INTERNAL DIRECTIVE ON PROJECT CLOSURE

Introduction

1. The Programmatic Priorities set out in Africa CDC's Strategic Plan 2023-2027 are delivered through a series of actions managed in its Technical Programme Centres or through Africa CDCs Implementation Partners. Notwithstanding the modality of implementation, these actions are managed as projects with defined objectives, duration and funding, for which Africa CDC and its partners are mutually accountable under the terms of agreements and in accordance with sound project management principles.

2. Closure is the final stage in the project management cycle. Projects should be closed in a timely manner to manage fiduciary risk, meet donor expectations, avoid costly extensions and enable the timely transfer of physical and intangible assets for the sustainability of results. Closing a project requires assessing overall performance, quality and lessons learned, and necessary handover to ensure sustainability.

3. The objective of this Internal Directive is to support Africa CDC's commitment to meeting the above goals as well as compliance with related requirements in project funding agreements for operational completion and financial closure.

Definitions

Operational completion
4. A project is considered operationally complete when one of the following 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 steering committee (or equivalent) recommends, and Africa CDC management agrees, to close or cancel the project.

Financial closure
5. A project is financially closed when all financial transactions have been reported and certified, any surplus project funds are identified and repaid/transferred in accordance with the Funding Agreements and all project accounts are closed.

Project documents
6. References in this Directive to project documents include Funding Agreements, Grant Agreements, Project Agreements and approved Project Implementation Manuals.

<u>Responsibilities for Project Closure</u>

7. Africa CDC Technical Programme Centres (including the designated Africa CDC Project Manager and their supervisor), Implementing Partners and Beneficiary entities have direct, mutual responsibility for ensuring project completion is achieved in compliance with the project documents and at an appropriate level of quality. This responsibility may be exercised through a Project Implementing Team/Unit under the oversight of a Project Steering Committee. In all cases, a Project Completion Report shall be completed in the format specified in the project documents.

8. The Partnerships and Grant Management Division is accountable for monitoring project completion to ensure it is completed on a timely basis. The Finance Directorate supports by monitoring financial closure.   Africa CDC Technical Programme Centres and Implementing Partners shall notify the Africa CDC Partnerships and Grant Management Division and the Finance Directorate when a project is preparing to operationally complete and financially close.

<u>Operational Completion Steps</u>

9. Project documents should clearly identify the "end date" of the project for operational completion purposes. Funding agreements may have specific requirements for operational completion. The Africa CDC Project Manager is responsible for monitoring project activities and initiating the designation of projects as operationally completed. As a minimum, the operational completion of Africa CDC projects should address the following steps: Review the status of M&E reporting, including monitoring reports from sub-grantees and beneficiaries

10. As the "end date" for operational closure approaches, the Project Implementing Team/Unit, with the assistance of the Africa CDC Monitoring and Evaluation Team as needed, shall review the status of information as required in the project documents. Follow up should be undertaken with sub-grantees and beneficiaries to obtain any data needed for completing the project assessment in the Project Completion Report and for any terminal evaluation if required. Follow up may include getting pending monitoring reports from sub-grantees and beneficiaries.

<u>Complete the Transfer or Disposal of Physical Assets</u>

11. Where physical assets funded under the project are to be transferred or disposed, by Africa CDC or its Implementing Partners, the terms of transfer/disposal should be agreed with the Funding Partner in the funding agreement. Normally transfers are made under project objectives related to the capacity building of designated beneficiary entities and are an integral element of the sustainability of the project results. Transfers may take place during the course of the project and reported in project monitoring reports. In advance of planned operational completion dates, the Project team should confirm that:

- all planned physical assets have been transferred/installed as approved under the project documents;
- any necessary administrative steps have been taken to record the handover of the assets, obtain acknowledgement of the beneficiary entities, and finalize project asset registers;
- Any outstanding documentation should be followed up to avoid delays in the project's operational completion.
- records of transfer and acknowledgement of receipt are stored and available for review/audit, or inclusion in reports to Funding Partners as required;
- the reasons for any assets acquired under the project but not transferred for any reason (e.g. damaged) are properly documented.

12. The results of these steps should be included in the Project Completion Report.

Complete the Transfer of Intangible Assets

13. Intangible assets such as software systems and licenses, electronic databases and electronically stored information resources may also be transferred under the project. As for physical assets, transfers may take place during the course of the project and reported in project monitoring reports. In advance of planned operational completion dates, the Project team should make similar confirmations:
- all planned intangible assets have been transferred as approved under the project documents;
- any necessary administrative steps have been taken to record the handover of the assets and obtain acknowledgement of the beneficiary entities;
- records of transfer and acknowledgement of receipt are stored and available for review/audit, or inclusion in reports to Funding Partners as required;

14. The results of these steps should be included in the Project Completion Report.

Assess/Evaluate the Project

15. Project assessments and evaluations inform decisions on the future of the project, such as whether to scale up or replicate it, and/or generate lessons for Africa CDC and its Funding and Implementing partners.

16. The Project Steering Committee shall conduct a final project review during the final quarter of the project to certify project completion 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.

17. To support the Project Steering Committee's review, every project should have a self-assessment by the Project Implementation Team/Unit and beneficiaries, the format for which may be specified in the project documents. Project assessments should draw from and be

integrated with the monitoring and evaluation system for the project, including assessments of the project's contribution to outcome level change as well as the delivery of outputs and activities. These assessments should be included in the Project Completion Report.

