

UNFPA

Policy Title	Policy and Procedures for Local Service Contracts
Document Identifier	PPM/SERVICE-CONTRACTS/2024/2
Previous title (if any)	Policy on Service Contracts
Policy objective	The present policy establishes the conditions for affiliate personnel working for UNFPA, who provide support services and are administered externally.
Target audience	Managers, Human Resources Practitioners and persons employed under Local Service Contract modality
Risk control matrix	Control activities that are part of the process are detailed in the Risk Control Matrix
Checklist	N/A
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Policy owner unit	Division for Human Resources
Approval	Link to signed approval template

Policy for Local Service Contracts**I. Purpose**

1. The present policy establishes the conditions for engaging personnel under local service contracts (LSCs), the contract modality for affiliate personnel working for UNFPA, who provide support services and are administered by an external service provider.

II. Policy

2. Personnel engaged under a LSC are hired for a limited duration for a defined period of time of up to one year, renewable for a maximum of four years to provide skills or knowledge for the performance of a specific task or programme and are engaged and administered by service providers from within the United Nations system under agreements between UNFPA and these providers.
3. Heads of unit¹ in regional, subregional and country offices have the delegated authority for selection decisions regarding LSC personnel and are responsible and accountable for their decisions to select and contract persons under an LSC.
4. The LSC modality is not available for use in headquarters, representational offices, or any duty station classified as an “H” location² by the International Civil Service Commission.
5. Working under a LSC for UNFPA carries no expectation of any future employment with UNFPA.

Service Provider

6. The Division for Human Resources (DHR) centrally contracts with service providers for the administration of LSCs, concluding organization-wide service level agreements. Only DHR can contract with service providers for the administration of LSCs.
7. If DHR engages more than one service provider centrally, regional and country offices may choose their preferred service provider of those centrally contracted with, in line with the contractual agreements between UNFPA and the approved service providers.
8. The hiring office shall utilize the same service provider for a minimum duration of three years, which may be extended upon confirmation of satisfaction with service delivery. A different service provider may not be engaged prior to the end of the three-year agreement without the approval of the Deputy Executive Director for Management. The

¹ The UNFPA head of unit refers to the representative, division director, regional or subregional director, country director or the head of office (or the delegated officer), as appropriate.

² Refer to Annex I of the [ICSC Guide to the Mobility and Hardship Scheme](#)

count towards the three-year minimum does not apply when only one service provider is identified centrally.

9. The roles and accountabilities of the service provider and UNFPA are outlined in the agreements between the organizations. While the LSC conditions of service will remain the same regardless of which service provider is used, administrative procedures for the management of the LSC personnel may differ. Offices employing LSC personnel shall familiarize themselves with the applicable processes.

Legal Status

10. The legal status of LSC personnel is that of independent contractors. Personnel engaged under a LSC are not United Nations or UNFPA staff members and are not governed by the United Nations Staff Regulations and Rules. They are also not officials for the purpose of the Convention on the Privileges and Immunities of the United Nations of 13 February 1946 (General Convention). Their contractual status is also not governed by national legislation.
11. Personnel engaged under a LSC have neither the authority nor any other right to incur any legal or financial obligations on behalf of UNFPA. They may not expressly or implicitly represent to any person an authority that they do not have.
12. Personnel engaged under a LSC are not and may not represent themselves as being an agent of UNFPA.

Supplementing the UNFPA workforce

13. Heads of units are responsible and accountable for the decision to engage individuals under an LSC.
14. The hiring office shall prepare the Terms of Reference (TOR) for the engagement of an individual under an LSC. The TOR shall also indicate a placement level from LSC1 to LSC7, which reflects the complexity of the required functions and corresponds to the job classification of positions in the General Service category, which are graded from GS1 to GS7. The head of the hiring unit approves the TOR and the LSC level. The respective human resources business partner for the region will provide guidance on appropriate placement levels at the request of the hiring office and periodically review placement levels to ensure consistency.
15. LSC personnel may only be engaged to perform non-core support services such as routine tasks, administrative support and paraprofessional functions. These types of services normally require knowledge acquired from a general academic education (secondary education), from an apprenticeship, or from training which may be specialized (e.g., finance, information technology, procurement).

16. A LSC may not be issued for functions typically carried out at the professional level.
17. As a transitional measure, Service Contract holders serving on Service Band 4 or 5 positions at the time of implementation of the new contract modality, may exceptionally be placed on LSC positions with placement levels higher than LSC7, up to LSC11.
18. Personnel placed on these LSC8 to LSC11 levels receive a base remuneration of 76% of the net salary of an equivalent National Officer grade level at Step 1³. They are not entitled to receive overtime pay or to avail of compressed work schedules.
19. Personnel placed on LSC8 to LSC11 placement levels may serve in this role for up to four years. They may not be placed on another LSC position with an LSC8 to LSC11 placement level after their initial placement and their contract may not be extended beyond four years.
20. Other than this one-time transitional measure no personnel may be hired on LSC8 to LSC11 placement levels and no LSC positions with these placement levels may be created.
21. Personnel engaged under a LSC may not carry out functions that include:
 - a. representing UNFPA;
 - b. supervising staff members;
 - c. binding UNFPA to take or not to take action by contract, public pronouncement or otherwise;
 - d. making public statements on behalf of UNFPA;
 - e. determining the interests of the United Nations, by diplomatic means or political means or otherwise;
 - f. approving financial commitments;
 - g. undertaking human resources functions which impact staff recruitment and/or the administration of staff benefits;
 - h. significantly affecting the safety and security or property of persons;
 - i. exerting ultimate control over the acquisition, use, or disposition of United Nations property (real or personal, tangible or intangible);
 - j. establishing policies or procedures for the collection, control, or disbursement of funds; or
 - k. undertake control functions that must be held by staff members.
22. A LSC shall not be offered for purposes of:
 - a. rehiring a former staff member whose previous post/function of identical nature has been abolished; or

³ LSC8 is equivalent to NOA, LSC9 is equivalent to NOB, LSC10 is equivalent to NOC, LSC11 is equivalent to NOD.

