

## C. Close and Transition

### *Programme Transition*

1. While UNDP country, regional and global programmes have fixed time durations, they build on the results achieved in the last programme to transition into the new one.
2. It is mandatory to transition from one programme to the next by carefully considering the achievements, challenges and lessons learned of the current programme in developing the theory of change of the new programme.
3. Every programme must be evaluated prior to completion, to inform the design of the new programme. The independent country programme evaluation must be submitted along with the draft new CPD for approval of the latter. The evaluation should be scheduled in a timely manner to enable its use in the design of the new programme.

### *Project Closure*

4. Projects should be closed in a timely manner to manage fiduciary risk, meet donor expectations, avoid costly extensions and enable the timely transfer of assets for the sustainability of results. Closing a project requires assessing overall performance, quality and lessons learned, and necessary handover to ensure sustainability. A project is considered operationally complete when one of the following project closure conditions are triggered:
  - a. By approaching the agreed end date of the project, unless partners agree to extend the duration and adequate budget is available;
  - b. When a project delivers its planned outputs; or
  - c. The project board recommends to close or cancel the project.
5. The implementing partner notifies the UNDP country office when a project is preparing to operationally close. Should the implementing partner not do so, the UNDP programme manager/Resident Representative must determine when the project is operationally complete and commence the closure process. The Regional Bureau is accountable for overseeing project financial closure to ensure it is completed on a timely basis.
6. The project board conducts a final project review during the final quarter of the project to certify project closure and to assess performance, lessons learned and sustainability of results. If the project is closed prematurely, the closure process will document what has been achieved and learned, and recommend the way forward. The final project review may be done virtually.
7. Costs incurred to close the project must be included in a project closure budget and reported as final project commitments presented to the project board during the final project review. The only costs a project may incur following the final project review are those included in the project closure budget. Financial closure must take place at the latest within 12 months of operational closure or after the date of cancellation.
8. A project is closed when all financial transactions have been reported and certified, and all project accounts are closed. No adjustments can be made to a closed project without authorization from the Office of Financial Management.
9. Given that annual certified financial reports are provided to donors, the final donor reports at the end of the project must not delay financial closure in Quantum.

### ***Transfer or Disposal of Assets***

10. When no longer needed by the project, assets may be transferred to the government or implementing partner, or another UNDP-financed project, or may be disposed of by sale or donation. The project document shall contain a designated article about project assets and how they should be dealt with. If this has not been specified in the project document, the UNDP programme manager/Resident Representative shall obtain the agreement of the government and if relevant, the donor or vertical fund, with respect to the transfer and/or disposal of assets.
11. The preferred method of transferring project assets is to hand them over to the government or implementing partner when possible and beneficial for achieving the results of the project. By donating them to partners (at net worth value), no discrepancies will arise between the general ledger (GL) and commitment control (KK) of the project. Assets may be transferred to the government for project activities managed by a national institution at any time during the life of a project.
12. There may be some restrictions on the transfer or disposal of sensitive security assets (such as armored vehicles or personal protective equipment). Further guidance on this can be obtained from the UNDP Security Office.
13. All transfers of assets between UNDP development projects that have a net book value shall be accompanied by the transfer of resources between those projects. If resources are not transferred, there will be a discrepancy between the GL and KK. In all transfers, UNDP and the donor of the new project must agree to this arrangement. A transfer document must be prepared and kept on file.
14. If the government wishes to *donate* the received project assets to another UNDP project, and UNDP and the donor(s) of the new project agree to this arrangement, [steps required for donations](#) shall be followed.
15. Assets may be temporarily placed in the custody of the UNDP country office, pending transfer or sale or donation. The need for custody usually arises once UNDP support for the project has come to an end.
16. See [Asset Disposal](#) for more information. Note that restrictions apply for GCF-funded projects.

### ***Evaluating a Project***

17. Projects must be evaluated if they are included in the programme's evaluation plan, or if required by funding partners, such as the GEF, Adaptation fund and GCF. Depending on the purpose, project evaluations can be commissioned by programme management at any time during the project cycle, most commonly at mid-point or around completion. They should inform decisions on the future of the project, such as whether to scale up or replicate it, and/or generate lessons for the organization and partners. As necessary and appropriate, evaluations should be undertaken jointly with other partners in a UN inter-agency pooled fund.
18. Project evaluations are mandatory when projects are expected to reach or pass certain thresholds:
  - Projects with a planned budget or actual expenditure of over US\$ 5 million must plan and undertake both a midterm and final evaluation.
  - Projects with a planned budget or actual expenditure between \$3 million and \$5 million must plan and undertake either a midterm or final evaluation.

- Projects with a duration of more than five years must plan and undertake either a midterm or final evaluation.
  - Projects entering a second phase should plan and undertake an evaluation.
  - Development initiatives being considered for scaling up should be evaluated before expansion.
19. Project evaluations should always assess the project's contribution to outcome level change. They should not be limited to assessing the delivery of outputs and activities. Senior managers are responsible for ensuring that the appropriate human and financial resources are allocated for project evaluations, and that a management response is prepared in a timely manner. See also the [UNDP Evaluation Guideline](#).