

FPA Watch Group – Virtual Meeting

THURSDAY 1 OCTOBER 2020

14:00 – 17:00

FINAL MINUTES

Exchange with DG ECHO

Participants from DG ECHO:

- Charles Pirotte; Deputy head of Unit, International and Interinstitutional Relations, Legal Framework (ECHO.E.1)
- Gabriela Filipova; Legal assistant, International and Interinstitutional Relations, Legal Framework (ECHO.E.1)
- Alberto Garralón; Deputy head of Unit, Programming, Control and Reporting (ECHO.E.2)
- Kamila Skowyra, Legal Officer, Contracts and Finance (ECHO.E.3)
- Javier Calvo; Legal Officer Contracts and Finance (ECHO.E.3)
- Anna Posluszna; Head of Sector – Finance, Contracts and Finance (ECHO.E.3)

A. Presentation of the ex-ante assessment survey by the FPA Watch Group

Carolina Morgado (CARE), Jean-Yves Penoy (IRC) and Ruth Faber (EU-CORD) presented the findings of the VOICE survey on the ex-ante assessment. Please find the Power Point presentation [here](#).

B. ECHO's feedback and update on the ex-ante assessment

ECHO assured the Watch Group that the results from the ex-ante assessment survey would be shared within ECHO including with the management. ECHO also updated the Watch Group on the ex-ante assessment:

- In average, partners received good scores;
- The deadlines were mostly complied with despite the Covid-19 situation;
- On the suggestion for ECHO to preselect auditors, ECHO explained that they are not allowed to do so since it would generate a conflict of interest;
- ECHO defined the ToR using existing audit standards, which was the best (and only) way for auditors to perform an objective audit (and limit the scope for individual interpretation);
- ECHO is currently developing its next audit strategy (2021-2024). Audits will be triggered by two different criteria:
 - o Random audit selection to comply with ECHO's obligation;

- Audits on the basis of risk – that can be at field or HQ level;
- 137 applications received – work split between audit report as such and the assessment of the annexes 4A and 4B;
- Oversight bodies will sooner or later assess this process and ECHO is careful of documenting all decisions taken. The assessment is done by two persons from E1 and two persons from E2 Units: after a first check of the eligibility of the documents submitted, a person make an assessment of the report and a second person review this assessment. Identical process is followed for the assessment of the information provided in Annexes 4A and 4B. It took some time to launch the whole process but ECHO expects to move faster now. ECHO is aware of the importance of this for partners to apply to the HIPs 2021. Overall, the work is well advanced; 78% of organisations' reports have been reviewed (except for annexes 4A/4B);
- The process was a learning exercise both for ECHO and candidates. The corporate drive made the whole process more difficult. ECHO reminds that this exercise aims at ensuring partners meet EC standards; funding decision are then made by the operational colleagues based on assessment of proposals.

Questions & Answers

If an organisation's ex ante assessment has not been assessed by ECHO by 1 January what are the implications? Can the organisation still submit a proposal?

This depends on the deadline in the HIPs and the start date of the action. ECHO is aware of this issue and trying to approach this in the best way possible. There are ongoing discussions within ECHO regarding the deadlines for submissions of proposals in the HIPs 2021.

Can partners expect feedback during the review of their ex-ante assessment report or only when their assessment process is completed? Will ECHO grant certificates to NGOs in batches or in successive steps?

ECHO is already providing feedback in those cases in which the ex-ante assessment reports require clarifications. Certificates will be delivered on a rolling basis.

It would be interesting to know what exactly means 'random audits'? Can all ECHO partners be potentially selected? Are there exclusion criteria for example for the ones that have been audited the year before?

The selection will be based on a random based approach: review of the grants finalized in the previous year and a selection made on a random basis ground. The exercise will be repeated every year and the size of the grant will have an important role on the selection procedure.

C. ECHO's update on the Certificate

The templates of the Certificates for future partners have been published on the ECHO partners' website. Certificates somehow replace the current FPA. The document is shorter because it is technically not a contract (e.g. the amendments provisions were removed).

ECHO tried as much as possible to include and reflect ECHO's specificities in it. In terms of actual content, there are no real surprises. There will be a new requirement regarding reporting on safeguarding incidents.

Once a partner is granted with a Certificate, it will have to sign a receipt letter but the process might need to be adapted in the medium-/long-term.

On annexes 4A/4B, ECHO aims at understanding better how its partners operate (often in complex systems) but also whether the system is cost effective when it comes to implement EU humanitarian aid action.

D. ECHO's presentation on the Model Grant Agreement

Please find ECHO's Power Point presentation annexed to these minutes.

Here are the main comments:

- New template imposed following a Commission Decision in June 2020;
- Annotated Grant Agreement (AGA) will be prepared by DG BUDG et Legal Service and release early next year. In the meantime ECHO is working on specific guidance;
- The MGA is a comprehensive document (about 80 pages) as it puts together both general and specific conditions;
- ECHO will continue using its IT tools. However it has to adopt new language/terminology (as imposed by the corporate nature of the template);
- The Annex 5 was done together with Legal Service to integrate ECHO's specificities that were not included in the general MGA.

Main changes:

- The justification of the financial support to third parties (IPs) will be integrated into the HIPs;
- Simplification in relation to procurement : the beneficiaries (i.e. ECHO partners) will apply their procurement procedures and revised thresholds for donations at liquidation stage;
- Different parts of the template won't be used if the grant is mono-beneficiary (i.e. signed by only one partner);
- There will be one single exchange rate with no possibility of derogation;

- The personnel cost calculation will be made on daily rates with a calculation basis of 215 days per year;
- Careful attention is placed on subcontracting with specific obligations. ECHO will precise how subcontracting is to be understood.
 - ECHO asked partners to share examples of purchase of goods/services and subcontracting.

On the timing:

- ECHO will use the new template for contracts signed as of January 2021;
- ECHO is working with IT colleagues to make connection between the existing IT tools and the new contracts (which is challenging because the MGA is not constructed for ECHO IT tools, but another IT system (SIGMA – eGrant));
- ECHO is working on developing training sessions (in collaboration with Punto Sud);
- DG Legal Service is still introducing certain corrections and changes to fit all DG needs including some requested by ECHO following its exchange with VOICE and the FPA Task Force.

Questions & Answers

Please find [here](#) the written questions the Watch Group sent to ECHO on the MGA.