- b. applying a probationary period to candidates prior to offering them a staff appointment.
23. If the function is not of a temporary nature or includes one of the functions not suitable to be carried out by a LSC, the hiring office should, in consultation with the DHR, seek alternate solutions. Where the services required are professional in nature, based on specific deliverables or payments are lump-sum based, the Individual Consultant modality should be used.

Position Management

24. All LSCs must encumber a corresponding position associated with a corresponding Chart of Accounts (COA).
25. LSC positions are approved by the head of the hiring unit.
26. LSC positions are classified from LSC1 to LSC7, which corresponds to the LSC level approved by the head of unit, as per paragraph 14.

Eligibility

27. In order to avoid real or perceived conflicts of interest, an individual who bears the relationship of father, mother, son, daughter, sister, or brother (through birth, adoption or marriage) to a current UNFPA staff member shall not be engaged at UNFPA under the LSC modality, regardless of which office the staff member is employed in. LSC personnel must certify that no such relationship exists prior to being issued a contract.
28. The spouse of a UNFPA staff member may be engaged under a LSC, provided they are not in a direct reporting line with each other.
29. Applicants must be 18 years of age or older. There is no maximum age limitation for LSC personnel, provided that the individual is medically cleared and certified fit to work.
30. A former staff member of UNFPA or the United Nations common system whose appointment or contract was terminated for unsatisfactory service or on disciplinary grounds, may not be hired under any other contract modality, including an LSC.
31. Retirees who are in receipt of a pension benefit from the United Nations Joint Staff Pension Fund may be hired under a LSC but cannot earn more than US\$ 50,000 for work performed during a calendar year. Their contract duration shall not exceed six months per calendar year.
32. When a former staff member is selected for a LSC, notwithstanding the provisions of paragraph 22, a one-month break in service must be observed between the separation as a

staff member and the recruitment as LSC personnel. Staff members may not be separated for the sole purpose of reengaging them under an LSC.

33. Former consultants, interns, gratis personnel and United Nations Volunteers are not subject to a mandatory break in service following the conclusion of their contractual relationship with UNFPA and being hired under an LSC.

Duration

34. LSCs are short-term contracts. The minimum duration for a contract is one day and the maximum duration is one year.
35. New and successive contracts may be granted for service in the same function or in a different function, in the same or different duty station, any number of times, for any duration, provided that the cumulative length of service under an LSC does not exceed a period of four years. Upon reaching the four-year maximum period of employment, an individual may be granted a LSC for a different assignment in the same duty station following a minimum break in service period of three months.
36. Should the functions of a LSC position be required beyond a period of four years, the hiring office will have to consider the creation of a staff member position instead of using the LSC modality.
37. If a decision is taken to renew a contract, the hiring manager must review the TOR to determine whether any modifications are needed. When the functions of the job change by more than 20% or the minimum qualification requirements are modified, the hiring manager should inform the incumbent that a new competitive selection process is required.
38. LSCs carry no expectation of extension or renewal beyond their expiration date.

Selection

39. The hiring manager must ensure that selection processes for recruiting LSC personnel are competitive and transparent to ensure that the person selected is the best-qualified candidate to perform the job functions in a fully satisfactory manner.
40. The office must prepare TORs and advertise the position. For a competitive process, the vacancy must be advertised for a minimum of one (1) week in a suitable manner to ensure a wide distribution. Candidates are to be assessed against the functions as set out in the TOR.

41. The regional director is authorized to grant a waiver of the competitive selection process for up to ten (10) competitive recruitments per annum⁴, per regional or country office to respond to humanitarian crises or other emergencies, however the regional director is responsible for ensuring:
- a. The person selected is the best-qualified candidate available to perform the functions in a fully satisfactory manner;
 - b. References are checked prior to issuing the contract, including Clear Check;
 - c. That there are no past recorded findings of sexual exploitation and abuse;
 - d. The absence of prohibited family relationships and other conflict of interest matters must be verified prior to issuing the contract;
 - e. The person selected is medically cleared;
 - f. The contract issued is in compliance with the standard terms and conditions;
 - g. The person selected is informed of the contract terms and standards of conduct; and
 - h. The LSC modality is used for its proper purpose.

Medical Clearance

42. Selected candidates are responsible for ensuring they are medically fit to perform the functions of the role.
43. A medical certificate from a qualified physician is required, certifying that the mental and physical health of the individual is suitable for the performance of the duties and responsibilities of the TOR, as well as the duty station. The medical certificate must be submitted by the individual prior to any contractual engagement. The cost of any medical examination necessary for the issuance of the medical certificate will be reimbursed by UNFPA up to USD 350, unless it can be performed at no cost to the candidate by local United Nations medical services.
44. LSC personnel may be required, at any time, to undergo a medical examination when requested to do so to protect their health and safety, to follow-up on chronic health conditions, or to assess how a change in health circumstances since a prior certification might affect their capability to fulfill the functions for which they were contracted. The cost of any medical examination requested by UNFPA will be reimbursed by UNFPA up to USD 350, unless it can be performed at no cost to the candidate by local United Nations medical services.

Termination

45. Either party may terminate the contract before its expiry date by giving a minimum notice period of 15 calendar days in writing to the other party.

