

Minutes of the FPA Watch Group Meeting 21-06-01
Quaker House,
50 Square Ambiorix,
Time 2pm

Apologies: Ad Ooms (ICCO), Sophie Dima (IISA), Anne Colmant (Oxfam Sol.), Davide Martina (COOPI).

Chairperson: Jean Saslawsky (MDM)

Participants: Gaelle Nizery (CARE Int), Laure Delcros (MSF Int.), Elvira Rodriguez (ACF), Carine Macardeau (Red Cross EU), Jeanette Adriaenssens (Red Cross EU), Francois Man (SCUK), Diane Crocombe (Oxfam GB), Louise Ambler (CAD), Farida Chapman (IRC), Riccardo Stefanori (CISP), Giovanna Solar (CISP), Morten Ronnenberg (DanChurchAid), Maite Pacheco (IRC), Volker Artmann (ADRA Germany), Cinzia Laurelli (CINS), Floris Faber (Mission East), Helen Holder (HelpAge Int.), Simonetta Risaio (Handicap Int.), Frederic Bonamy (Premiere Urgence), Jane Backhurst (World Vision), Isabelle Lefort (Atlas Logistique), Gianni Rufini (VOICE), Jennifer Tangney (VOICE).

Minutes: The minutes of the last FPA Watch Meeting were unanimously accepted without alteration.

Point of Order: It was decided to change the Agenda of this meeting slightly by discussing General Conditions at 3.30pm rather than at 2.30pm to allow more time for discussion of Eligible Expenses

1. Eligible Expenses:

1.1 Expats:

In terms of the consultation with ECHO partners and among the FPA Watch Group it clearly transpired that lump sums without a maximum amount were the preferred option. There was also a clear indication that real costs were not favourable to NGOs. The preferred second option of NGOs was a tie between Lump Sums calculated by a "machine", and the final Combined Option.

It was agreed that the Task Force would stress to ECHO at the meeting tomorrow 22-06-01, that the vast majority of NGOs want lumps sums and wholly reject the application of real costs. It was recognised that in view of ECHO's policy to move away from lump sums that this would be difficult, and that a move may have to be made to a lump sum system with a corrector i.e., by country.

The Group also wanted to know from ECHO if the lump sum were fixed would there be ineligible expenses, such as training for example. Where would such expenditures be placed?

The question of the definition of Expatriate workers was raised. The Task Force told the Group that ECHO would come back with a proposal.

A vote was taken for proposing to ECHO a collective lump sum without a maximum. "Collective" meaning that all NGOs would receive the same amount. The vote was passed with 17 in favour, 1 against and 1 abstention.

1.2 Local Personnel:

The Task Force felt that it would be best given the consultation results to propose a lump sum adapted regularly to cover real costs of NGOs in the field. Although, again it was felt given the Commission position that this would be a difficult option to win.

The vote was carried 10 in favour, 7 against.

1.3 Modification of Budget Format:

The Consultation indicated that a majority of NGOs were in favour of putting operational staff, i.e.,

those directly providing services to the beneficiaries in Chapter 1. The need to have a clear list of eligible positions was noted. It was remarked that this could potentially be problematic as by keeping staff within one Chapter allows for total flexibility, whereas between Chapters there is only a 15% margin. Moreover, it is possible that ECHO would exempt staff from the 15% flexibility. It was further remarked that M&E could be included as a Direct Cost as Quantity and Quality Control directly related to the project.

A vote was taken and it was decided 14 in favour of having staff in Chapter I and Chapter II with clear definitions of who goes where. 5 votes against.

It was also commented that it is not written in the FPA that ECHO will only approve a limited number of amendments to the budget.

1.4 Vehicles:

It was proposed that it would be prudent for the Group to aim for an increase in the current lump sum which actually doesn't cover the real expenses of NGOs. A vote was taken and passed unanimously. It was proposed that there would be a lump sum for depreciation and a lump sum for running costs.

1.5 Communication Equipment:

Option 1 of a real cost for depreciation with a lump sum for running costs and Option 2 of a pure lump sum were put to a vote. 11 were in favour of Option 2, with 0 votes for Option 1.

