

FPA WATCH GROUP MEETING

**BRUSSELS, 25TH NOVEMBER 2008
10.00 – 17.30, AT ECHO**

MINUTES

Contents:

- 1) Presentation of the Task Force activities
 - 2) NGO feedback concerning the implementation of the new FPA
 - 3) Exchange with ECHO B2 (Herman Mosselmans, Head of Unit B/2)
 - 4) Presentation of the E-SingleForm followed by discussion (Amine Othmane, DG ECHO/B/1.IRM)
-

1) Presentation of the Task Force activities

The meeting starts with an **update from the Task Force** on its recent work and remaining concerns. Since the last WG meeting on May, the Task Force met five times – four times in the presence of ECHO B2 representatives.

An intense work has been done by the TF and within ECHO B2 this last summer. Many guidelines have been reviewed several times by both parties and most of them are either validated or at a final stage. Globally the TF has given constructive inputs that have been taken into account by DG ECHO. Several times the TF has tried to give overall feedbacks on a document in addition to specific and technical comments.

The attached working calendar shows the details of the revision process of FPA related documents between ECHO and the TF.



C:\Documents and Settings\user4\Deskt

The Grant Agreement and the Single Form guidelines have been validated and published on the ECHO website. On both, the TF did not have major disagreements concerning their content, but asked for clarifications or reformulations to ensure the documents' readability.

The Fact Sheets and the Financial Reporting guideline are still draft versions. The first ones are not legally binding but they provide NGO partners with ECHO expectations concerning project implementation. Again the TF spent more time ensuring that NGOs and ECHO have the same understanding of the documents than proposing major changes. However, the TF gave special attention to the Financial Reporting guideline. The challenges of the document was presented, the TF achievements in the revision process and the remaining concerns.

Attached are the main conclusions on the consultation process between ECHO and the TF and the remaining concerns on the Financial Report of the new FPA.



C:\Documents and Settings\user4\Deskt

In addition, **the Task Force presented the Working Note ‘NGOs Concerns on Concept Notes’ which was sent to ECHO on 19th November 2008.** On behalf of the FPA Watchgroup, the TF asked clarifications about the purpose and way of using Concept Notes given that major inconsistencies between ECHO desks have been observed by partners.

A formal answer from ECHO B2 is expected before the end of the year.



P:\FPA\FPA WG
2008\Revision Guideli

The Task Force finally presented the upcoming challenges: Three guidelines are expected to be received **in 2009 first trimester dealing with Communication and Visibility, Project Cycle Management and on Procurement**, considered to be the most important one.

2) **NGO feedback concerning the implementation of the new FPA**

a- **Overall impression of the new FPA**

Since January 2008 the new FPA is being applied. The discussion showed that so far few NGOs have experienced the whole cycle of project implementation (from proposal to final reporting and audit), so it is too early to draw conclusions about the functioning of the new FPA. Nevertheless most of the NGOs are optimistic and believe this FPA is a progress and the fact that ECHO tries to listen to them and to build a transparent dialogue with HOs is seen as very positive.

It is expected that the next Watch Group meeting taking place in the first semester 2009 participants will be able to provide more consistent comments on this FPA.

b- **Remaining challenges and concerns**

Support materials and interpretation of texts and forms

- Financial Reporting Guidelines and Fact Sheets still in draft formats
- No Procurement Guideline
- No Communication and Visibility and Project Cycle Management Guideline

ECHO B/2: Regarding the Procurement Guideline, Mr. Mosselmans hoped to have a first draft ready before the Annual Partners' Conference, Once the guideline is finalised, an extra module in the FPA training focusing only on Procurement will be developed.

Financial Reporting

- The information to be provided in the annex is too detailed

As compared to the former FPA and based on the draft financial reporting guideline currently available on ECHO's website, NGOs need now to submit a certain number of annexes along with the final Financial Report. Those annexes (list of consumables, service providers' contracts, detailed transport costs, etc) ask **the same level of details than an external financial audit does**. This level of detail seems contrary to the main spirit of the new FPA which stresses the spirit of partnership and trust, while concerning flexibility in budget amendments INGOs are said to be completely free in changing their budget along the project implementation.