⁴ For information on the procedures, please refer to paragraphs 92 to 94 below.

46. In lieu of the statutory period of notice given to the LSC personnel member whose contract is to be terminated, the head of unit may authorize compensation in lieu of the relevant notice period.
47. If UNFPA terminates a contract for cause (e.g., as a result of violation of the standards of conduct, breach of other material terms of the contract, end of project, lack of funding), the LSC personnel member will not be entitled to a period of notice.
48. No compensation shall be made if the LSC personnel member terminates the contract, or upon the natural expiration of the contract.
49. The head of unit, in consultation with the respective human resources business partner, must terminate the contract in the following circumstances:
 - a. abandonment of functions, i.e., when the LSC personnel member is absent from duty without approval for more than five (5) consecutive working days;
 - b. violation of the standards of conduct or material terms of the contract, including, but not limited to, acts of fraud, harassment, sexual harassment, sexual exploitation and abuse or misrepresentation;
 - c. in the event of unsatisfactory performance, documented by the head of unit.
50. LSC personnel whose contracts are terminated for the reasons established in paragraph 49 will not be eligible for any future contract of engagement of any type with UNFPA.
51. UNFPA may terminate the contract for reasons of health that render the individual incapacitated for further service, if an LSC personnel member's illness prevents the individual from delivering the services as specified in the TOR. Prior to terminating the contract, the LSC personnel member's accrued entitlement to sick leave and accrued annual leave must be exhausted. Before proceeding with termination, managers should exercise the highest possible degree of flexibility to approve a period of leave without pay if the illness is acute and the individual is reasonably expected to return to service within their original contract period.

Performance Evaluation

52. Performance evaluations are mandatory for LSC personnel with a contract duration of at least six (6) months and have to be recorded. The manager must provide regular feedback on individual performance and progress achieved against the TOR, as well as set objectives and results. The performance of the LSC personnel member should be discussed on an ongoing basis.

Working Hours

53. LSC personnel are expected to serve the same total number of hours in a workday and workweek as required of staff members in the General Service category. Should different

grade levels have different working hour requirements, the LSC placement level will be treated as the equivalent General Service level. The head of unit in each duty station is responsible for aligning official working hours to the total hours of the work week.

54. LSC personnel who are engaged for a minimum period of one month or more, may avail of any fixed United Nations official holidays applicable in the duty station. LSC personnel who are engaged for six months or more, may avail of a floating holiday if applicable in the duty station.

Flexible Working Arrangements

55. LSC personnel may avail of flexible working arrangements, subject to the approval of their manager as follows:
- a. Flexi-time under the same conditions as staff members;
 - b. Compressed work schedules for LSC1 to LSC7 personnel under the same conditions as staff members;
 - c. Remote work within the duty station up to five (5) days per week, subject to nature of functions and exigencies of service;
 - d. Remote work from outside the duty station up to a maximum that is equivalent to five (5) working days per month of their employment period that calendar year, up to a maximum of 60 working days in a calendar year.
 - i. When calculating the maximum allowed in a calendar year managers must consider only full months of employment in the calendar year, e.g., a LSC of five (5) months duration results in a maximum of 25 working days that a LSC personnel member may request to work outside the duty station;
 - ii. The maximum applicable in a calendar year is established at the outset of the LSC and may be availed of at the outset of a LSC with manager approval. This is not an accrued benefit. The maximum allowed is increased accordingly when a contract is extended.
 - e. No long-term work from outside the duty station is permitted.
56. LSC personnel with a contract duration of at least six (6) months are eligible to receive reimbursement of up to USD 200 for the purchase of home office equipment under conditions established by the Executive Director⁵. The reimbursement will only be granted once during the individual's employment history with UNFPA, regardless of whether employed under a LSC or other contractual modality, employed in the same or different duty station, or employed continuously or separated from service and later rejoined the organization.
57. Any flexible working arrangement may be discontinued at any time by either the LSC personnel member or their manager in writing, should the needs of the organization, personal circumstances, or failure to adhere to the arrangement, such as

⁵ Refer to DHR Process Note "Reimbursement for purchase of Home Office Equipment"

underperformance, necessitate such discontinuation. A notice period of 30 calendar days should be given for all such discontinuations.

Part-time Work

58. The hiring unit may deem that the functions and activities are only needed on a part-time basis and are to be advertised as such.
59. LSC personnel may request to temporarily follow a 50% part-time work schedule. These requests are subject to review and approval of the manager based on the specific circumstances of the request, the nature of the function and exigencies of service. The contract must be amended accordingly.

Development

60. Managers are encouraged to support LSC personnel in their career development, providing them with learning and career opportunities as appropriate.
61. All LSC personnel must complete any applicable mandatory training courses.
62. LSC personnel have access to corporate learning and development programmes when these do not incur additional costs to the office. Any additional learning costs will be charged to the funding source of the respective LSC personnel.
63. LSC personnel may be requested to take part in specific training or professional certification programmes, if required by UNFPA.