2. New Budget Line:

The proposal of a new line to cover operational administrative costs was divided into two Options.

1. Real Cost - with eligible expenditures - which Chapter?
2. Lump Sum as a % to be included in Chapter 3.

It was agreed to pursue option two. A vote was taken and a 5% lump sum was agreed by a majority - although it was recognised that this could possibly be reduced.

3. Administrative Costs

It was accepted that the 7% limit was non-negotiable. However, it was agreed that the proposal to remove the segment system currently in operation should be put to ECHO.

4. Presentation by Pablo Ibanez and Hervé Delphin from ECHO

On June 13th new Procedures came into force for Humanitarian Assistance in "Primary Emergency" Situations. It was presented to the Group as the new procedure applies only to FPA Partners, who have a proven planning capacity near the location.

The aims of the new procedure are to enable the Commission to make faster decisions and to mobilise funding to allow partners to take immediate action in crises. The new procedure stems from the lessons learned exercise with ECHO and its partners. Before now it was necessary to wait for a formal decision with retroactive funding to fill the gap. However, this required a pre-financing ability on the part of NGOs.

With this new system up to a three day maximum from the starting date of a crisis, ECHO partners may submit a proposal for funding. The Commission can then formally make a decision in 24-48 hours. Potentially, five working days after the decision NGOs could have advance payments. This new procedure relies on ECHO partners taking the initiative and making funding requests. ECHO does not take any responsibility for NGO co-ordination in such crises.

There are now three tools for humanitarian emergencies:

1. Primary Emergency
2. Emergency Procedure
3. Humanitarian Decision

The "Primary Emergency" procedure allows for the covering of first need or lifesaving activities for up to 3 million Euros and for a maximum of three months with no possibility of extension.

The Commission explained and clarified the use of the three funding procedures and informed the Group that an Information Pack had been sent to all ECHO partners by email, and post. Moreover, the information is also available on the ECHO website.

Documents 1-6 are now simplified and in the context of Primary Emergency a proposal may be submitted by the formal manner (Doc.102) or through a letter of intention (ECHO has drafted a standard format), along with Budget (Doc.7) and a contract.

Once a Commission Decision is made, funds are mobilised and contracts and forms for advance payment are sent 1 day later - signed by Partners and sent immediately by fax and by post. It will then take two days for an order to be transmitted to the bank to pay Partner. The Primary Emergency Procedure may not in any year exceed 10% of ECHO's total budget.

ECHO has criteria for defining the date of onset of crisis, very clear in terms of natural disasters, less clear in terms of epidemics. Decisions will be made by Ms. Adinolfi on behalf of the Commission.

For further information the FPA Watch Group were told to consult the information pack.

5. Reserve:

It was agreed by all present, taking into account the results of the consultation with FPA Partners, that the 10% reserve limit could be reduced to 5% if this were to provide leeway for more interesting outcomes in other areas of the consultation process.

6. General Conditions:

The Task Force presented a paper to the Group regarding the General Conditions. Six NGOs participated in the development of the proposal. As ECHO had not yet provided its documentation for General Conditions which would be presented to the Task Force at the ECHO meeting tomorrow, it was agreed that consultation with the Group would be carried out next week, when documentation from ECHO would be forwarded by VOICE, all comments on the General Conditions were to be sent to Jean Saslawsky (jean.saslawsky@medecinsdumonde.net) as he is head of the Working Group 3.

It was agreed that Floris Faber and Riccardo Stefanori would also attend the ECHO meeting.

7. Any other business:

The issue of planning for FPA meetings was brought up. It was agreed that there would be an FPA Watch Group meeting at 2pm on both Thursday 12th July, and Thursday 2nd August.

The Group were asked to contribute in the future to the running costs of the FPA Watch Group, all participants were asked to contribute 200BEF, towards the cost of hiring a room and the provision of sandwiches. Receipts would be given by VOICE. This was unanimously agreed upon.

Meeting closed at 5.30pm.