

FPA Watch Group Meeting – Exchange with ECHO

	MINUTES
DATE/TIME	23.03.2017 14.00 – 16.30
PLACE	Red Cross EU, Rue de Trêves 59-61
PARTICIPANTS	cf. List of participants ECHO: Kim Eling (HoU D1), Charles Pirotte (Deputy HoU D1), Albert Garralon Perez (Deputy HoU D3), Virginie Jonet (Unit D1), Marta Planas (Unit D1)

1. Evaluation of the humanitarian aid delivery of ECHO

ECHO presented to the FPA WG the upcoming evaluation on ECHO’s humanitarian actions from 2011 to 2016. The evaluation will be run by an independent evaluation firm and a roadmap was already published on the EC website (in attachment). The contract with the independent consultant was signed and the Terms of Reference defined.

The Roadmap reads: “The evaluation should provide a comprehensive assessment of the EU humanitarian aid actions over the period of 2011-2016, examining how well the EU has exercised its role as a donor and the results achieved in different contexts. This includes the EU’s policy and implementation frameworks put in place for Humanitarian Aid, as well as the delivery of this aid to the end-beneficiaries. Furthermore, the evaluation should provide evidence supporting the implementation of commitments in the context of the WHS and the Grand Bargain, with a clear focus on the EU Added Value of the activity.”

The upcoming inception meeting with the consultant will specify the evaluation process and timeline. The objective of this evaluation is to make sure ECHO’s action is still fit for purpose. This evaluation will be to a large extent a meta-evaluation and will include an open public consultation as well as targeted stakeholders consultations.

The meta-evaluation will mostly cover operational activities. The wide range of ECHO policies will also feed into the evaluation as well as relevant reports from the Court of Auditors.

Partners shared with ECHO that they were willing to participate in the evaluation, and would appreciate to receive concrete feedback at the end of the process. Outcomes from the Fit-for-purpose consultation may also be still relevant for the exercise.

The final report of the evaluation should be finalised in December 2017.

2. Upcoming negotiations of the FPA 2019:

ECHO and the FPA Watch Group exchanged on the upcoming negotiation process of the next FPA.

The next FPA should be launched and finalised by end of December 2018 (ideally at the 2018 partners ‘conference). However, ECHO does not exclude the possibility to postpone the renewal of the FPA of one year.

In comparison to the last FPA negotiation, ECHO will not undertake an external evaluation of the FPA. However, the comprehensive evaluation on ECHO humanitarian action, the revised Financial Regulation and the Grand Bargain are expected to offer direction and guidance in settings priorities for the next FPA.

ECHO recalled that at this stage there is no concrete argument justifying reopening the Humanitarian Regulation.

The FPA WG shared with ECHO that the previous FPA 2014 negotiation had been really appreciated and is often quoted as good practice. Therefore, the FPA Watch Group wishes having a similar process starting in the following months by a pre-negotiation brainstorming phase around specific and relevant issues (e.g. Grand Bargain).

3. The Simplified Allocation Method

ECHO explained that the final version of the **Guidance note on the Simplified allocation method** will be shared with partners as soon as it will be approved at management level.

4. Feedback on the HIP process by the FPA Watch Group:

Positive outcome:

- Partners witnessed effective field consultations ahead of the HIPs publication; especially in Syria and West Africa.
- Deadlines in general were more spread. Also within the same HIPs partners appreciated when different deadlines were set for the different budget lines.
- The mainstreaming of Education in Emergencies received mitigated feedback. It is better than last year given that there's no Children of Peace specific HIP but when looking into details only few HIPs have a specific amount on Education in Emergencies and few HIPs have defined clear priorities for EiE.