Legal Obligations

64. LSC personnel may neither seek nor accept any instructions in connection with UNFPA from any authority external to UNFPA. Should any authority external to UNFPA seek to impose any instructions, LSC personnel must promptly notify their manager in writing and provide UNFPA with all reasonable assistance required to address this matter. LSC personnel must not take any action that may adversely affect the interests of UNFPA and must perform their obligations with the fullest regard to the interests of UNFPA. During the period of service with UNFPA, LSC personnel must refrain from any conduct that would reflect adversely on UNFPA or the rest of the United Nations system and must not engage in any activity that is incompatible with their performance of services for UNFPA.
65. During the term of their contract, and even after the expiration or termination, LSC personnel must assist UNFPA in any disputes with third parties and cooperate with audits and/or investigations relating to matters on which they worked or have knowledge. Such assistance may include providing UNFPA with information regarding their service, and serving as a witness in disciplinary proceedings, arbitration, conciliation, mediation

- and/or similar proceedings. Whether or not UNFPA exercises such an option, LSC personnel may not voluntarily or at the request of a third party, without being compelled to do so by relevant authorities, provide any assistance to the other party or parties to the dispute without the prior written consent of, or in the case of a request of relevant authorities, without notifying UNFPA.
66. LSC personnel are solely liable for all claims by third parties arising from their own negligence and/or intentional acts or omissions committed during the exercise of their duties and must ensure that under no circumstances will UNFPA be held liable for such claims.
67. LSC personnel must indemnify UNFPA and its officials, agents, personnel and contracting partners from and against all suits, proceedings, claims, demands, losses and liabilities of any kind or nature, including, but not limited to, all litigation costs and expenses, attorney fees, settlement payments and damages, based on, arising from, or relating to:
- a. Allegations or claims that the use by UNFPA of any device, any material or any other goods or services provided by LSC personnel, in whole or in part, separately or in combination, constitutes an infringement of any patent, copyright, trademark or other intellectual property right of any third party; and
 - b. Allegations or claims that the individual during the term of their contract caused injury, loss or damage, whether physical, psychological and/or financial, to anyone who is not a party to the contract, including, without limitation, allegations and claims in the nature of a claim for workers' compensation.
68. LSC personnel must comply with all legislation, ordinances, regulations, rules, instruments, and other applicable laws in all relevant jurisdictions (e.g. country of origin, country of residence, country or countries where services are performed), including, but not limited to, those relating to taxation on payments received from UNFPA, social security, licenses and work permits, as well as visas if required. Under no circumstances will UNFPA be responsible for paying or reimbursing such taxes. LSC personnel must promptly provide detailed and substantiated proof of payment of taxes and social security when requested by UNFPA. LSC personnel do not benefit from exemption from taxation on their salaries.
69. LSC personnel must arrange for any necessary visa(s) and/or work permit(s). UNFPA will not reimburse visa and/or work permit fees unless the individual is requested to undertake travel to other locations for UNFPA, in which case any visa and/or work permit fees necessary for said other locations may be claimed through submission of a travel/expense claim and supporting documents.
70. UNFPA has zero tolerance for all forms of sexual wrongdoing, whether perpetrated against a recipient of assistance or a coworker. Accordingly, LSC personnel must comply

with the standards of conduct set out in the United Nations Secretary General's Bulletin of 9 October 2003, entitled "Special Measures for Protection from Sexual Exploitation and Sexual Abuse" ([ST/SGB/2003/13](#)), the UN Secretary-General's Bulletin of 18 June 2002 entitled "Regulations Governing the Status, Basic Rights and Duties of Officials other than Secretariat Officials, and Experts on Mission" ([ST/SGB/2002/9](#)), [UNFPA's policy on the Prohibition of Harassment, Sexual Harassment, Abuse of Authority and Discrimination](#), [UNFPA's policy against Fraudulent and other Proscribed Practices](#) and [UNFPA's policy on Protection Against Retaliation](#) as they may be amended from time to time. Furthermore, LSC personnel must comply with applicable UNFPA administrative issuances. LSC personnel must also fully comply with applicable security policies, procedures and directives issued by UNFPA.

71. LSC personnel involved in any action that is contrary to the [Financial Regulations and Rules](#), or to organizational policies, or other prescriptive guidance may be held personally responsible and financially liable for the consequences arising therefrom.
72. LSC personnel are bound by the terms of their contract to respect the impartiality and independence of the United Nations and UNFPA and to exercise the utmost discretion in all matters relating to the performance of their assignment. During the period of service with UNFPA, LSC personnel may not engage in any activity that is incompatible with the discharge of their duties with the organization. They should exercise utmost discretion in all matters of official activities of the organization.
73. LSC personnel must not communicate at any time to the media, or to any institution, person, government, or other external entity/authority any information that has not been made public and which has become known to them by reason of their association with UNFPA, nor must they use such information for private advantage. These obligations will survive the expiration or termination of their contract.
74. LSC personnel may not engage in any outside professional activity without the prior approval of their head of office, whether or not it is remunerated. The head of office may consult with the Ethics Office in cases where a potential or actual conflict of interest is identified.
75. UNFPA has a zero tolerance principle for wrongdoing (including proscribed practices)⁶, meaning that LSC personnel are not to engage in such practices and must immediately report any allegations of wrongdoing to the Director, Office of Audit and Investigation Services (OAIS). LSC personnel have a duty to cooperate fully and in good faith with any authorized audit or investigation being undertaken by, or on behalf of, OAIS.
76. If there are credible allegations that reveal that a crime may have been committed by LSC Personnel, the matter may be referred to the relevant national authorities.

⁶ As defined in [UNFPA's Oversight Policy](#).

