

## UNDP INFORMATION NOTE

# Planning and implementing a programme transition strategy for Global Fund grants

## Evaluating programme transition options

When considering programme transition, it is important that some key questions are considered by the national stakeholders, the donors and UNDP. These include:

- Which national entities will take over management of the grants – government or civil society or both working together? What is the approval process?
- Will all the functions transition?
- If not, which functions will transition and when?
- Will the full programme transition or will the new grant manager take over activities in a gradual process?

The criteria to evaluate the transition options need to be discussed and agreed by decision makers. The criteria could include:

- Legal context and requirements
- Status of relevant national policies to support implementation, including **social contracting**
- Capacity to reach beneficiaries and ensure continuity of care
- Implementation models to address specific needs of key populations
- Status and capabilities of NGOs to work effectively with and deliver services to key populations
- Ensuring the sustainability of national responses

Following a review of the options, decisions can be made, and a transition strategy developed.

## Developing a programme transition strategy

The development of a programme transition plan entails the following steps:

1. **Establish management arrangements:** Link with capacity development planning as appropriate, and confirm the approach for planning, including key responsibilities, scheduling, reviews required, and partner involvement. Transition is owned both by the new national organization and by UNDP; each will need to have effective management arrangements in place to jointly control and coordinate transition activities.

When preparing the transition strategy, the outgoing and incoming grant managers should clearly identify their respective responsibilities with respect to outstanding contractual commitments, implementing partner agreements, etc. including:

- **Staff Contracts:** The new grant manager may want to keep experienced staff and will need to transfer their contracts to the incoming Principal Recipient.

- **Contracts with pending delivery of goods:** If the outgoing grant manager has contracts for the procurement of goods, which have not been delivered yet, they will remain responsible for receiving and transferring the goods. Arrangements should be put in place jointly with the new grant manager to ensure that goods are received and transferred.
- **Programme records:** The outgoing grant manager must provide the incoming one with full access to the programmatic and financial records for the grant. Arrangements should be made to ensure that all key programme information is communicated to the new grant manager to allow them continued access to the records.
- **Implementing partner agreements:** For partners who will continue implementing programme activities under the new grant manager, it is essential that there is no interruption in their contracts during the transfer. The outgoing and incoming grant manager need to coordinate this, either through a transfer or assignment for the new recipient, or a simultaneous termination with execution on an agreed date.

#### Setting up a new programme management unit

The new grant manager will need to outline the implementation structure for managing the grant early in the transition plan, to ensure clear roles and responsibilities, and to enable the timely recruitment and training of key positions in the national entity to support a smooth transition.

Ideally, to strengthen the national systems, the grant management should be integrated within the existing national structure and systems. However, with a new grant some countries decide to set up a dedicated programme management unit (PMU) to manage the grant in its early stages during and after transition. A dedicated PMU can ensure a clear focus on the new grant activities and help to support a smooth transition, but setting up a PMU, particularly within national ministries of health, can create parallel systems for managing different donor grants.

Factors to consider when deciding on the new structures:

- What roles are required to manage the grant?
- Can these sit within the current organisation structure?
- If a PMU is to be set up, how will the staff liaise with their full departments: for example, how will the M&E officer within the PMU liaise with the overall health information system team to share information and to strengthen systems?
- Can staff working within the old grant management organization be transferred to the new grant management unit to ensure transfer of skills and institutional knowledge?
- Should the new PMU be set up to manage the grant during transition and then for the first one/two years of the grant before being integrated within the full organization?

2. **Identify milestone indicators, transition scheduling, and risks:** Based on the capacity development plan, identify milestone indicators for transition, and scheduling for transition of selected functions. Risk mitigation must also be considered in the plan, in order to minimize the risk of moving services, in particular to avoid disruptions in treatment.

The main activities involved in implementing a transition strategy involve recruiting (if required) and training the staff who will manage the grant in the future organization, as well as ensuring clear policies and procedures in all operational areas, and training and adherence to these procedures by all staff.

The focus should be on:

- Establishing and staffing a dedicated department or a cross department unit that will manage the grant in the future organization;
- Development of operations manuals and SOPs covering all aspects of grant implementation such as finance, reporting, asset management, procurement, etc.;
- Ensuring the new grant manager has suitable software to manage finances, to collect and verify data, and to ensure a functioning LMIS which meets national requirements.

#### **Terminology: milestones**

Milestones are tools used in the transition plan and its review to mark specific points along a project timeline. These points signal that certain capacity has been achieved, showing that the national entity is fully prepared to take responsibility for that activity or area. Although timelines should be set to achieve these milestones, they can be flexible.

The first transition milestone in each operational area is usually to put in place procedures, and systems, with sufficient training and “on the job” support to meet donor requirements. The second milestone for each functional area will then measure the level of use of the systems.

For example, following the development of new financial reporting templates, the second milestone measures the percentage of provincial medical departments submitting financial reports on time using the new templates.

3. **Develop an estimated budget:** Detail budget requirements for transitioning functions, including, for example, file transfers, data conversion, mentoring, duplicate reporting runs, quality assurance reviews, etc.
4. **Conduct integrated reviews:** Review the transition plan and budgets with senior management, functional managers, and stakeholders to finalize, approve, and gain support.

## **Developing a programme transition strategy**

The transition strategy should include information about key activities that will need to take place along with information on the timeline for the whole process. The timing of the transition will vary country by country. The new grant manager may be in a position to take over programme management and health information management relatively quickly. A longer period may be required for the handover of the procurement of health products including medicines and lab diagnostics.

The strategy should consider the following areas:

### **1. Start Up**

- What are the options for the project management structure for the new organization?
- Do they need new staff, and do they have supporting [HR policies and procedures](#)?

- There will be a need to hold a staff orientation and training on the new programme being transitioned.

## **2. Capacity development and technical assistance coordination**

- Where does capacity need to be developed to prepare for the transition of the role?
- Is there a need for ongoing organizational support for priority functions?

## **3. Grant transfer**

- Will assets purchased under the grant be transferred to the new organization and how?

## **4. Organisational systems and governance**

- Is there a legal framework in place to manage grants?
- Are there suitable budget management and reporting systems, standard operating procedures (SOPs) and guidance in place and operational?
- Are there implementation SOPs, guidance and templates in place?
- Are there [financial management](#) accounting and consolidated reporting systems, manual, SOPs, guidance and templates in place and operational?
- Are there monitoring and evaluation systems, indicator frameworks, databases, manual, SOPs, guidance and templates in place and operational?
- Systems, SOPs and guidance in place and operational for the recruitment and management of technical assistance (TA).

## **5. Procurement and supply chain management (PSM)**

- What are the options for [procurement](#) taking into account value for money, procurement architecture needed (Long Term Agreements), the ability to conduct competitive processes, quality assurance, and the role of partners etc?
- Are there systems, SOPs and guidelines for national and international procurement by the new organization?
- What are the options for [supply chain management](#) and the preferred choice?

## **6. Management of implementing partners and onward granting of donor funds.**

- Will the new grant and programme management organization(s) need to make [onward grants to implementing partners](#), as well as sub-contracting service delivery organizations. Will the new grant and programme management organizations have the legal mechanisms, operating procedures and supervision in place to do this?
- Are there legal status, systems, processes and templates in place for the new organization to contract implementing partners, such as government contracting civil society groups?
- Are there processes in place to identify and select implementing partners and ensure value for money?
- Do they have capacity to assess the capacity of implementing partners and if required do capacity development and training of them?
- Are there processes to manage, monitor and report on the performance of implementing partners?