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12 January 1976

## ADMINISTRATIVE INSTRUCTION

To: Heads of Offices and Departments; executive and administrative officers

From: The Assistant Secretary-General (Controller)  
Office of Financial Services

Subject: NON-REIMBURSABLE LOANS OF PERSONNEL SERVICES FROM  
SOURCES EXTERNAL TO THE UNITED NATIONS COMMON SYSTEM

Introduction

1. The non-reimbursable loan of personnel from Governments or from other sources external to the United Nations common system is permissible, subject to the provisions of financial regulation 7.2, this instruction, and the policies and procedures of the Office of Personnel Services.
2. A non-reimbursable loan is defined as a loan of the services of an individual without any cost to the Organization for his salary, allowances, remuneration or other benefits. The United Nations shall not be responsible for the payment of compensation in the event of illness, injury or death of an individual serving under a non-reimbursable loan, whether or not attributable to the performance of services for the benefit of the United Nations.

Purposes for which non-reimbursable loans may be negotiated

3. Non-reimbursable loans may be normally negotiated for the acquisition of services required to assist in the execution of the technical co-operation programme of the United Nations. Non-reimbursable loans may not be used in respect of secretariat-type posts or functions normally authorized under the regular programme budget.
4. Such loans may be normally negotiated only in respect of services at locations other than United Nations Headquarters or the United Nations Office at Geneva, excluding the United Nations Conference on Trade and Development (UNCTAD) and the Economic Commission for Europe (ECE).

Legal status and obligations of persons serving on non-reimbursable loan

5. A person whose services are accepted on a non-reimbursable loan has the relationship to the United Nations of an independent contractor and is thus not a staff member of the United Nations. The contractual relationship of such a person to the United Nations is established by a special service agreement. His relationship is therefore subject solely to the terms of that agreement and not to the United Nations Staff Regulations or Rules. For the purpose of the Convention on Privileges and Immunities of the United Nations, he is an expert on mission and, as such, is entitled to those privileges and immunities defined in article VI, sections 22 and 23 of that Convention. If required by the United Nations to travel, he may receive a United Nations travel certificate.

6. During the performance of his services a person on a non-reimbursable loan shall neither seek nor accept instructions from any Government or any authority external to the United Nations. He shall not engage in any activity that is incompatible with the proper discharge of his terms of reference. He is required to exercise to the utmost discretion in all official business; he may not communicate to any other person, Government or authority information known to him by reason of his work with the United Nations which has not been made public, except in the course of his duties or by authorization of the Assistant Secretary-General for Personnel Services or his delegated designate. Nor shall he at any time use such information to private advantage. These obligations do not cease upon completion of service under his agreement with the United Nations.

Title rights

7. The title rights, copyright rights and all other rights whatsoever in any material produced under the provisions of the special service agreement between the United Nations and the person serving on a non-reimbursable loan basis shall be vested exclusively in the United Nations.

Requisites for acceptance of services on a non-reimbursable basis

8. The requisites for acceptance of services on a non-reimbursable basis include:

(a) A request addressed to the Controller and the Assistant-Secretary-General for Personnel Services by the Chief of Administration of an economic commission, UNCTAD, the United Nations Industrial Development Organization or the United Nations Environment Programme, specifying the services to be performed, accompanied by a job description listing the duties and functions and duration of the loan;

(b) A communication by the donor agreeing (i) to provide the services requested under (a) above, free of all costs to the United Nations, and (ii) to pay 14 per cent of the value of the services to the credit of the United Nations overhead account;

(c) Certification by the requesting officer that the proposal does not directly or indirectly involve additional financial liability for the Organization;

(d) Approval of the proposal by the Controller;

(e) Approval of the candidate or candidates by the Office of Personnel Services in accordance with the policies and procedures of the Office of Personnel Services;

(f) Acceptance of the candidates by any Governments or authorities to which they may be assigned in an advisory capacity during the period of the non-reimbursable loan.

Requisites (a) and (b) may be combined in the agreement signed between the United Nations and the donor.

#### Duration of service and termination of agreements

9. Non-reimbursable loans are normally for a period not exceeding a maximum of two years. In exceptional circumstances, the Controller and the Office of Personnel Services may authorize extensions up to an additional year. A non-reimbursable loan may be terminated at any date prior to its scheduled expiration at the request of the person serving on loan, the donor or the United Nations.

#### Costs arising from a non-reimbursable loan other than those relating to the services performed and the overhead contribution of 14 per cent

10. The estimated cost of non-reimbursable loans shall be provided by the donor, and a contribution of 14 per cent of the cost shall be deposited by the donor to the credit of the United Nations to cover servicing and administrative costs, as financial regulation 7.2 requires that any voluntary contributions, whether or not in cash, which directly or indirectly involve additional financial liability for the Organization shall require the consent of the appropriate authority (General Assembly). Any additional specific costs arising from a non-reimbursable loan, such as travel and subsistence or the rental or purchase of equipment, must either be borne by the donor or must have already been provided for either in the regular budget or in extrabudgetary funds, so that no additional costs to the Organization will arise within the meaning of the cited financial regulation.

#### Evaluation

11. A written evaluation of services performed by persons on a non-reimbursable loan will be made by the responsible United Nations Office and transmitted, on request, to the donor, with a copy to the Office of Personnel Services.

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