

Appendixes to the minutes of the FPA WG meeting (25 November 2008)

1. 2008 Working calendar:

2008 Working Calendar between FPA WG/TF and ECHO B2 - <i>UPDATE 15/11/2008</i>			
ECHO-NGOs consultation's calendar : <i>supporting documents and meetings</i>			
Documents	Timing	Versions - Comments	Consultation with WG-TF
<i>Completion of the supporting documents of FPA 2008</i>			
Single Form Guidelines	adopted by DG ECHO Management on 4 September 2008 (website ECHO)	1 st version= 11/2007- 2 nd version = 3/2008 3 rd version = 5/2008 4 th version = 30/7/2008 Validated on 4/9/08	2 nd version = TF / ECHO meeting on 28/3 3 rd version = TF / ECHO on 12/6 4 th version = no TF comments awaited- just inside ECHO
Financial Reporting Guidelines (+ examples)	ECHO B2= a draft version planned end of July 2008, not to be considered as B2 approved (draft) Deadline: october / november	1 st version = 11/2007 2 nd version= 5/2008 3 rd version = 7/2008 (+ examples)	2 nd version = TF / ECHO on 20/6 3 rd version = TF / ECHO on 5/9
Grant Agreement guidelines	adopted by DG ECHO Management on 1 October 2008 (website ECHO)	1 st version = 12/2007 2 nd version = 18/7/2008 Validated in 9/2008	1 st version = TF / ECHO on 28/3 2 nd version = TF / ECHO on 5/9
Humanitarian Aid guidelines for procurement	ECHO B2 <i>planned early 2009</i>	<i>1st version =</i>	<i>Just one consultation from TF / WG planned</i>
Communication and Visibility guidelines	From Unit ECHO A5 <i>planned early 2009</i>	<i>1st version =</i>	<i>Just one consultation from TF / WG planned</i>
Project Cycle Management (PCM) guidelines	ECHO B2 <i>= planned early 2009</i>	<i>1st version</i>	<i>Just one consultation from TF / WG planned</i>

Fact Sheets	ECHO B2= deadline for september / october 2008	1 st version = 11/2007 2 nd version = 1/7/2008 (missing D3 part)	2 nd version = TF / ECHO on 5/9
Frequently Asked Questions (FAQ)	Version 9/2008 (website ECHO)	<i>1st version= 11/2007- 2nd version = 9/2008</i>	No consultation
	MEETING	DATES	
	Task Force meeting 1	21 January - done	
	Task Force meeting 2	28 march - done	
	Task Force / ECHO B2 meeting 1	28 march -done	
	FPA Watch Group meeting 1	13 May – done	
	FPA Watch Group / ECHO B2 1	13 May - done	
	Task Force / ECHO B2 meeting 2	12 June- done	
	Task Force / ECHO B2 meeting 3	20 June- done	
	Task Force / ECHO B2 meeting 4	7 July- done	
	Task Force / ECHO B2 meeting 5	5 September –done	
	Task Force meeting 3	28 October –done	
	<i>FPA Watch Group meeting 2</i>	<i>25 November – planned</i>	
	<i>FPA Watch Group / ECHO B2 2</i>	<i>25 November – planned</i>	

2. Financial guidelines ECHO FPA 2008-11-20 – main conclusions of the consultations with the TF – WG

**FPA WATCH GROUP MEETING
BRUSSELS, 25H NOVEMBER 2008**

**FINANCIAL GUIDELINES ECHO FPA 2008-11-20
CONSULTATION WITH TASK FORCE- WATCH GROUP
MAIN CONCLUSIONS**

1-Planning of the different versions and consultations

Documents	Timing	Versions - Comments	Consultation with WG -TF
Financial Reporting Guidelines (+ <i>examples</i>)	ECHO B2= a draft version planned end of July 2008, not to be considered as B2 approved (draft) Deadline: october / november	1 st version = 11/2007 2 nd version= 5/2008 3 rd version = 7/2008 (+ examples)	2nd version = TF / ECHO on 20/6 3 rd version = TF / ECHO on 5/9

2- Background

As the TF has underlined since late last year 2007, at the time of the publication of the new FPA and the first draft version of the Financial Guidelines, the Financial reporting is one of the most crucial issue of the implementation of the new FPA. Precisely the Final reporting as, officially, the Proposal and Intermediate reporting is very light – sections 11 “financial overview “ and 4.3.2 “costs per result” of the Single Form.

Then *all the burden of the financial reporting has been transferred to the Final reporting*, in most cases 3 months after the end of the ECHO grant.

Furthermore, ECHO has considered that it would not issue official templates to be followed, as for FPA 2003 and most major donors, but *will let, still “officially”, each partner transmit its own reporting issued from its own internal accountancy tools.*

We – NGOs partners -, were not the same opinion about this issue, some wishing to keep compulsory ECHO reporting documents – and, if possible, the 2003 FPA ones. Some agreeing with this flexibility of using its internal template

Last point, apart from the budget following, *ECHO has been asking for more specified reporting to get into details of some expenses* (staff, equipment, program procurement / stock as before plus new ones as visibilty / communcation , consumables, services & transports...)

The TF clearly disagrees with this increase of reporting, as it requires a difficult and time consuming work to gather all this information and build the specified reporting tools and, above all, most financial information were “audit oriented”, which is not the purpose of the Final reporting.

3- Curent situation

Following the first draft version in 11/2007, two versions of the Financial Guidelines have been issued, each of them followed by a consultation of the WG / TF and meeting ECHO B2/ TF

The version 3 (7/2008- with examples of reporting) has still to be modified, the draft, but is not the ECHO web site, then may be considered by some ECHO staff and partners as the definitive one, which is not the case.

4- Main issues and achievements

a) Eligibility of costs

As the partner is not supposed to transmit as many details of the budget lines as before at proposal stage, how to be sure that in the end, when receiving the detailed final reporting, ECHO staff will not disapprove with some of the costs and consider them as ineligible ?

ECHO B2 answer was to give more details about some costs if any doubt concernign at proposal stage, which goes against the spirit of the new FPA not to concentrate one “means and costs”. But gives a kind of legal security for the partner that ECHO as agreed about the eligibily of the costs.

b) Equipment follow up

Following TF remarks about the minimum amoung per item to be followed, ECHO B2 has made some clarifications.

“Allowance for low value equipment”: Confirmation from ECHO: minimum 500 euro per item to be included in the allowance;

“Depreciated equipment”: confirmation from ECHO: minimum 500€ for equipment that need to be identifiable in the list of equipment at the final report level

“Fully charged equipment”: for equipment above 500€

c) Examples of final financial reporting

Following pressure from the WG / TF about, first having some “templates” to be followed, ECHO agreed to provide “examples” (as each partner is supposed to transmit its own template, then no official ECHO one...) in july 2008.

Which helps to understand what has to be filled at final reporting stage, especially breakdown of expenditures, staff following, remaining stock... but also has raised some strong reserves from the TF about the level of details for “Communication, visibility and information costs”, “Consumables and running costs”, “Service contracts and transport costs”.

Some are quite impossible to gather within each partners own reporting system, then it means to create new reporting data just for ECHO grants. We asked, as a minimum for a upper threshold of expenses to report about and less details to provide.

Wating for last version from ECHO. But most partners have has or will have soone to transmit final reporting of their 2008 FPA grants.

d) “consumables and running costs” & service contracts and transports”

About this pending issue (cf above), here are the last comments from TF waiting for definitive version of the Guidelines:

Consumables and running costs: to be confirmed by ECHO: details may come from partner’s accountancy (General Ledger). If amounts are too big, more details to provide. The detail of the quantity will have to be provided only for remaining stocks and goods

Stationary: only list items with a unit cost above 500€

Service contracts and transports; To be confirmed by ECHO:costs over 1000 euro.

e) Section 4.3.2 – “costs per result”

This new requirement is highly important for ECHO as it is the only part of the single form where they can ask to the partner to give more details about some budget lines (section 11 “financial overview”, being very light).

It has been clearly stated that section 4.3.2 of the Single Form can be considered as an “operational reporting”. The amounts per result will not be analysed by auditors on the eligibility-compliance (this is done on the basis of the final financial report). Following the results oriented approach, ECHO accepts that figures in section 4.3.2 are not 100% precise. The total per result is not necessarily the same as the one reported in “means and costs” (the objective of the sections 4.3.2 is to give indications to the desks), but its expected that at least 80% of the main costs are explained.

3. Working note “ NGOs concerns on concept notes”

FPA Task Force Working Note

Concept Notes: ECHO NGO partners' concerns

November 2008

Background

A Concept Note's purpose and objective changes from one donor to another. Usually it aims to offer to the donor a first idea of the partner's planned activities within a specific context and area, whether they are an international organisation (IO) or non-governmental organisation (NGO).

In Europaid the use of Concept Notes is completely formalised, and Concept Notes are legally binding between the donor and the NGOs. On the contrary, ECHO's manner of using Concept Note is less predictable and varies drastically from one desk to another.

Following the most recent Global Plan meetings organized by ECHO, several desks asked their partners to send in Concept Notes. However, the many discrepancies between desks lead NGOs to question the purpose of the current practice.

During the FPA Task Force meeting held at the VOICE Secretariat on the 28th of October 2008, Task Force members agreed to raise this issue with ECHO in order to ask for clarification and feedback on this topic, thereby improve the situation for the future.

If ECHO needs further input, the Task Force will remain at its disposal to aid its work to make the requirements for Concept Notes more consistent.

NGOs' suggestions

1. The purpose of the Concept Paper should be clearly explained to all ECHO partners.

NGOs are aware that the purpose of Concept Note may vary depending on ECHO's funding strategy (such as Global Plan, Ad Hoc or Emergency decisions).

However, during the recent Global Plan meetings, NGOs have witnessed discrepancies between different desks' use of Concept Notes. While some desks may claim that the Concept Note helps to define their own strategy, others clearly use the Concept Note as a first competition to select its potential partner to implement projects. ECHO might want to consider linking a formalized Concept Note with the new FPA, for example, into a Fact Sheet.

2. If ECHO desks decide to use Concept Note template, then they should use the same to promote consistency.

Recent examples reveal the lack of coordination between ECHO desks.

For instance, the Colombia and Democratic Republic of Congo desks asked the partners to only submit their Concept Notes in a given file format (Excel, Word), while the Sudan desk gave instructions on the steps to follow, and the Uganda desk requested Partners to fill in some parts of the Single Form and the Palestinian one even asked for a complete Single Form. As a consequence, the level of detail and the contents in Concept Notes vary drastically.

3. Schedule, Language and Addressees of the Concept Note should be consistent.

As a consequence of the two previous suggestions, NGOs would like to raise the following specific issues:

- ECHO desks should adopt the same timeframe.

Indeed, inconsistency in this regard is widespread. Some desks request the Concept Note almost six months before their definition of their strategic axes, whereas others allow the partner to send the Concept Note a month before the start of the operations.

- Concept Notes' instructions or templates should be available both in English and in the concerned country's language to ensure that all ECHO partners are able to send their submission.

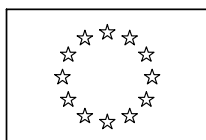
There is also no coherence in the language adopted by the desk. Some use only Spanish or French while others prefer English.

- Information related to Concept Notes should be available on ECHO website.

For some desks, Concept Note templates have been shared only with partners who attended the corresponding Global Plan meeting in Brussels, which lead NGOs to have some concerns on equity of chances to be selected at proposal stage.

As a conclusion ECHO's NGO partners would like to emphasize again that they agree to share information in order to help ECHO desks to define their strategies. However, if Concept Notes are collected for another purpose, then NGOs need to understand their aim. Finally NGOs would like to request ECHO to ensure consistency between its desks in the future.

4. Reply from ECHO to FPA WG letter "eSingleForm NGO Concerns" dated July 7, 2008



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR HUMANITARIAN AID - ECHO
Directorate B Support to operations
Unit B/1 Budget, Audit, Information Technology, Document Management

Brussels,
A.O. D(2008)

Note to the attention of the VOICE FPA Watch Group

Subject: Reply to your letter "eSingleForm NGO Concerns" dated July 7, 2008

As first words, DG ECHO apologies for the late reply and wants to reassure the FPA Watch Group that it fully understands its concerns about the introduction of the eSingleForm and will take them as much as possible on board.

DG ECHO answer is fourfold:

There will be no "big-bang" introduction of eSingleForm.

Actually, the pilot phase is still ongoing and the main idea is to broaden the group of Partners and Humanitarian Projects using eSingleForm on a voluntary basis. It is then expected that the transition from mail-and MS Office based exchange of documents with DG ECHO to a web-based one will be rolled out during the year 2009.

There will be an offline eSingleForm editor

The harsh IT conditions in some countries have been noticed. Therefore an offline eSingleForm editor is currently being developed and will be released in April 2009. It will allow drafting a proposal and uploading it to APPEL. It will also allow downloading other proposals from APPEL. The look and feel of this offline editor will be closer to the online APPEL than to MS Word. Therefore broad training and support on APPEL will be provided in the vein and footpath of FPA training and support.

Converting eSingleForms from/to MS Office is not envisioned yet for both technical and legal reasons. Rich-text editing features will be included in the online APPEL. A track changes mechanism is already included in it.

Partners will manage themselves their staff' access rights to APPEL

The European Commission as a whole is opening its information systems to the outside. APPEL will be part of that evolution from March 2009 onwards. The main principle is that each Partner will designate an APPEL "superuser" who will be in charge of managing APPEL access rights for other staff; including e.g. "submitters", logically those entitled to sign Grant Agreements, and "drafters", those who draft Proposals and Reports.

DG ECHO would like to invite more formally FPA Watch Group in the governance of the eSingleForm Project

There is still some discussion, both internal and external, on the acceptable differences in the use, look and feel between SingleForms and eSingleForms. It is clear that there will always be some since the tools are different even if the information content should be the same. It would be more convenient to meet in a format to be defined on a regular e.g. monthly basis to have a better and more direct feed-back from Partners and also to increase the sense of ownership and decrease the level of resistance to change.

The following table aims at tracking all recommendations made by VOICE and to see how each one has been addressed or is planned to be.

CONCERNS	ANSWER N°1	ANSWER N°2	ANSWER N°3	ANSWER N°4
<i>The eSingle Form should not be required for emergency</i>	Addressed			
<i>Partners in the field often do not have stable connection or internet access</i>	Addressed	Addressed		
<i>The system must be robust enough to handle/cope with multiple users</i>			Addressed	
<i>The system should be secure allowing access to specific users only</i>			Addressed	
<i>The system must be able to show track changes</i>		Partially Addressed		
<i>An offline version must be available</i>		Addressed		
<i>The system should have an automatic saver for every page</i>		Partially Addressed		
<i>The tools should not become a discriminatory factor</i>	Addressed	Addressed		To Be Discussed
<i>ECHO should consider the financial impact of new tools on NGOs and take into consideration the variety of its partnerships</i>				To Be Discussed
<i>ECHO should ensure consistency between the Single Form and eSingle Form formats</i>				To Be Discussed
<i>ECHO should ensure consistency and coherence in interpretation among its different units</i>				To Be Discussed
<i>ECHO should recognize that NGOs are already facing several operational and administrative challenges in their work</i>				To Be Discussed
<i>ECHO should try to lessen the administrative burden that NGOs are experiencing</i>				To Be Discussed

In conclusion, DG ECHO hopes that most of the FPA Watch Group concerns have been addressed:

Amine OTHMANE
Information, Communication, Data Quality and Training Manager

Cc: Evelyne SOETWEY, Herman MOSELMANS, Marc HIEL, Henrike TRAUTMANN.