

A1.3. Development Services

Development services comprise development assistance provided to development partners as recipients of services by UNDP in its role as an implementing partner. They are provided in accordance with the Financial Regulations and Rules as a project instrument (Chapter E of the Financial Regulations and Rules) and further to the standard basic assistance agreement (SBAA), which provides that the:

[SBAA] embodies the basic conditions under which UNDP and its Implementing Partners...assist the Government in carrying out its development projects, and under which such UNDP-assisted projects...are executed. It...appl[ies] to all such UNDP assistance and to such project Documents or other instruments (hereinafter call Project Documents) as the Parties may conclude to define the particulars of such assistance.... Such assistance shall be made available to the Government, or to such entity as the government may designate, and [will] be furnished and received in accordance with the relevant and applicable resolutions and decisions of the competent UNDP organs and subject to the availability of the necessary funds to the UNDP.

1. As a distinct programming instrument, development services enable UNDP to help partners achieve development results. UNDP plays a specific and pre-defined role, delivering outputs and activities towards a result for which the partner (recipient of services) has accountability for strategy, design, oversight and quality assurance. UNDP is only responsible for the quality of the deliverables it provides. The instrument is approved internally in UNDP through a process containing significantly lighter requirements than the standard development project.
2. The development services provided must be aligned to the UNDP Strategic Plan and support development priorities articulated in national development plans and Cooperation Frameworks for country-level service provision, or the SDGs for regional and global level service provision. Exceptions may be accepted if such services are justified to perform UNDP's role as an SDG integrator, which is demand-driven. Such exceptions must be approved by the relevant Bureau Director.
3. In all cases of country-level service provision, the national government must be aware of and agree that UNDP is providing these services. In each specific case the service provided and the recipient should be included in the Cooperation Framework Joint Results Group Workplans or other programme-level plan signed by the Government, or through an exchange of letters or other method approved by the Government. If this is not the case, then the Government must signify its agreement to the specific development assistance being provided and the designation of the recipient of services by signing the development services agreement/prodoc. It should be attached to the development services agreement between UNDP and the recipient as Annex 1, or to another method expressing their agreement as required by the SBAA (see [Appraise and Approve](#)). Where UNDP is managing agent (MA) in a country based pooled fund (CBPF), government approval will be done through an exchange of letters. Where UNDP is MA in more than one CBPF, this can be addressed in the same letter.
4. Development services are not intended to provide administrative, management and support services, such as procurement and other operational services when such services do not contribute directly to the country programme results. These administrative, management or support services are provided based on UNDP's comparative advantage in sustainable procurement and administrative practices and are covered under the policy for the Provision of Management and

Support Services through the Memorandum for Provision of Services (further to Chapter D of the Financial Regulations and Rules).

5. Development services contribute to development results, so are linked to relevant regional or country programme document outcomes and the UNDP Strategic Plan. Global development services are linked directly to the UNDP Strategic Plan.
6. Types of development services include, but are not limited to:
 - i. Support to policy-making through research, advocacy or policy alternatives;
 - ii. Delivery of reports, such as national SDG monitoring reports;
 - iii. Project feasibility analysis including social and/or environmental impact assessment;
 - iv. Evaluations and/or monitoring;
 - v. Communications strategies and implementation focusing on SDG attainment;
 - vi. Management of national, regional or global knowledge consultations;
 - vii. Developing training methodology/curricula and delivering training courses for the SDGs;
 - viii. Activities related to mainstreaming the SDGs;
 - ix. Convening conferences, focusing on SDG attainment;
 - x. Undertaking the MA role for CBPF projects; and
 - xi. Delivery of outputs and/or development activities of a development partner's project (please see paragraph 4 for exclusions.)
7. UNDP may provide development services to a range of partners. The recipient of development services must be a legal entity (i.e., not an individual or an 'entity' that is not duly formed under either a national or international law) designated by the programme government. Types of partners can include:
 - i. National, provincial or subnational governments, including municipalities or autonomous organizations controlled by a government;
 - ii. UN agencies;
 - iii. Bilateral or multilateral partners;
 - iv. Intergovernmental organizations and international financial institutions;
 - v. Academia, including universities (whether private or public);
 - vi. Civil society, non-governmental organizations, foundations and state-owned enterprises; and
 - vii. Private sector entities.
8. Where the recipient of development services is a private sector entity, including for-profit and commercial enterprises, corporate foundations, business associations and state-owned enterprises, the Private Sector Due Diligence Policy applies.
9. The provision of development services must be concluded through an agreement that is agreed to by the recipient and UNDP. That same agreement may serve as the financing agreement to receive funds from the recipient (provided it is the funder), for development services plus the 'fees' payable to UNDP for the services, which would be specified in Annex 2 of the agreement. Where UNDP is MA in a CBPF, this will be concluded through the endorsement of the CBPF Operational Manual with a communication informing the government thereof. See Table 1 for a list of development service agreement templates to be used depending on the type of recipient. This formalizes the relationship between UNDP and the partner, including roles and responsibilities for both parties, as well as payment methods. Two annexes should be attached to the agreement (except where UNDP is MA in a CBPF):
 - i. Annex 1: A multi-year workplan with relevant details of deliverables and deadlines under the service agreement. Any required background information, critical components of service,

