

This guidance note covers OFRM related issues and refers to the Checklist Action items # 6 and 7

Many RCs and RCOs have established projects in Atlas which were active in 2018 or previous years, in support of their coordination role. These projects were funded through funds received from the CCF (Country Coordination Fund, allocated by DOCO), or alternatively from funds raised locally from funding partners including UN agencies.

UNDP's role as signatory to these agreements, or support to implement these projects, will change effective 1 January 2019. UNDP will no longer be able to sign contribution agreements or project documents as RC, or on behalf of the RC. As part of the RC delinking process, all such existing projects (see attached as **Annex 1** a provisional list of 715 projects¹) must be reviewed by the RR/RR a.i./Officer in Charge, in consultation with the RC and funding partner(s), and under the supervision of the Regional Bureau, reconciled and financially closed, preferably by 31 December 2018.

Please note that the issuance of this guidance is not in suggesting that RC projects **consistent with the new role of the RC** (i.e. the coordination role, and not substantive development nor operational activities) may not be established or extended to continue in 2019. The purpose of the guidance is to ensure that following the review by the RR/RR a.i. or Officer in Charge, RC projects that are to be transitioned, in consultation with the RC and the donor, are moved to new Atlas projects based on the new operating model, that requires different COA configuration and combination, and appropriate cost recovery by UNDP for hosting the project. Further guidance on how to set up RC projects for 2019 activities, especially for locally mobilized resources, will be provided in due course.

In reconciling these projects and refunding/transferring resources, we kindly ask you to follow the project closure POPP ([Project Closure](#)), and highlight the following critical steps required:

1. **Outstanding Commitments (non-RCO personnel related):** All valid commitments at 31 December 2018 may be honored and either expensed in post delinking period (starting 2019, but prior to end Q1), and no new commitments may be entered in the same Atlas project. In addressing your existing commitments, please take note of the following scenarios:

¹ This is a provisional list. Each RR/RR a.i./OIC and OM should make sure that a comprehensive review to the project portfolio in each CO is conducted in consultation with the RC.

- I. For projects funded through allocations from DOCO: 11980 - UN RC System Fund; 04500 - Programme Support Resident Coordinator (SRC); and 68030 - UN CTY Coordination Fund (UNCCF) the CCF, **the projects must be operationally closed effective 31 December 2018**. Any outstanding commitments must be communicated to UNDOCO, and may be honoured and fully implemented by end Q1 2019 before the projects are financially closed. **No new commitments may be entered into** for 2019, and any uncommitted balance must be return to UNDOCO.
 - II. For projects funded through local cost sharing or by UN Agencies, depending upon the view of the RC, RR/RR a.i. and that of the funding partner, resources and ongoing commitments **may be transferred to a new project where UNDP support to the RC is to continue**. RR/RR a.i. or the Officer in Charge shall indicate that such new project will be subject to the respective cost recovery – GMS at the appropriate corporate rate, direct project costs, UPL, accordingly.
 - III. For RCO projects funded from UNDP country office's own resources, including the institutional budget, 11888, GLOC, NCC contributions to local office costs, common service funds etc. **should be operationally closed by 31 December**. Any outstanding commitments that may be honoured should be addressed in 2019 before the project is financially closed. **No new commitments may be entered into for 2019 and any uncommitted balances must be returned to the respective country office account**.
2. **Outstanding Commitments (RCO personnel):** In line with the recent communication from the UN Secretariat endorsing the transition plan for the RCOs, it is envisaged that the RCO personnel on UNDP contracts will have their contracts extended in line with the endorsed Transition Plan for the RCO (only) maximum until 30 June 2019. During the course of the current week a detailed guidance note will be produced and released by OHR for action by the UNDP RRs a.i. and the RCs will be informed accordingly.
3. **Resource Balance:** For locally mobilized projects from donors/UN Agencies for RC activities (usually managed through fund code 11900 and exceptionally fund 30000), based upon the written request from the RC and the donor, kindly undertake the following steps:
- (i) **Refund of Fund Balance:** Review the existing contribution agreements and take required action in line with the refund clause. For more details on refund, please refer to POPP on [Refund to Donor](#).
 - (ii) **Ongoing projects:** If the project is ongoing and has an end date beyond 2018, following consultation with the RC the UNDP RR/RRa.i. should contact the donor(s) and seek the final decision on the remaining activities and refund the uncommitted balance to the donor or (if agreed with the RC and donor) transfer to a new UNDP project as applicable (against which UNDP's cost recovery policies will apply).
 - (iii) **Deficit balance:** please reconcile the deficits, and if applicable follow up with the donor for the remaining contribution tranche(s) to cover the deficits.
 - (iv) **Exceptions:** Where there are exceptions in closing a non-core donor funded projects, including loss of donor agreements that has the refund clause, please write

