

QUESTIONS AND ANSWERS
ON THE NEW HUMANITARIAN PARTNERSHIP

This document does not replace guidelines or instruction notes to be published.

| QUESTIONS | ANSWERS |
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| MGA (MODEL GRANT AGREEMENT) general questions | |
| What is the MGA (Model Grant Agreement)? | The MGA is a corporate template adopted at the Commission level, which has to be used by all its services and executive agencies who award EU grants. With the MGA, all beneficiaries of EU grants are bound by the same contractual rules. |
| Will DG ECHO partners continue to sign specific agreements? | No. For every action, a grant agreement of around 80 pages will be signed. |
| What parts does the MGA have? | A data sheet providing info such as title of the action, duration, starting date, EU contribution, funding rate, payments, reporting, etc. then, 44 articles (formerly the <i>general conditions</i>) divided in 6 chapters and 5 Annexes. |
| Has the terminology changed in the MGA? | Yes, some terms are new. <i>Partners</i> are now called <i>beneficiaries</i> . <i>Implementing partners</i> are <i>recipients of financial support to third parties</i> . The <i>Commission</i> is called <i>the Granting Authority</i> . <i>Beneficiaries</i> are called <i>final beneficiaries</i> or <i>persons in need</i> . The <i>Single Form</i> is called <i>Annex 1 – description of the action</i> . The <i>Interim report</i> fits now into <i>continuous reporting</i> . The <i>Final report</i> is called <i>Periodic final report</i> . <i>Procurement</i> is called <i>subcontracting/purchases</i> . |
| How can we refer now to DG ECHO NGO “partners”? | Certified NGOs can be referred to as DG ECHO certified partners. |
| How will grant agreements be signed? | The Commission will sign using qualified electronic signature (QES) in agreements with NGOs. The partners can counter-sign agreements and amendments either with QES or with hand signature. |
| What is annex 5? | Annex 5 to the grant agreement contains DG ECHO specific rules, such as rules on multi-purpose cash transfers, transfer of assets or the possibility to derogate from some provisions of the grant agreement. |

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| Will there be new guidelines? | Yes. In May 2021 the Commission will publish an AGA (annotated grant agreement) common to all Directorate Generals and programmes. DG ECHO will publish specific guidance on annex 5. |
| Could you please clarify the difference between annexes 2 (budget) and 4 (financial statement model) to the grant agreement? | Annex 2 is the estimated budget to be presented at proposal stage. Annex 4 corresponds to the final costs statement to be submitted at the final report stage together with the general ledger. Both Annexes follow the same structure in terms of cost categories. |
| Multi-beneficiary (multi-partner) grant agreements | |
| What is a multi-beneficiary (or multi-partner) grant agreement? | It is a grant agreement to which several DG ECHO certified partners and/or international organisations are members. All together they form a consortium. |
| Who signs the grant agreement? All co-beneficiaries? | Only the coordinator (leader) of the consortium signs the grant agreement. The rest of beneficiaries have 30 days as of the entry into force of the agreement to date and sign a pre-filled form called Accession Form, received by the coordinator together with the grant agreement. Once the forms are gathered by the coordinator, they are sent to the Commission. Detailed instructions will be given in the cover letter sent with the grant agreement. |
| What are the concrete changes in case of consortia? | All certified partners are on an equal footing, even though they will still have a coordinator. All non-certified partners will be considered as implementing partners. |
| Can local NGOs be members of a consortium in multi-beneficiary agreements? | Not at the level of the grant agreement, as only DG ECHO certified partners can accede to it. Local NGOs can be implementing partners. |
| Could UN and NGOs be co-beneficiaries under the same grant agreement? | Yes. The MGA contains an article with applicable provisions to International Organisations. |
| What is the role of the coordinator of a consortium? | The coordinator receives the EU contribution and distributes the funds to the other beneficiaries without unjustified delay (which does not mean immediately upon receipt from the Commission!). The coordinator is the interlocutor between the consortium and the Commission, monitors the implementation of the action, submits reports, etc. |
| Is having a formal "consortium agreement" compulsory? | No, DG ECHO doesn't ask for such an agreement, but although it is not obligatory, Partners involved in a Multi-beneficiary agreement would normally sign some kind of consortium agreement reflecting the internal arrangements |

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| Will the Commission make separate payments to the members of the consortium? | No, only the coordinator will receive the EU contribution. |
| How does liability work under multi-beneficiary grants? | The responsibility will be shared according to the maximum amount of the beneficiary. |
| Can new beneficiaries be added to the consortium? | Yes, with an amendment request that the Commission has to approve. |
| In a consortium, how is underperformance managed? | Partners are jointly responsible for the technical implementation of the action. If one of them fails to implement its part, the other beneficiaries must ensure that this part is implemented by another beneficiary. Also, the consortium can request to the Commission the termination of the participation of one or more beneficiaries in the action. |
| In case of multi-beneficiary grant agreement with some benefitting VAT exemptions and others not; can they indicate their different VAT status in the SF? Proposal and final report stage? | Partners have the possibility to provide information on their VAT status as well as co-beneficiaries' VAT status, in the dedicated section of the Single Form, namely 13.8.1 – Details on VAT exemption. |
| Participants - International organisations | |
| Will DG ECHO use the MGA with UN partners? | The MGA is, in principle, to be used with NGO partners, except for mixed consortia (NGOs and IOs). |
| Participants - Implementing partners and justification in case of transfer to IPs above 60,000 EUR | |
| Will the so-called co-partners in multi beneficiary grants also have to be Certified ECHO Partners? | Yes, the principle is that it will not be possible to use certified partners as implementing partners: they will have to be associated to the lead certified partners in the grant agreement as co-partners. |
| Below 60.000 euros, is there no need for certification? | The certification is not linked to the possibility to transfer funds to implementing partners. It is a condition to access EU Humanitarian funding (previously FPA). |
| Will there be a maximum percentage of the Action that can be implemented by implementing partners? Is there any top ceiling for non EU IPs who are implementing ECHO funded actions via a certified organisation? | No, as long as the implementing partners directly contribute to the implementation of the action. |
| All the implementing partners are local NGOs in the field, how will this be taken into account? | Implementing partners can be EU or not EU-based as long as they directly contribute to the implementation of the action. |

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| For existing INGO consortia - what could be the implications of different agencies with different types of certificate? Could we expect any limitations for them in remaining apart of a consortium or not? | A consortium is an association of certified partners agreeing to conclude with the Commission a multi-partner grant agreement. Certified partners can decide to work with IPs for the implementation of such grant agreement. |
| Are big consortia where one of the implementing partners is non-EU based still possible? | A consortium is an association of certified partners agreeing to conclude with the Commission a multi-beneficiary grant agreement. Certified partners can decide to work with IPs (based outside the EU) for the implementation of such grant agreement. |
| Above 60,000 Euros - the justification will be based on operational considerations? | Yes. Look at the standard justifications for exceeding the 60,000 EUR ceiling in the HIP Technical Annexes for more information. |
| Does a wider geographical coverage or being an international NGO justify financial support above the 60,000 € to an IP? | To a certain extent: look at the standard justifications for exceeding the 60,000 EUR ceiling in the HIP Technical Annexes for more information. |
| All certified partners have to be co-beneficiaries: cannot be simply IPs (although certified)? | Certified partners can only act as implementing partners if they cooperate with an organisation (for instance an international organisation including UN) which signs with the Commission an indirect management delegation or contribution agreement (IMDA or HACA). If the agreement framing the action is a grant agreement (using the model grant agreement), then all certified NGO partners will become co-beneficiaries/co-partners. |
| Participants - UK/US/non-EU based NGOs (including "local" NGOs) | |
| UK or other non-EU NGOs with only mailbox address in EU will not be allowed to certify, right? On the 60,000/IPs: What will be the impact for US/UK NGOs that use an application from an EU office but transfer up to 100% of the grant to their US branch to implement? | The Humanitarian Aid Regulation indeed requires Partners to be established in the EU. Furthermore, the ex-ante assessment looks at whether the applicant implements core tasks for the implementation of the action and whether it is not acting as a mailbox (empty shell). |
| Can UK-based Partner be IP under a certified partner but with higher amount than the certified partner? | Transfer between certified partners and IPs are not limited. Partners need however to remain responsible for the whole action and to perform core tasks. Transfers of funds need to be directly related to the implementation of the action. |
| Can UK-based partners apply for certifications or it is a different process? | UK is not a EU member state anymore. UK-based entities cannot apply to become certified partners. They can still work on DG ECHO's actions as implementing partners. |

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| How can we refer now to “DG ECHO partners”? | Certified NGOS can be referred to as “DG ECHO certified partners”. |
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| Costs eligibility | |
| Will there be any changes in the calculation of personnel costs? | <p>Yes, staff costs will be calculated on the basis of actual costs and for all staff (HQ and field) in accordance with the following formula, provided for in the Model Grant Agreement:</p> <p style="text-align: center;"><i>{daily rate for the person multiplied by number of day-equivalents worked on the action (rounded up or down to the nearest half-day)}.</i></p> <p>The daily rate must be calculated as:</p> <p style="text-align: center;"><i>{annual personnel costs for the person divided by 215}</i></p> <p>The number of day-equivalents declared for a person must be identifiable and verifiable (for instance through time sheets). Further explanations will be provided in the AGA.</p> |
| Is there going to be a difference between the <i>eligibility period</i> and the <i>implementation period</i> ? | No. Cost will be eligible only when incurred after the project starting date. |
| Will partners still be allowed to cover leave days of their staff? | Yes. The costs of leave are to be added to the daily rate. |
| Is there any implication on support costs distribution within a consortium of certified partners? | Co-beneficiaries decide on the allocation of the budget of the action among themselves. |
| Are costs related to post-distribution monitoring, evaluation and audit eligible after the end date of the Action? | <p>Yes. Preparation of final report, post-distribution monitoring, final evaluation and audit costs are eligible.</p> <p>Those costs are eligible maximum 3 months after the end of the action (deadline for submission of the final report). In principle, costs related to the final report are eligible <u>only</u> after the end of the Action (or at the earliest one month before the end of the Action).</p> |

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| <p>What are the provisions on remaining equipment, assets, goods in the MGA?</p> | <p>In the MGA, reimbursement of full price of equipment and goods is the rule, with the obligation to transfer or donate them after the end of the action, unless exempted by DG ECHO. If transfer to another ongoing action is not possible and if agreed by DG ECHO, the Partner can transfer or donate the equipment or goods to the final recipients, local non-profit organisations, international non-profit organisations, international organisations, or local authorities.</p> <p>If not, only the depreciation costs are eligible (regardless of the fact the Commission is the single largest donor of the action).</p> |
| <p>Are the amounts and thresholds for low value equipment and remaining goods kept in the MGA?</p> | <p>Low value equipment (equipment with a value below EUR 1000, instead of previous EUR 750 per item) is exempted from the obligation of transfer or donation.</p> <p>If the cost of the item is between EUR 1001 and EUR 2500 per item, the exception applies if the total costs of the items does not exceed EUR 15 000.</p> <p>Remaining goods at the end of the Action should, ideally, be distributed by requesting a no cost extension of the Action. If this is not possible and the results of the Action have been achieved, remaining goods not exceeding 20% of goods purchased during the action can be considered as eligible and need to be transferred (or donated, if agreed by DG ECHO). In case the value per category is less than 1,000 EUR, remaining goods are excluded from the obligation of transfer or donation.</p> |
| <p>Subcontracting / purchases</p> | |
| <p>Which is the difference between suppliers and subcontractors?</p> | <p>Subcontractors participate in the action by carrying out action tasks for the beneficiary, which could consist for example in the purchase of goods, works or services that are identified as action tasks. On the other hand, suppliers of goods, works or services do not implement action tasks themselves, but only make resources available to the beneficiary.</p> |
| <p>If the amount for sub-contractor for rehabilitation services exceeds 60,000€, will the partner have to provide justification like the case with IPs?</p> | <p>The ceiling of 60,000 EUR does not apply to sub-contractors: it only applies to financial support to third parties / IPs (which broadly refers to ‘sub-granting’).</p> |
| <p>If I need to purchase items before the starting date of the project in order to be ready for implementation, would procurement-related costs (e.g. publication of tender on specialised websites, fees for evaluation committee, etc.) be eligible if incurred before the starting date?</p> | <p>Costs of staff incurred before the starting date of the action are not eligible. This includes the costs of the persons (e.g. administrative) working on the procurement procedures. Only costs for the purchases would be eligible, as they would be delivered during the project duration.</p> |

