



**MEMORANDUM OF UNDERSTANDING**  
**between the**  
**UN Women and the**  
**United Nations Development Programme - UNDP**  
**with regards to**  
**UNDP Cost Recovery for Services at the Programme Country Level**

**I. Introduction**

UNDP Country Offices (COs) continue to provide a range of administrative services related to programmed implementation to UN Agencies, in accordance with Governing Council decisions 82/33 and 84/42. In accordance with these decisions, this Agreement establishes a corporate-wide system for cost recovery by UNDP Nicaragua for services provided to UN Women.

Cost recovery for implementation services is distinct from, but compatible with, cost recovery for "shared services" (premises, common services, utilities, etc.) and, consequently, this Agreement does not cover cost recovery for these services. The Agreement also does not encompass cost recovery by UNDP for any Headquarters level services UNDP might provide to UN Women, as those services remain to be governed through a separate arrangement.

In this context, UN Women and UNDP Nicaragua Country Office have reached an agreement on the basic principles for UNDP CO cost recovery. It has been established that the cost recovery mechanism shall: a) be on the basis for actual services received; b) be on the basis of the cost to UNDP for providing the service; c) guarantee quality service provided by UNDP CO; and d) be transparent and easy to administer.

**II. Definitions and applicability**

This Agreement relates to cost recovery for support services provided by UNDP Nicaragua CO in support to UN Women Programme in Nicaragua.

UNDP Nicaragua CO will provide the following services to UN Women for the implementation of the above mentioned programme:

- Payments process
- Contract process and issuance
- Procurement process

UNDP will provide monthly reports to UN Women in the UNDP format. The Original forms of the expenses support documents will be kept in the UNDP office for auditing purposes.

- a. These services should be managed through UNDP Country Office Service Provision Project.
- b. The projected cost for services will be paid by UN Women in advance on a quarterly basis.
- c. Cost recovery service fee will be 3 % of the amount delivered.
- d. The cost recovery fee of 3% will be updated on an annual basis. The updated fee will be communicated to UN Women with an effective date.

### **III. Determination of cost recovery amounts**

UNDP Nicaragua CO will track the number of service requests processed for UN Women. The cost recovery charges will be 3 % of the amount delivered. In the case of other services, the price will be agreed upon separately.

### **IV. Payment**

UN Women agrees to accept the charging of UNDP's service fee to the same budget line/account code under which the service is requested using the current office Voucher mechanism. The service fee will be credited to the Nicaragua COs extra-budgetary account, and is used to cover the cost of the CO Service delivery units.

Delays in payment by UN Women might directly affect the staffing levels of service delivery units, and could result in an interruption of the CO's ability to provide the services.

### **V. Settlement of disputes**

UNDP is committed to providing quality services to UN Women in an open and transparent fashion through the whole Country Office network. Should the services UNDP Nicaragua CO provides to UN Women not be satisfactory or acceptable, then UNDP Nicaragua CO will take remedial actions within reasonable limitations to UNDP's liability. UN Women will not be charged for transactions necessary due to processing errors by UNDP. Should UN Women and

UNDP Nicaragua CO not be able to agree either on the level or quality of services provided, or the reimbursement to be paid, UNDP HQ will try to resolve such a dispute directly with UN Women's HQ.

## VI. Entry into effect and duration of agreement

The Agreement becomes effective as of 1st of September 2011, once it is signed by both Parties. The Agreement remains in force unless terminated by mutual consent or by either Party giving six months written notice of termination to the other Party. The Agreement supersedes all previous cost recovery arrangements agreed upon between UNDP Nicaragua CO and UN Women.

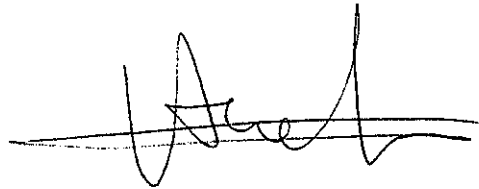
Signed on behalf of UNDP.



Pablo Mandeville  
UN Resident Coordinator and  
Resident Representative to UNDP - Nicaragua

Date:

Signed on behalf of UN Women.



Ana Guezmes  
UN Women Regional Director to Mexico,  
Central America, Cuba and Dominican  
Republic

Date: