

FPA Watch Group Meeting – Exchange with ECHO

	MINUTES
DATE	04 February 2016
TIME	14.00 – 17.00
PLACE	ECHO Offices
PARTICIPANTS	FPA Watch Group (Cf. Participants List) ECHO: Marco Panigalli (C/3- HoU), Charles Pirotte (C/3- Deputy HoU), Alberto Garralon Perez (C/3 - Team leader: Finance), Galina Samaras (C/3- Legal assistant), Séverine Casteleyn (C/3 - Legal Assistant), Laurence Dedobbeleer (C/3- partners support), Judith Barna (A/1- Policy Officer); Alexandre Castellano (A/4- International Aid/Cooperation Officer), Daniel Clauss (A/4- Policy Officer), Giuseppe Angelini (B/- Adviser).

The FPA Watch Group held its first meeting of 2016. Topics of exchange with DG ECHO included: HIPs process 2016, Shared costs, Cash and vouchers in the e-SF and proposal from ECHO regarding Key Results indicators.

1. Exchange on HIPs 2016

ECHO welcomes the initiative from the FPA Watch Group to share good practices and challenges faced by NGOs during the HIPs process this year. Such exercise will support further improvement in the HIPs process 2017.

- **ECHO and partners exchange on general feedbacks:**

- Partners commend the efficiency of the helpdesk and IT services in term of support.
- Regarding the overall process the group shared the following good practices which ECHO is willing to consider for next HIP process:

In light of the positive feedback on West Africa consultation, the FPA Watch Group invites ECHO to organise similar consultations in other regions.

Following the positive example of South Asia on spreading internal rounds deadline inside a same HIP, NGOs recommend ECHO to adopt similar practices in other regions such as the Great Lakes.

- Regarding the HIPs ‘deadlines; the FPA Watch Group shared the difficulties faced by NGOs since many HIPs have similar deadlines for proposal submission. While for most of the HIPs, the time given to NGOs to write their proposal was considered fair, for few countries such as Yemen the delay was particularly short.

ECHO internal calendar is aligned with the EU budget cycle; leaving limited flexibility. However, ECHO understands partners’ concerns and is ready to explore how to improve and spread the publication and submission periods next year.

- In some countries/ regions, NGOs are asked to submit proposals before the official deadlines. G. Angelini reassured that the official funding requests are those published on APPEL. A reminder will be transmitted to ECHO field teams.

- The FPA Watch Group shared with ECHO the difficulties ECHO partners faced this year with some 2015 HIPs being amended while 2016 HIPs were released; thus not knowing under which decisions to submit their proposal.

Regarding the EDF allocation for El Niño (ad-hoc decision), ECHO saw the opportunity to receive extra fund from the EDF and therefore relieving the pressure from the 2016 Budget. However, ECHO agrees this may have further complicated the process.

- While the intention from ECHO regarding mainstreaming of Education in Emergencies (EiE) in all HIPs is welcomed by the FPA Watch Group, ECHO and its partners agreed on the fact that it was not ideally prepared and generated further complication and delays in the entire HIP process this year.

In total 140 proposals having a component or global objective linked to EiE were submitted by a large number of partners; far beyond the ones specialized on Education.

A meeting with the cabinet of the Commissioner is scheduled for 10th February to present the first results and agree on next steps. ECHO is working towards a final selection before end of February.

ECHO assures partners that next year more clarity on the education budget and its technicalities will be given: 2016 has to be seen as a test and joint feedback will allow adjustments for 2017.

- Partners raised concerns regarding extra requirements on Iraq, Mali or Central Africa. The FPA Watch Group reaffirms that requirements need to align with the FPA.

- The FPA WG requests ECHO not to introduce changes in the e-SF during proposal submission process since it generates extra work for partners and ECHO itself.

ECHO is aware of the consequences such changes might have on the process, however if problems are identified it is necessary and more efficient to adapt directly rather than to wait the action started.

- Feedback from partners reveals the difficulties to enter in a new region through a geographical HIP. Also in Haiti, some NGOs partners were told ECHO would finance only UN agencies. The WG reminds the importance of partners' diversity and a fair allocation of funds based on needs 'assessment, partners' capacity and quality of proposals.

- The WG starts monitoring the delays between submission of proposals, feedback from ECHO and final signature of grant agreement. First feedback tends to show some long delays. ECHO underlines the existence of internal benchmarks which define the different deadlines from the submission, first feedback to the signed grant agreements and the liquidation. Those benchmarks allow a certain discipline on both ECHO and partners side in between the different contractual stages. However, there is room for improvement and ECHO intends to come back faster to partners.