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| Reporting | |
| Does the term "Periodic reporting" point towards multi-annual funding? | Periodic reporting is only a new terminology in the MGA to refer to reporting linked to payments. It does not impact the way DG ECHO works. |
| Amendments | |
| How will the current non-essential change system work for activities or budget flexibility will work under the new MGA? | Modification requests will be made in HOPE/APPEL as today. As in the FPA 2014, changes to the budget are not considered an amendment as long as they do not imply a substantive change to the description of the action. Addition of amounts for subcontracts require an amendment or simplified approval (approval given with the final periodic report). Changes in activities or implementing partners will still be treated as non-essential changes. However, modifications regarding beneficiaries require an amendment. The list of IP has to be updated at the latest at FR stage and a justification if above 60.000 € must be provided. |
| Until what moment can an amendment request be submitted? | The timing to submit the request is the same as what applied under the FPA 2014. In exceptional cases, beneficiary may request an amendment after the end of the implementation period of the Action. However, the acceptance or rejection of the proposed amendment will not be given with the notification of the final payment anymore, but in a separate communication. |
| What is the deadline for the Commission to approve an amendment request? | 45 days against 30 days in the FPA. |
| Suspension | |
| Under the MGA, is it still possible to have total or partial suspension of contract? If yes, are some costs still eligible during the suspension period? | Yes. If the activities in the field (or some of them) must be temporarily interrupted or reduced due to exceptional circumstances — in particular force majeure — the beneficiaries must inform the granting authority and, if needed and agreed, adapt the action to the new circumstances via an amendment. Related costs will then be eligible if approved by DG ECHO. |
| Sanctions clause | |
| What is the sanction clause? | The sanction clause refers to a reminder of the obligation of recipients of EU funds established in the EU to comply with sanction regimes. EU sanctions comprise both |

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| Sanctions not against the HA regulations and Humanitarian consensus? | <p>economic and non-economic sanctions. The EU Council imposes restrictive measures within the framework of the CFSP. The Council first adopts a CFSP Decision under Article 29 of the TEU. Measures such as arms embargoes or travel restrictions are implemented directly by member states, which must act in conformity with CFSP Council Decisions. Other measures, such as freezing funds, are implemented by way of Regulation, adopted by the Council, on a joint proposal from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy under Article 215 of the TFEU.</p> <p>The sanction clause refers to the obligations to comply with sanction regimes but also recalls the humanitarian principles, in particular the principle of impartiality. It clarifies further that final beneficiaries will not have to be vetted. This provision will apply irrespective of the type of exceptions (derogations or exemptions) included in individual sanction regimes.</p> |
| Does the MGA contain any provisions related to counter terrorism legislation? | The sanction clause is generic and covers all sanction regimes (including counter terrorism). |
| Derogations | |
| Can derogations be requested in the SF? | Yes, although now they are referred as “alternative arrangements”. Only some elements can be derogated (chapter 14 of the Single Form) and refer to visibility and communication activities, exceptional extreme operational conditions, country-specific issues or other unforeseeable circumstances that arise during action implementation |
| Is it still possible to request a derogation to the exchange rate provisions? | <p>No. The exchange rate should be the daily exchange rates published in the C series of the <i>Official Journal of the European Union</i>, calculated over the corresponding reporting period.</p> <p>If no daily euro exchange rate is published in the <i>Official Journal</i> for the currency in question, they must be converted at the average of the monthly accounting exchange rates published on the European Commission website (InforEuro), calculated over the corresponding reporting period.</p> <p>To calculate the rate, the beneficiaries may use the editable charts on the ECB website http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html</p> <p>How to calculate the rate on the ECB website:</p> <p>Step 1 — Go to the ECB website.</p> <p>Step 2 — Click on the chart icon [] for the currency.</p> |

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| | <p>Step 3 — Choose the 'HTML5 version' which appears under the name of the currency in the top-left corn</p> <p>Step 4 — Insert the starting date of the reporting period in the field 'from' and the end date of the reporting period in the field 'to'. The average for the period will appear above the chart.</p> |
| Other | |
| Will the action remain result-based? | Yes, there is no change in this respect. |
| Does the clause on intellectual property ensure that DG ECHO is authorised to use visibility materials produced by partners? | Yes, the Commission has the right to use the Partners' materials, documents and information royalty-free, including the use for its own purposes, distribution to the public, editing or redrafting and translation. |
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