77. UNFPA will be entitled to all intellectual property and other proprietary rights, including, but not limited to, patents, copyrights and trademarks, with regard to products, processes, inventions, ideas, know-how or documents and other materials which LSC personnel have developed for UNFPA under the contract and which bear a direct relation to or are produced or prepared or collected in consequence of, or during the course of, the performance of the contract. LSC personnel must acknowledge and agree that such products, documents and other materials constitute works made for hire for UNFPA in the contract. However, to the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of an individual: (a) that pre-existed the performance by the individual of their obligations under the contract, or (b) that the individual may develop or acquire, or may have developed or acquired, independently of the performance of their obligations under the contract, UNFPA does not and will not claim any ownership interest thereto, and the individual must grant to UNFPA a perpetual license to use such intellectual property or other proprietary right solely for the purposes of and in accordance with the requirements of the contract. At the request of UNFPA, LSC personnel must take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring or licensing them to UNFPA in compliance with the requirements of the applicable law and of the contract. Subject to the foregoing provisions, all maps, drawings, photographs, plans, reports, estimates, recommendations, documents and all data compiled by or received by the individual under the LSC will be the property of UNFPA, must be made available for use or inspection by UNFPA, must be treated as confidential and must be delivered only to UNFPA authorized officials on completion of work under the contract.
78. Any equipment or supplies that may be furnished by UNFPA to LSC personnel for the performance of their obligations under the contract remains the property of UNFPA, and any such equipment or supplies must be returned to UNFPA at the conclusion of the contract or before if no longer needed by the individual. Such equipment, when returned to UNFPA, must be in the same condition as when delivered to the individual, subject to normal wear and tear, and the individual will be liable to compensate UNFPA for any damage or degradation of the equipment that is beyond normal wear and tear. This does not apply to equipment purchased by LSC personnel in accordance with paragraph 56.
79. Any breach of these obligations or the contract will be grounds for immediate termination for cause, at the sole discretion of UNFPA. The determination for the breach of obligations will be made by the Director, DHR.
80. Any disputes between LSC personnel and UNFPA will be subject to the dispute resolution mechanism in the respective contract modality's General Terms and Conditions.

III. Procedures

Hiring office selection of service provider

81. When UNFPA headquarters centrally contracts with more than one service provider for the administration of LSCs, the Human Resources Business Partner for each region will liaise with the head of unit for each country and regional office to inform them of their options.
82. The head of unit must communicate their selection amongst the available service providers in writing to the Director, DHR, who will enter into an agreement on behalf of the regional or country office.
83. The term of the agreement for each regional or country office shall begin as of the effective date communicated by the Director, DHR and shall continue thereafter for a period of three years unless the local agreement is terminated for cause by the Deputy Executive Director for Management.
84. A head of unit does not have the delegated authority to engage with a service provider different from those identified by the Human Resources Business Partner.

Selection of candidate

85. The hiring office must establish an ad hoc panel for the purpose of recommending the best-qualified candidate. The ad hoc panel must be composed of at least three (3) staff members, as diverse as possible in terms of ethnicity, gender and age. The panel must include the hiring manager. One (1) or more panel members may be from another United Nations system organization. A minimum of two (2) candidates must be assessed. In exceptional cases, the hiring office may interview only one candidate, if only one candidate meets the requirements, provided that the hiring 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 ethnicity, gender and age.
86. The panel should apply appropriate assessment tools such as one or more of the following: desk review of resumes, interviews, tests, or review of writing or work samples. Reasonable accommodation for persons with disabilities or impairments shall be provided throughout the recruitment process, as applicable.
87. The panel provides its recommendation to the head of unit to make the final selection decision. Should the final decision deviate from the panel's recommendation, the head of unit must document the reasons for this decision.
88. The hiring office must verify the credentials and experience of the candidate and substantiate them prior to the issuance of an offer of employment.

89. The hiring office must also request the respective human resources business partner to check for recorded past findings of sexual exploitation and abuse through the “Clear Check” screening tool⁷.
90. Once a selection decision has been made, the chosen service provider is responsible for issuing and managing the individual’s LSC for UNFPA. The contract should indicate that the services are limited to service with UNFPA.
91. The hiring unit provides a letter of employment upon request, which may be done through the service provider.

Waiver of competitive selection process

92. A regional director who wishes to grant a waiver of the competitive selection process to facilitate UNFPA’s response to humanitarian crises or other emergencies⁸, must complete and sign a [Waiver Form](#), which shall be kept on file.
93. A copy of the Waiver Form must be submitted to the Director, DHR for information.
94. All waivers may be subject to audit.

Roles and Responsibilities

95. Responsibility of the head of unit/hiring office:
 - a. Prepare the TOR.
 - b. Approve creation of LSC position.
 - c. Ensure selection processes are fair and transparent and follow policy requirements.
 - d. Ensure that sufficient funds are available, including any fees of the service provider, salaries, overhead costs, etc.
 - e. Take the final selection decision in a selection process, taking into account the recommendation made by the selection panel. candidate. Should the final decision deviate from the panel’s recommendation, the reasons must be documented.
 - f. Authorize issuance of offer letter and contract to selected candidate.
 - g. Ensure compliance with the present policy, including suitability of LSC for the specific function and maximum contract length.
 - h. Ensure proper on-boarding so that LSC personnel are provided with all the necessary information related to the engagement, including support for learning activities, staff well-being arrangements including security measures, working relations, working times, administrative instructions.

⁷ <https://unsceb.org/screening-database-clearcheck>

⁸ As indicated above, a regional director is authorized to grant a waiver of the competitive selection process for up to ten (10) competitive recruitments per annum.

- i. Ensure that LSC personnel are provided with appropriate system access in line with the specific functions assigned to them in line with this policy.
 - j. Provide regular feedback and complete the performance evaluation in the respective system.
 - k. Establish and maintain local service contract positions in Information Technology applications and databases as appropriate.
96. Responsibility of Human Resources Business Partners:
- a. Advise offices on appropriate hiring of LSC personnel and placement levels.
 - b. Monitor use of LSC personnel including length and placement levels.
 - c. Regularly review the functions assigned to LSC personnel in order to ensure appropriate use and identify those that may be converted to regular staff posts.
 - d. Regularly review samples of recruitment processes to ensure they abide by policy requirements.
 - e. Provide guidance on appropriate placement levels and periodically review placement levels to ensure consistency.
 - f. Highlight recurring issues that need to be addressed at a higher or organization-wide level and identify best practices for dissemination.
 - g. Ensure that LSC arrangements are in line with the respective service level agreements with the service provider.
 - h. Undertake Clear Check reviews on behalf of the hiring offices.
97. Responsibilities of LSC personnel:
- a. Become familiar with UNFPA policies and procedures relevant to their functions.
 - b. Complete all mandatory UNFPA training within two (2) weeks of the contract start date.
 - c. Abide by legal obligations as laid out in the present policy.
 - d. Abide by the obligations in their contract with the service provider.
 - e. Exercise discretion and maintain confidentiality of any internal information to UNFPA.