18. Funding partners may require terminal evaluations by independent experts. The arrangements for and timing of terminal evaluations should be specified in project documents. Terms of Reference for independent evaluations should be agreed with the Funding and Implementing Partners and specify the evaluation standards to be followed. The standards may be specified by the Funding Partner or be other professional standards such as the African Evaluation Principles adopted by the African Evaluation Association[1], the Norms and Standards of the United Nations Evaluation Group, the Good Practices Standards of the Independent Evaluation Group of Multilateral Development Banks or the Development Assistance Committee's Principles for Evaluation of Development Assistance. The Project Implementation Team/Unit may be assisted by the Africa CDC Monitoring and Evaluation Team as needed.

19. The Project Implementation Team/Unit is responsible for ensuring that the appropriate human and financial resources are allocated for project evaluations, and that evaluation reports and management responses are prepared in a timely manner.

Financial Closure Steps

20. Project documents should clearly identify the deadline for financial closure after operational completion. In any case, this should not exceed 12 months from operational closure unless exceptionally agreed with the Funding Partner. Funding agreements may have specific requirements for financial closure. The Africa CDC Project Manager is responsible for monitoring project activities and initiating the designation of projects as financially closed. As a minimum, the financial closure of Africa CDC projects should address the following steps: Review Accounts Receivable and Payable and Reports of In-Kind Support.

21. As the "end date" for operational closure approaches, the Project Implementing Team/Unit, with the support of the Finance Unit of the Africa CDC Implementing Partner and/or the Africa CDC Finance Directorate, shall review the status of any funding due, advances (including sub-grant advances) due for settlement, requisitions and purchase orders for goods, works or services not yet received. The status of financial reports for grants and sub-grants made shall also be followed up. This should be done in sufficient time for any needed follow up with Funding Partners, Sub-Grantees, Beneficiaries and Vendors to ensure that the project accounts can be closed expeditiously once the operational completion "end date" is reached.

22. Likewise the Project Implementing Team/Unit shall ensure that reports of in-kind assistance provided to the project, to be reported in the Project Completion and Financial Reports, are made available and verified in sufficient time to avoid delays in reporting.

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[1] The-African-Evaluation-Principles.pdf (afrea.org)

<u>Adjust Financial System for Operational Completion</u>

23. Action shall be taken by the Finance Unit of the Africa CDC Implementing Partner and/or the Africa CDC Finance Directorate, to ensure that, once the project is operationally completed, the project account in the Partner or Africa CDC accounting system is also designated as provisionally closed. This should ensure that no further financial commitments (entry of requisitions or purchase orders) can be made nor expenses charged once the project is operationally completed. Only the liquidation of prior financial obligations, adjustments resulting from the clearing of advances, payment against existing purchase orders, adjustments for foreign exchange differences will then be allowed.

<u>Complete Project Financial Reports</u>

24. Project documents should clearly identify the financial reporting standards and formats for the project, including for the terminal financial report.

25. The Project Implementation Team/Unit is responsible, with the support of the Finance Unit of Africa CDC's Implementing Partner if applicable, and the Africa CDC Finance Directorate, for ensuring that the financial reports are prepared in a timely manner.   This includes consolidation of financial reports for grants and sub-grants.

<u>Complete Project Audits</u>

26. Funding partners may require terminal audits by independent qualified auditors. Project documents should clearly identify the terms of reference, method of selection of the auditor and timing of the terminal audit.

27. The Project Implementation Team/Unit is responsible, with the support of the Finance Unit of Africa CDC's Implementing Partner if applicable, and the Africa CDC Finance Directorate, for ensuring that the financial records at all project locations are ready and that appropriate human and financial resources are allocated for project terminal audits, and that audit reports and management responses are prepared in a timely manner.

<u>Adjust Financial System for Financial Closure</u>

28. Action shall be taken by the Finance Unit of the Africa CDC Implementing Partner and/or the Africa CDC Finance Directorate, to ensure that the project account in the Partner or Africa CDC accounting system is also designated as definitively closed, once all project financial obligations are liquidated, including receipt of any final project funding receivables, settlement of advances and payment of outstanding invoices including for terminal audits and evaluations. No further transactions may thereafter be posted against the project account.

Project Closure Extensions

29. Any no-cost extension of the due date for operational completion and/or financial closure, which should be due to reasons beyond the control of Africa CDC or its Implementing Partners, must be agreed in advance with the Funding Partner. Requests should clearly document the reasons sought for the extension.

Project Closure Reporting

30. Drawing on the Project Completion Reports, Financial Reports and any independent evaluations and audits, the Africa CDC Technical Programme Centres (including the designated Africa CDC Project Manager and their supervisor), in collaboration with Implementing Partners and Beneficiaries, shall prepare information on the project and its results that can be used:

- to publicize the achievements of the project in various formats, including in Africa CDC newsletters, website articles and annual and other reports;
- for inclusion in Africa CDC accountability reports to Funding Partners;
- for inclusion in Africa CDC accountability reports to the Advisory and Technical Council, the Africa CDC Governing Board, and the Committee of Heads of State and Government.

Administration of the Directive

31. Africa CDC Technical Programme Centres (including the designated Africa CDC Project Manager and their supervisor), are responsible for implementing this Directive and ensuring that Implementing Partners are fully aware of the requirements.

32. The Partnership and Grant Management Division and Finance Directorate of Africa CDC will provide advice, as needed, to Africa CDC programme and operations units on the implementation of this Directive.

33. From time to time, the Partnership and Grant Management Division and Finance Directorate will review this Directive, in light of implementation experience and any future developments in African Union project management policies, and where necessary propose revisions to the Director General.

Addis-Abeba, 15 October 2023

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