Next steps: ECHO encourages partners to provide further propositions to improve the HIPs release process

- The publication of the worldwide decision on ECHO public website is delayed. However, partners should not be affected by the official publishing.

2. Exchange on: Shared & eligible costs

Regarding shared costs, partners may declare as eligible direct costs the portion of the capitalised and operating costs of field offices which correspond to the duration of the action and the rate of use of local infrastructure for the purposes of the action.

Partners experienced different audit practices and would like ECHO to ensure a homogeneous approach by its auditors.

ECHO is currently developing guidelines for auditors on this specific topic and is ready to share them with partners.

Also the approval of a budget through a signed grant agreement does not guarantee the eligibility of costs per se; the decision of eligibility being made at liquidation and audit stages.

The Commission adopted a decision in May 2015, which introduces the possibility to declare field office costs as eligible direct costs on the basis of a **simplified allocation method**. That allocation method needs to be **fair, traceable and consistent**. This allocation methodology has to be approved by a senior staff of the organisation through a working document. This will be systematically checked at audit stage. ECHO reminded partners that key allocation has to be consistently applied, and only field office costs are eligible under this shared costs option.

Since time for this exchange was limited the Task Force of the FPA WG and ECHO C3 unit may organize another meeting to further discuss this topic in the next weeks.

3. Cash and vouchers in the e-SF: The reporting of transfer modalities

- ECHO wants to simplify and standardise the reporting on the use of Cash, vouchers and in kind modalities, as well as to be able to extract solid data and statistics link to this.

A. Castellano presented to the group its proposal for revision of the e-SF.

The definition of beneficiaries is proposed to relate only to individuals and no longer households.

A new tab call "**transfer modalities**" would allow partners to describe whether cash, vouchers or in-kind is to be used during the Action and to provide complementary information as requested in the FPA.

Multipurpose cash transfer (MPCT): is not considered as a sector per se, however in order to capture this growing way to provide beneficiaries with cash transfer it was included in the list of sectors (while 'cash & vouchers' is removed from the list of subsectors).

Partners suggest that transfer modalities tab could be inserted under the activities description rather than at result level. However ECHO explained that the eSF in its current stage, which includes the cash and voucher description at the activity level is not enough detailed. Moreover, to include the transfer modality tab changes under *activity* rather than *Results* would generate IT difficulties.

ECHO underlined that those changes does not replace the tab on beneficiaries.

Additional information not requested in the new tab would need to be included in the narrative description.

Next steps: ECHO welcomes receiving further input from the FPA WG in the next weeks and may run a trial with some partners. It intends to launch the new e-SF before the summer.

4. Simplification of the KRI and Introduction of the KOI

Two years after the launch of the 2014 FPA including Key results indicators, ECHO has decided to revise them in order to simplify their application and increase their usefulness. More specifically ECHO seeks to:

- Collect more accurate KRI data on country, regional or global level. Only some of the current KRI can be aggregated for use beyond the project level. Also, the quality of data collected against the KRI is currently not good enough for aggregation.
- Reduce the number of KRI to the most relevant and useful.
- Simplify the SF workflow and clarify the rules for the use of KRI.
- Distinguish output and outcome indicators to get a better analysis of ECHO funding interventions.

Technical changes for the Key Results Indicators:

- The objective is to reduce the number of existing KRI while increasing the usability/intuitiveness of KRI related section in the Single Form.
- Revised KRI would only be outputs (products or services delivered to beneficiaries, “results” in the SF, not outcomes and not activities).
- Each KRI is linked to one subsector. The use of the respective KRI is mandatory if the partner is active in the subsector. Ideally, as soon as a subsector is selected, the corresponding (if any) KRI would appear automatically. However, this solution is technically not feasible with the current SF technology. As interim solution, a dropdown list with KRI pre-filtered by sector will be available in the Indicator section. ECHO TA and Desk will verify if subsectors and selected KRI match.
- Partners continue to have the possibility to manually add custom indicators.

Technical changes for the Key Objective/Outcome Indicators (KOI):

- KOI are “outcome” indicators, which measure the direct effects or benefits of the outputs on the targeted population.
- KOI will be introduced in the eSF under “Specific Objective”
- A list of KOI will be made available at Specific Objective level: their use is highly recommended if the indicator is relevant.

Partners agreed those changes capture the problems highlighted previously on KRI. However reducing their number might not be enough to get solid data.

Next steps: the FPA WG is invited to share the presentation with colleagues having the necessary expertise to give feedback on this proposal. The WG also recommends having a pilot with few NGOs to assess whether this new approach to KRI would meet the objective.

Due to lack of time, the Periodic Assessment 2014 which was the last point of the agenda had been shared in writing with the Watch Group.