IV. Other

No other content available.

V. Process Overview Flowchart(s)

No overview flow chart applicable.

VI. Risk Control Matrix

Risk Description	First Line of Defense Controls			Second Line of Defense Controls		
	Control Activity Description	Reference (Policy section, paragraph or Control #)	Who performs	Control Activity Description	Reference (Policy section, paragraph or Control #)	Who performs
LSC are used as quasi-staff modality	Ensure compliance with criteria when to use LSCs and when not as well as maximum contract duration.	Para. 95 g Paras. 13-23	Head of Unit	Advise offices and monitor.	Paras. 96 a, b and c	HRBP
Recruitment processes are not fair and transparent.	Ensure that recruitment processes meet policy requirements.	Para. 95 c Paras. 40-42 Paras. 85-89	Head of Unit	Regularly review samples of recruitment processes to ensure they abide by policy requirements.	Para. 96 d	HRBP
Staff members are converted to LSC personnel.	Staff members may not be separated to be reengaged as LSCs.	Para. 22 a	Head of Unit	Monitor use of LSCs.	Paras. 96 b and c.	HRBP
LSC personnel member does not meet required conduct.	LSCs are bound by legal obligations.	Paras. 65-78	LSC personnel	Any breach of obligations is ground for immediate termination.	Para. 50 Para. 79	Head of Unit

Annex I
Benefits Package

1. LSC personnel receive the benefits package determined by UNFPA and not the standard benefits packages offered by a service provider. This ensures that the conditions of service for LSC personnel are the same across the organization.
2. The terms and conditions differ from those applicable to UNFPA staff members appointed under the United Nations Staff Regulations and Rules. LSC personnel are excluded inter alia from participation in the United Nations Joint Staff Pension Fund and After-Service Health Insurance. Further, they are not entitled to any additional benefit, payment, subsidy, or compensation, except those expressly stated in this policy.
3. Benefits packages differ depending on the contract duration as described below.

Base Remuneration

4. Personnel hired in the LSC1 to LSC7 levels receive a base remuneration of 76% of the net salary of an equivalent General Service grade level at Step 1.
5. When a new United Nations salary scale is announced for a duty station, the remuneration for LSC personnel will be adjusted in the following month. If adjustments are made retroactively for staff, the remuneration of LSC personnel will be adjusted retroactively as well.
6. Payments are made in local currency. However, if the salary scale is denominated in a different currency, or payments for locally recruited staff members are made in a different currency, payments will be made in that currency.
7. LSC personnel receive a 3% increase of their base remuneration, if the following conditions are met:
 - a. Their previous contract was for a full year;
 - b. They were re-hired at the same level; and
 - c. They received a satisfactory performance review for the previous contract.

Pension and Social Security

8. LSC personnel receive an additional 8.33% of their base remuneration to cover costs for pensions and other social security obligations, which they may invest as they deem most beneficial, subject to the following provisions.
9. LSC personnel must comply with any national social security obligations applicable to them, and UNFPA takes no responsibility for ensuring that they do so.

10. UNFPA will not engage directly with any pension scheme service provider, nor will it pay any service provider directly.
11. In countries where a national social security scheme exists and LSC personnel are required to contribute to them, LSC personnel are expected to contribute directly to such a scheme. UNFPA has no obligation to contribute directly to the national scheme. LSC personnel must promptly provide detailed and substantiated proof of payment of social security when requested by UNFPA. UNFPA may request such information at its sole discretion.

Annual Leave

12. LSC personnel receive 1.5 days of annual leave per month. If they support an office for less than half a month, they accrue 0.5 days of annual leave for that month. Should they support the office for more than half a month but less than a full month, they accrue 1 day of annual leave for that month.
13. LSC personnel may accumulate annual leave days. All annual leave is expected to be taken within the contract period. Annual leave days can be carried forward between contracts when service is continuous, subject to a maximum of 18 days.
14. Annual leave shall be recorded in units of full days and/or half-days.
15. Unused annual leave is not commutable to cash unless it is requested by the head of unit under exceptional circumstances, for example, when the presence of the LSC personnel is required to perform their functions prior to separation within the notice period given, and where the budget is able to cater for this payment.
16. Any absence from duty not specifically authorized, including any absence beyond the allowable time-off in accordance with this policy, will be treated as unauthorized absence and must be charged to the annual leave balance. Should the annual leave be exhausted, the absence shall be deducted from the individual's remuneration.