to the donors to seek their position on the remaining balances. For exceptions management in closing these projects, you may refer to the [Operational guidance](#) chapter on “managing exceptions”.

Note: After 31st December 2018, under the proposed SLA with UNSDG (the successor to DOCO), UNDP will no longer be the automatic custodian of RC/RCO projects. RCs may request UNDP, in writing, to operate a project on behalf of the new RCO and in support of the new RC/RCO mandate (i.e. the coordination role, and **not substantive development nor operational activities**). This would typically require UNDP to sign an agreement with the RC for the management of the project (a UN-to-UN agreement², or other instrument as formulated by the RC and subsequently reviewed by UNDP, including the Legal Office where non-standard). The costs of supporting such projects falls outside of the SLA agreed with the UN, and thus UNDP’s cost recovery policies will apply. Further guidance will be provided in due course.

4. **Balance Sheet Checklist:**

- (i) **Fixed Assets:** The UN and UNDP have agreed that all fixed assets related to past RC projects will be retained by UNDP. As such, please ensure that these assets are transferred to the recipient projects in line with POPP before the related RC project is closed. Where assets are related to non-core donor funded projects, please ensure that the clauses on assets are followed. For more details on asset transfer, kindly make reference to POPP on [Asset Management](#).
- (ii) **Other Balance Sheet Items:** where there are balance sheet items such as VAT, staff receivables, pending liabilities etc., please ensure that they cleared and/or transferred to the new management project before closing the projects. The checklist in the annex below provides guidance on how to tackle pending balance sheet items.

- 5. **Outstanding audit recommendations:** For projects with outstanding audit recommendations, please take immediate action on the outstanding recommendations in consultation with OAI before closing them.

² <https://undg.org/document/un-un-transfer-agreement/>

Annex 2: De-Linking Checklist – Assets & Other Balance Sheet Items

Checklist

Category	Item	Required Actions
Balance Sheet	Assets	<i>As per UN and UNDP agreement, assets are retained by UNDP, hence any outstanding assets should be retired or transferred to receiving management project.</i>
	NEX Advance	<i>Follow up with Implementing Partners to liquidate advances before the year-end or request for refund.</i>
	Agency Advance -Local/Global	<i>Follow up with implementing agencies in consultation with the HQ/GSSU unit agency units to liquidate advances or request for refund</i>
	Accrued Expenses -T&E	<i>Close the trave request</i>
	Petty Cash Advance	<i>Follow up with individuals to recover the balance or write off if not recoverable. Retire petty cash advances against RCO budget(s) before the year-end.</i>
	Staff Receivable	<i>Follow up with individuals to recover the balance, and where balance is active, please transfer to the new management project before the RC project is closed, and the next recovery from</i>
	VAT	<i>Work with Government to recover VAT balance.</i>
	Other Receivable	<i>Follow up with related parties to recover the balance</i>
	Liabilities -Employee Benefits	<i>Clear the balance e.g. Van Breda for local staff, Payroll 3rd Party, and garage fees</i>
	Petrol	<i>Review the balance under 14057 (Petrol advances) to RC staffs and settle promptly as receipts are received and make sure the balance is cleared before year-end.</i>
	Unapplied Deposits	<i>Review the balances in Account 14070 – Unapplied Deposits, Promptly apply outstanding deposits and ensure the balance in both AR and the GL is reduced to zero.</i>
	Account Payable - Others	<i>Review all pending transactions and Liquidate any outstanding transactions in ATLAS (commitments/payments/journals)</i>