- performance indicators, etc. must be included. This is essentially the project document (see paragraph 3, above) between UNDP and the government.
- ii. Annex 2: A schedule of payments indicating amount and timing. Payments must be based on a cost-plus or a market-based fee basis. Payments will be determined by the complexity of the work as a lump sum or a breakdown of hourly costs (as applicable). In all cases, all costs incurred by the office and by headquarters (including UNDP staff costs, consultants/subcontractors, equipment, and operational costs for travel, communication, reporting, audit, GMS, etc.) to provide development services must be recovered from the funding partner/recipient of development services. Payments must be made before providing the service.
10. Funding for a development service is paid for by the recipient or by another entity acting on behalf of the partner requesting the service; the funder may also be the programme government. In the latter case, the government financing agreement is used. Where the recipient of the development services and the funder are not the same, the agreement with the recipient described in paragraph 9 will not contain Annex 2. Where UNDP is MA in a CBPF, it is understood that the funders are the donors to the CBPF, and the recipient of the service is the fund manager.
 11. In no case may UNDP indemnify the recipient of development services or the funder thereof (if different) for any damages, claims, demands or other losses relating to/arising from the provision of development services. Privileges and immunities must be preserved (e.g., UNDP may not agree to resolve disputes through any national or sub-national legal system).

Table 1: Partner-Specific Development Service Instruments

Partner	Instrument
Government	Standard development service agreement
CBPF when UNDP is the MA	Operational manual for the CBPF
UN agencies	UN agency to UN agency agreement with development services annexes (forthcoming)
Intergovernmental organizations, civil society and non-governmental organizations, private sector and other partners	Standard development service agreement

12. The UNDP template for the development service agreement with the recipient specified in the table above must be used. If the recipient requests any deviations or requests to use their own template, clearance must be obtained from the Legal Office.
13. An account manager will be identified for UNDP, and s/he will be the focal point to engage the client and manage the delivery of the development services. Development services are implemented through the DIM modality, where UNDP is the implementing partner. UNDP may engage a responsible party, if required. The selection of the responsible party may be done through the processes of the partner or UNDP. See [Select Responsible Party](#).

14. Where UNDP is MA for a CBPF, narrative reporting will be addressed as per the operational manual of the CBPF. Financial reporting will be addressed in accordance with the HACT framework.
15. There is no prescribed maximum funding level or number of development services agreements that can be implemented in an office. Each development services arrangement is subject to audit, as prescribed by UNDP's Office of Audit and Investigation.
16. All UNDP policies on audit and risk management, including application of the Social and Environmental Screening Procedure, equally apply to development services. Other project management requirements, including formulating project documents, conducting project appraisals and quality assurance, and establishing project boards do not apply. The programme manager/Resident Representative is accountable for overseeing performance, approving the budget and making course corrections. See [business processes for development services](#) for the complete list of project procedures.
17. The programme manager/Resident Representative is responsible for considering the feasibility of providing development services, based on the capacities and priorities of the office, and has delegated authority to approve agreements.
18. All costs incurred by UNDP to deliver development services—direct and indirect—must be paid from the funds received under the development service agreement. Modifications to development services may be necessary to ensure that funding is sufficient to cover all expenses, including in cases of exchange rate fluctuations. Agreements must stipulate when payments are made; payments must be made before providing the service. Where UNDP is MA in a CBPF, payments for the MA services will be made as per the [UNDP Guidelines for Engagement with NGOs under Country Based Pooled Funds](#).