Sick Leave

17. LSC personnel receive the equivalent of two (2) days of sick leave per month of service. The leave year starts on 1 April and ends 31 March of the following year. If an individual supports an office for less than half a month, they accrue one day of sick leave for that month. Should they support the office for more than half a month but less than a full month, they accrue the full two days of sick leave for that month.
18. Sick leave may be taken without providing a medical certificate from a duly recognized medical practitioner. This shall be considered uncertified sick leave. Uncertified sick leave may be taken up to two consecutive working days at a time, and for a maximum of

- seven days in any leave year. Absence on uncertified sick leave is deducted from the individual's accrued balance of sick leave.
19. Uncertified sick leave may also be taken for family-related emergencies and/or obligations, such as in the event of a death of an immediate family member or to take care of an immediate family member who falls ill and requires care. There is no limit on the number of consecutive uncertified sick leave days that may be taken in these cases, provided it does not exceed the maximum of seven (7) days allowed in a leave year. Absence on uncertified sick leave is deducted from the individual's accrued balance of sick leave.
 20. Any absence supported by a medical certificate from a certified medical practitioner shall be considered as certified sick leave. The sick leave certificate from a certified medical practitioner must state that the individual is unable to perform his or her duties and indicate the probable duration of the illness. In the event that the LSC personnel member fails to provide the required supporting documents, the absence shall be charged to uncertified sick leave for up to the first two (2) days, if a balance remains, and the remainder to annual leave. Should the annual leave be exhausted, the absence shall be deducted from the individual's remuneration.
 21. LSC personnel must inform their manager of absences due to illness or injury on the same day of absence, except in emergency situations where the individual is unable to communicate this absence.
 22. Certified sick leave shall be recorded in units of full days and/or half-days.
 23. Sick leave day balances can accumulate up to 24 days and can be carried forward between contracts when service is continuous. Remaining sick leave balances cannot be commuted to cash.
 24. An individual who is sick for more than five (5) working days in any seven-day period while on annual leave shall have that portion of their absence considered as sick leave upon presentation of satisfactory medical certification.
 25. Sick leave shall not be granted instead of parental leave.
 26. LSC personnel may be required at any time to submit a medical certificate from a qualified physician, certifying that the mental and physical health of the individual is suitable for the performance of the duties and responsibilities of the TOR, as well as the duty station. Costs of the medical certificate will be reimbursed by UNFPA, unless it is covered by insurance.
 27. The termination of a contract shall, from the date it is effective, terminate any possibility to claim sick leave benefits.

28. In the event that an individual's absence surpasses their accrued entitlement to sick leave during the contract period, the excess period will be charged against accrued annual leave. Should the annual leave be exhausted, the individual may be placed on special leave without pay, otherwise any further absence shall be deducted from the remuneration accordingly. In cases where the individual is prevented from delivering the services as specified in the TOR, the manager may consider a termination of the contract due to illness.

Parental Leave

29. LSC personnel with a contract duration of six months or more are entitled to 16 weeks of parental leave for gestational parents⁹ and 8 weeks for non-gestational parents¹⁰.
30. Parental leave will only be granted for children born during the contract period.
31. LSC personnel must submit the request for parental leave at least two (2) months prior to the anticipated start date and the request should be accompanied by a certification from a doctor or midwife stating the expected date of delivery and/or a birth certificate.
32. Annual and sick leave will accrue during the period of parental leave.
33. Where the parental leave for gestational parents started during the contract period, but the contract is due to expire during the period of the parental leave, the contract will be extended for the purpose of covering the full 16-week duration of the parental leave and may exceptionally exceed the allowed maximum contract duration. No annual leave or sick leave will accrue during the period of the extension.
34. Parental leave for non-gestational parents must fall within and be taken during the contract period. Unused parental leave is not commutable to cash. The contract must not be extended solely in order to exercise the unused portion of the parental leave.
35. Parental leave for gestational parents must begin no earlier than six weeks and no later than two weeks prior to the expected date of delivery. A minimum period of ten (10) consecutive weeks of parental leave must be taken following the birth of the child. Any balance of parental leave following this ten-week period can be taken separately in one (1) calendar week increments. When not taken continuously, the separate periods of parental leave must be taken during the contract period. The contract may not be extended solely in order to exercise any unused portion of parental leave that was not used continuously.
36. Parental leave for non-gestational parents may be taken in calendar week increments agreed on with the manager and must be taken during the first 12 months from the birth of their child.

⁹ A gestational parent is the individual who will carry the pregnancy and give birth.

¹⁰ A non-gestational parent is a parent who did not physically give birth to the new child.

37. Parental leave for non-gestational parents is limited to one occurrence per 12 months, regardless of the number of children born during that 12-month period.
38. In the event that the child dies during birth, the parent may be granted special leave with full pay in lieu of parental leave.
39. LSC personnel who are nursing infants under one (1) year of age shall be entitled to daily time off to express milk and/or breastfeed/chestfeed their infant during working hours as follows:

Personnel working on UNFPA premises

- a. Two hours per day (including commuting time) when the nursing parent works on a full-time schedule.
- b. One hour per day (including commuting time) when the nursing parent works on a part-time schedule or is authorized to work only half day.

Personnel working remotely

- c. Regular breaks to breastfeed/chestfeed whenever the infant demands.

Other Absences

40. Leave with pay will be granted for jury duty, in units of full or half days as certified by the court.
41. Court appearances at UNFPA's request should be recorded as absence on official business.
42. Court appearances as a party in the individual's personal capacity will be charged to annual leave or deducted from remuneration.
43. Unpaid leave may be granted for military training or service required by their government at the discretion of the head of unit.
44. Individuals wishing to exercise their right to vote on election days should try to do so outside their normal working hours. Those who are unable to do so may request up to two (2) hours of time off from their head of unit. Only upon presentation of satisfactory evidence that voting may take longer, the head of unit may grant up to four (4) hours of time off, subject to the exigencies of service.