Challenges faced by partners:

- The overall budget of most of the HIPs significantly decreased. Partners would have appreciated communication from ECHO ahead of the HIP release to be able to adapt to the situation.
- The publication of the HIP top up 2016 at the same time than the HIP 2017 created some confusion among ECHO partners. The WG also explained that preventing partners from submitting application under HIP 2017 if another project under HIP 2016 is ongoing creates a risk of funding gap later in the year.
- The Watch Group suggests ECHO to consider multiyear planning and funding as one of the solutions to avoid funding gap and have more visibility on the budget cycle.
- Partners reported facing a particularly long phase until they receive first feedback on their applications

- APPEL and ECHO website information related to the HIPs are not systematically aligned which generates unnecessary burden.
- ECHO is regularly using a number of pre-selected partners for certain areas which make it complicated for new FPA partners in a region to access funding. This issue had been amplified with the budget decrease in 2017. NGOs also noticed increasing requests from ECHO to merge different proposals between different FPA partners.
- Partners are wondering how much of ECHO envelope is dedicated to DRR and DRM this year given that few HIPs have a specific line for it.

ECHO took note of the feedback and stressed the constraints linked to the Commission budget cycle affecting the timeline of HIPs publication and top-up. Partners would welcome the possibility to maintain a dialogue on the issue with ECHO this year in order to further improve the HIP process for both ECHO and its partners.

5. Thresholds:

- Partners asked ECHO the possibility to have access to general data such as the number of partners having thresholds. DG ECHO stated that the thresholds are considered per partner on an individual basis and at this stage there is no general data available that can be shared with VOICE.
- The WG noticed that some partners having a threshold received in December 2016 a communication from ECHO asking for their planning in relation to submission of proposals under the HIP 2017.
 - ➔ ECHO explained that in 2016 some partners and ECHO found themselves in challenging situations with a high level of financial exposure due to the number of open contracts and proposals submitted. Thus, the communication in December 2016 was to prevent the same risks to happen again. The organisations who received the communication are the ones that were identified as holding a potential financial exposure that would go much beyond their threshold following the release of the HIPs.
 - ➔ After receiving the planning overviews, ECHO managed to better identify the risk and for some of the partners decided to further spread the pre-financing into a 30%-30%-20 % model. Both partners and ECHO agreed that this alternative pre-financing not only reduce the risk but allows partners to operate more smoothly and feel less limited in their capacity to propose actions because of their threshold.
- The WG also shared that overlap of timing between the new proposal negotiation and the submission of past year final reports makes it difficult for partners to manage their open amount.

- Also some NGOs holding a threshold are concerned that in some cases despite their operational capacities, they are asked to work through another FPA holder because of their threshold.
 - ➔ ECHO understands the partners' concerns and challenges because of this timing overlap and hopes the alternative methodology for pre-financing mitigates this adequately. Regarding the cases where partners are asked to work under another FPA holder because of a threshold, those confronted with such request are welcomed to inform ECHO Unit D3 since this is not in line with ECHO's intentions when thresholds were introduced.

6. Alternatives procedures: Extreme operational constraints procedures:

ECHO engaged in dialogue with partners working in Syria and who were facing difficulties in applying ECHO rules mainly for security reasons.

Thus, after informing the relevant services, DG Budget and the Commissioner's cabinet, ECHO and affected partners developed alternative procedures in line with the FPA.

The process was long and complex; the EP and the Court of Auditors were also consulted. In December 2016, ECHO management signed an internal procedure instruction defining when and how to apply those specific procedures. Amongst other, the main pre-conditions provided in the note are:

- Beneficiaries and/or Aid workers are at risk of detention or worse when receiving assistance;
- The main objective of the action/result is lifesaving activities;
- The crisis is a UN Level 3 one.

From now on, partners should systematically inform ECHO when facing a situation where the new procedures could apply. The request should also be reflected in the Single Form and explains what alternative procedures will be used. The same rules apply when the alternatives procedures are needed in the middle of the action, partners should inform ECHO as fast as possible in order to modify the contract and regularise the situation.

Three contracts had been signed so far under this agreement and are all located in Syria.

7. FPA Watch Group survey:

The FPA Watch group launched a new liquidation survey as a follow up of the one made in 2015. The survey covers four FPA related issues: final reporting, liquidation process, visibility and audit.

The survey will remain open until early April, and the consolidated findings will be shared with ECHO. So far the survey collects information from more than 200 projects whose final reporting took place in 2016.

First main findings include:

- More and more partners are following fast track procedures.
- There's a clear increase in the number of questions from ECHO when receiving final financial and narrative reports and questions are sent closer to the 60 days benchmark.
- If available, the WG would be interested to compare their findings with ECHO's data on the liquidation process.