

Decision 2018/6 - Joint report on cost recovery

As adopted on 11 September 2018

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The Executive Board,

1. *Recalls* Executive Board decision 2013/2 which endorsed the current harmonized cost recovery policy and in this regard recognizes and welcomes the efforts of UN-Women, together with UNDP, UNFPA and UNICEF in implementing the policy, and in which the Executive Board directed the Entity to implement the cost recovery policy and ensure full cost recovery proportionally from regular and other resources funding sources, and provide incentives to increase regular resources funding;
2. *Recalls* Executive Board decision 2017/2;
3. *Takes note* of the Joint UNDP, UNFPA, UNICEF and UN-Women report on cost recovery (DP/FPA-ICEF-UNW/2018/1) and the two proposals for the recovery of indirect costs presented therein;
4. *Notes* para 28 (d) of General Assembly resolution 72/279, which calls for a further harmonization of cost recovery by individual United Nations development system entities, and in this regard, commends UNDP, UNFPA, UNICEF and UN-Women for their harmonized cost recovery framework and encourages them to work with other entities of the United Nations development system, after due consideration by their respective governing bodies, to adopt a harmonized cost-recovery framework;
5. *Requests* UN-Women, together with UNDP, UNFPA and UNICEF, to jointly review existing cost definitions and classifications of activities and associated costs, with a view to further harmonize their approaches by determining common definitions of cost categories and corresponding activities and functions at a granular level, while taking into account the different business models of the individual entities, which allows for a full understanding of each categories' composition, options for possible alignment of similar functions to the same cost classifications across entities, and continues to provide a basis for comparisons among entities, as well as alignment with their strategic plans, to be presented to the Executive Board for decision at its second regular session in 2019;
6. *Reaffirms* in this regard the current harmonized cost recovery policy and requests UN-Women, together with UNDP, UNFPA and UNICEF, to present a preliminary comprehensive proposal on the cost recovery policy for consideration by the Executive Board at its first regular session in 2020, with a view to present a final comprehensive proposal for decision of the Executive Board at its second regular session in 2020;

7. *Requests* UN-Women, together with UNDP, UNFPA and UNICEF, to reduce the granting of waivers lowering the agreed cost recovery rates, and to provide an update on the steps taken in this regard, including on the application of waivers across their organizations, to the Executive Board at its annual session in 2019;
8. *Requests* UN-Women, together with UNDP, UNFPA and UNICEF, to review in a comprehensive manner, cost recovery rates as part of the comprehensive proposal;
9. *Requests* UN-Women, together with UNDP, UNFPA and UNICEF, to present an assessment of the reasons why full cost recovery is not currently being achieved, as part of the comprehensive proposal.