Medical Insurance

45. Medical insurance is provided through the service provider at UNFPA's cost.
46. LSC personnel may choose to enroll immediate family members (spouse, children) as per the conditions of the service provider. LSC personnel must pay the full premium for their family members. These premiums are collected by means of a payroll deduction every month.
47. LSC personnel may remain in a pre-existing medical scheme, whether through previous employment, a spouse or other source, or through direct contribution to an existing national medical scheme. In those cases, UNFPA provides a cash amount no greater than the equivalent to the premium UNFPA would have paid for the regular medical insurance as part of the monthly remuneration, provided there is proof of coverage. The LSC personnel must present proof of participation and coverage at the commencement of the contract, proof of payment and take full responsibility for their own coverage and administration of that coverage. The LSC personnel must notify UNFPA of any change in coverage during the term of the contract.
48. The payment of a cash amount for medical insurance, without the individual having coverage, is not permitted.
49. LSC personnel traveling on mission on behalf of UNFPA outside the country of residence must have appropriate medical insurance for the duration of the mission, at no cost to the LSC personnel.

Non-medical Insurances

50. All eligible persons hired under a LSC will be covered for service incurred disability/injury/death, at no cost to the LSC personnel.
51. LSC personnel with a minimum contract duration of six (6) months must be enrolled in the global scheme for life and disability insurance contracted by the service provider, which provides cover for death and permanent disability as a result of any cause, at no cost to the LSC personnel.
52. LSC personnel who serve at, or travel at UNFPA's expense to, a designated hazardous duty station are covered by the Malicious Acts Insurance Policy. The [policy provisions](#) apply *mutatis mutandis*. Failure to comply with security instructions may render the insurance coverage null and void. Non-compliance with security instructions is grounds for termination for cause.

Medical Evacuation

53. LSC personnel are not eligible for medical evacuation unless they are on official travel status outside their designated duty station.

54. Under the global group life, disability & medical insurance plan, in the case of emergency or major disability the cost of special transportation of an insured individual from the first place where the individual 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.

Danger Allowance

55. A danger allowance is payable to LSC personnel who serve in locations where the ICSC has determined that Danger Pay is applicable.
56. The danger allowance is payable based on presence at the duty station. LSC personnel on annual, sick or parental 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 (7) consecutive calendar days including weekends and holidays. Payment ceases from the eighth day of official duty travel outside the designated duty station. If the LSC personnel on official duty, travel to another location that qualifies for danger allowance, they will receive danger allowance at the rate of that location if their travel exceeds a full month continuously.
57. Danger allowance is not payable for days spent away from the duty station on any type of leave.
58. For LSC personnel who spend one (1) complete month in the area where the danger allowance is applicable, the monthly sum is paid as a lump sum, irrespective of the number of days in the month at the rate established at the duty station. For periods of less than one (1) month the amount of danger allowance is prorated. Danger allowance is payable in increments of one (1) full day and is not prorated on an hourly basis.

Overtime

59. In cases where personnel employed at the LSC1 to LSC7 levels are requested to work more than the established work hours, this is considered overtime. All overtime work must be authorized in advance and is subject to the availability of funds.
60. Personnel employed at the LSC1 to LSC7 levels who work in excess of the scheduled workday but less than ten (10) hours in a calendar month, are entitled to an equal period of compensatory time off, but not to additional payment.
61. Work in excess of ten (10) hours in a calendar month is compensated either by compensatory time off, or additional payment, at the personnel member's choice.
62. Subject to the exigencies of the service, compensatory time off should take place during the four (4) months following the month in which the work is done; otherwise, it is forfeited. However, if the personnel member could not be authorized compensatory time

- off because of exigencies of the service, compensation takes the form of additional cash payment.
63. Compensation for overtime is calculated to the nearest half-hour; overtime of less than one half-hour on any day during the scheduled workweek is disregarded.
64. Credits for overtime shall be given to personnel as follows:
- a. At the straight time rate (x1.0) for any work done on any working day of the scheduled work week, and the hours of work in the calendar week total 40 hours or less;
 - b. At one and one-half times rate (x1.5) for:
 - i. work in excess of 40 hours in a calendar week;
 - ii. work on the sixth day of the scheduled work week;
 - iii. work on the seventh day of the scheduled work week; and
 - iv. work on a United Nations official fixed holiday subject to the Executive Director's authority to require any UNFPA personnel to work on a holiday that falls during a period of emergency. In that event the Executive Director shall set another working day to be observed as the holiday and the holiday falling during the period of emergency shall be treated as a normal working day.
65. Personnel called upon to work on a non-workday (sixth or seventh day of a work week, or United Nations official fixed holiday) will receive a minimum of four (4) hours of overtime even if they worked less than four (4) hours.

Remuneration Advances

66. LSC personnel may request remuneration advances in emergency situations, if the United Nations Senior Management Team at the duty station determines that circumstances could merit emergency remuneration advances to LSC personnel. Individual requests are reviewed and decided on by the respective Human Resources Business Partner. Bulk emergency advances may only be decided on by the Director, DHR. A request for a new salary advance while a previous advance of any part thereof is outstanding, may only be decided on by the Director, DHR.
67. Remuneration advances for LSC personnel can be granted up to one-month net pay. Remuneration advances can only be made in the currency in which the regular remuneration is paid. Recovery will be made in the same or the following month, depending on when the situation occurs in the payroll cycle, unless otherwise authorized by the respective Human Resources Business Partner.
68. Proof of payment of remuneration advance payments to LSC personnel as well as the recovery of such payments must be documented, and the information has to be shared with DHR and the Division of Management Services.

Safe Driving Bonus

69. LSC personnel with between six (6) and twelve months service by 31 December, who are employed as drivers, are eligible to receive a safe driving bonus under the same conditions¹¹ as locally recruited staff members in the general service category. The bonus is prorated based on the number of months served in a calendar year.

¹¹ Refer to UNFPA policy for Safe Driving Bonus.