After the first service evaluation, a SC can be renewed for periods up to 12 months at a time, in line with funds availability and suitability of performance, based on the Service Evaluation form. All contract extensions must be submitted prior to the expiration of the contract.

45. Expiration of Contract

a) In the event that a SC will not be renewed upon expiry, an advance formal notice issued to the SC holder at least one month before the contract expires, keeping in mind that in all cases the minimum number of days of notice under the contract must be provided for termination as set forth below and in the contract itself:

i. The advance notice should allow the SC holder, to use up any accumulated annual leave, keeping in mind that unused leave is not commutable to cash; and

ii. The Responsible Officer must inform the operational units (HR/Finance/IT) in writing of expiration of a SC in order that necessary actions are taken, e.g. recovery of any indebtedness to the organization, return of UNDP, property such as computers/laptops, building access ID cards, keys, badges, etc. and release of final pay. A copy of the notification must be placed in the individual's personnel file.

b) UNDP Offices must ensure that the individual is administratively terminated from participation in social security schemes, arranged and paid for by UNDP that might be in effect. When an individual chooses to continue in a local scheme after termination, it is the responsibility of that individual to make the arrangements for continuation and payment of the entire premium.
c) The UNDP Office may provide a letter of reference upon request.

d) Where an SC holder has violated the standards of conduct or other material terms of the contract, including acts fraud or misrepresentation, the contract must be terminated and, not let to expire.

46. **Termination of Contract Prior to expiry**

   a) Either party may terminate the SC before the expiry date of the contract by giving notice in writing to the other party. The minimum period of notice shall be 14 calendar days.

   b) In the event that the contract is foreshortened by UNDP, where circumstances do not allow for the required period of notice, the SC holder will be entitled to compensation, equivalent to one-week gross remuneration for each month of uncompleted service.

   c) If such termination is a result of violation of the standards of conduct or other material terms of the contract, the individual will not be entitled to either a period of notice or other compensation. In the event that the termination results from a violation of the standards of conduct, such individuals will not be eligible for any future service contract.

   d) No compensation shall be made in the event that the SC holder terminates the contract.

   e) The UNDP Office must terminate the Service Contract in the following circumstances:

      i. abandonment of functions, i.e., when the SC holder is absent from duty without prior approval for more than five consecutive days;

      ii. violation of the standards of conduct or other material terms of the contract in the SC, including acts fraud or misrepresentation;

      iii. unsatisfactory performance documented in the Service Evaluation form or otherwise; and

      iv. other extenuating circumstances as deemed appropriate by the UNDP office management.

47. **Recourse/Settlement of disputes**

   a) In the event of any dispute arising out of the SC, the dispute must be resolved in accordance with the dispute settlement clause in the contract.
b) It is essential that country offices seek the advice of the Legal Office in complex cases involving issues of breach of contract relating to misconduct.

c) If a settlement cannot be achieved through internal discussions and should arbitration be needed, the case must be referred promptly to OHR Policy Unit and the Legal Office, with all supporting documentation.

d) As part of their orientation, SC holders must be advised that they can report:

i. allegations of workplace harassment, sexual harassment and abuse authority, should be channeled through the following email address: harassment.support@undp.Organization; or

ii. Allegations of fraud or mismanagement of funds should be channeled through the following email address: hotline@UNDP.org.

(e) Such allegations must be reported in good faith and with substantiating and detailed information and documentation.

Roles and Responsibilities

48. Resident Representatives

Resident Representatives are responsible for enforcing the terms of this User Guide and accountable for decisions taken including those of the Responsible Officers or other individuals delegated authority hereunder. Regional Bureau Directors must consider the performance of the Resident Representatives in managing the SC in accordance with this User Guide in the annual performance review of Resident Representatives e.g. Audit Reports and OHR reports may be used as a reference for evaluation.

49. Responsible Officers

Responsible Officers are responsible for:

a) defining clear terms of reference with measurable outputs, timelines, indicating qualifications and competencies required;

b) determining the use of SC as the appropriate contractual modality and adhering to the requirements of this User Guide;

c) ensuring availability of funds for the duration of the contract and extension;

d) contracting the most qualified candidate in a transparent and competitive manner; and
e) service monitoring and evaluation, recommendation for level of payment and contract extensions.

50. The HR Unit

a) Before issuing the SC, OHR units in UNDP Offices, must ensure that the content of the User Guide is complied with and that the SC template is used for contracting the services of the individual, attached as Annex I. No deviations to the model SC template can be made without consultation with, and clearance of, the OHR Policy Unit and the Legal Office.

b) The HR Unit is responsible for:

i. the classification of the terms of reference established to determine the appropriate level of pay;

ii. coordinating the contracting process of the candidates;

iii. issuing the SC contract including the applicable conditions of service and the non-career nature of the work;

iv. Management of SCs in Atlas HR module

v. ensuring payment of monthly remuneration according to terms of contract;

vi. ensuring that adequate social security provisions are in place;

vii. maintaining a roster of candidates in the various categories; and

viii. maintaining records for monitoring and reporting purposes.

c) With the implementation of ATLAS Wave 2, SCs are paid within Global Payroll, the HR Units are fully responsible for processing monthly payments for SCs.

51. Heads of Office

Heads of Offices are responsible for:

a) exercising delegation of authority on the award of SCs;

b) ensuring that a transparent and competitive selection process is instituted for SCs in their respective office;
c) ensuring that the UNDP Office has established a set of social security provisions, based on local conditions, or has made arrangements to pay cash in lieu thereof, in accordance with this section User Guide;

d) monitoring the transparency and competitive selection process for SCs in their respective office;

e) managing the conflict resolution process in accordance with the SC and in consultation with the Legal Office and the OHR Policy Unit as set forth in this Guide; and

f) reporting to OHR on the use of SCs issued

52. OHR Business Advisers at Headquarters

a) OHR Business Advisors are responsible for providing advisory support and guidance in the administration and application of SCs.

b) They are also responsible for monitoring the correct and appropriate use of the SC and taking necessary action to prevent misuse.

53. Office of Audit and Investigation (OAI)

OAI will audit the use of SCs by the UNDP Offices and report on its findings.

54. Oversight, Monitoring, Evaluation and Reporting

a) The Responsible Officer, HR Business Advisors and HR Unit should use the information available in the ATLAS database to act on their respective responsibility for oversight, monitoring and / or evaluation on the use of Service Contracts.

b) Organizational score cards or benchmarks will be established on a periodic basis to ensure the reporting, monitoring and evaluation of the use of Service Contracts.

55. Templates and forms

a) Annex I – Service Contract Template Form;

b) Annex I – Service Contract Template Form (with 8.33 per cent option);

c) Annex II – Service Contract Evaluation Form;

d) Annex III – Checklist;

e) Annex IV – Contract table;
f) **Annex V – Letter of No Contest;**

g) **Annex VI – Memo from OHR/OFRM on Guidance note on granting fixed term appointments performing internal control functions; and**

h) **Annex VII – Roster procedures**

56. **Additional Information**

a) **Handbook on Setting Remuneration for Service Contract Personnel**

b) **SCH request for change form** from CIGNA (also available in French and in Spanish)

c) **CIGNA** – HR Manual: Group Medical, Life & Disability Insurance Policies for UNDP SC Holders (brochure) (also available in French and Spanish)