*ECHO B/2: Regarding Financial Reports, Mr. Mosselmans recalls that the 2003 FPA was not ideal as over time the level of information requested from partners increased considerably. Thus the purpose this time is to avoid such trend. **ECHO will be ready to revise the financial reporting guideline in 6 months when enough practical feedback from NGOs regarding this matter has been gathered.***

The Financial Reporting Guideline and the Fact Sheets will be finalised and published before the Annual Partners Conference (3-4 December).

The suggested thresholds proposed by the FPA Watch Group/ TF in September meeting will be included in the final version.

Procurement and derogation procedures: ECHO validation

P-partner NGOs are concerned about the ECHO validation of their procedures in case of updates/amendments and requested to know whether they need to wait for the ECHO validation before implementing changes or whether a unilateral info to ECHO is sufficient

ECHO B/2: Mr. Mosselmans explained that the recognition as P control mechanism is based on the validation of their procedures. So, in case these procedures change significantly, DG ECHO will re-assess the revised procedures in order to confirm their compliance with the eligibility and suitability criteria as specified in the Humanitarian Aid legal base. Concerning procurement procedures, his unit checks only that the NGO procedures respect the general principles of the FPA (Annex IV – chapter 2) and the special cases foreseen in chapter 4 of Annex IV. This will also be the guidance for auditors when assessing procurement procedures of P partners.

ECHO staff understanding of and training in the new FPA: NGOs reported discrepancies in requests from ECHO field technical assistants (TA) and desk officers (DO) at HQ in relation to the new FPA rules. NGOs suggest that ECHO DO and TA follow FPA training along with NGO staff as it ensures the same level of knowledge of both parties as well as more understanding of each others constraint in the actual implementation of the FPA.

ECHO B/2: Mr. Mosselmans highlighted that the work is different: the partner has to formulate his proposal as good as possible and the TA and desk will assess the proposal. That justifies different trainings when possible (but in the field as there are often few participants ECHO and NGO staffs are grouped).

Another point raised during the meeting dealt with reporting. Several NGOs had been requested to provide monthly reports not understanding the reason behind. The Watch Group requests DG ECHO to be more transparent in this prospect.

The issue of partner selection for the first ECHO contract or within a specific country was raised. There is a lack of clarity concerning the criteria used by DO and what steps to follow (Global Plan meetings, single form or concept note submission, etc).

NGOs have the feeling that some TA try to work only with the usual partners of the area. The Watch Group suggests to DG ECHO to publish the dates for Global plan meetings in Brussels and the minutes on ECHO website. They also asked ECHO to be more transparent and to consider defining a predictable process which should be the same for every country of operations.

ECHO B/2: Mr. Mosselmans : DG ECHO also agrees to be more transparent on how they handle proposals and reporting. The concept paper issue is a first step in this context. DG ECHO is open to tackle similar questions on other issues, if requested by the partners and on the basis of concrete examples. The issue about the publication of dates for Global Plans will be taken up and ECHO will examine how it could be best implemented.

3) Exchange with ECHO B2 (Herman Mosselmans, Head of Unit)

(For better readability several of Mr. Mosselmans answers to issues raised by the FPA Watchgroup have been included above.)

Mr Mosselmans gave an update of the ECHO annual partner assessment process. Phase 1 is now completed and Phase 2 has started. Some NGOs have volunteered to participate, others were chosen because they have not been assessed for the last three years. In total 62 NGOs are now in phase 2 and Mr Mosselmans expects 80-90% of the assessments to be over at the end of January 2009.

Regarding the Procurement Guideline, Herman Mosselmans hoped to have a first draft ready before the Annual Partners' Conference. Once the guideline is finalised, an extra module in the FPA training focusing only on Procurement will be developed.

On the request about the process for procurement internal procedures amendments (for P Partners) and ECHO validation, Mr. Mosselmans explained that the recognition as P control mechanism is based on the validation of their procedures. So, in case these procedures change significantly, DG ECHO will re-assess the revised procedures in order to confirm their compliance with the eligibility and suitability criteria as specified in the Humanitarian Aid legal base. Concerning procurement procedures, his unit checks only that the NGO procedures respect the general principles of the FPA (Annex IV – chapter 2) and the special cases foreseen in chapter 4 of Annex IV. This will also be the guidance for auditors when assessing procurement procedures of P partners.

Mr. Mosselmans also stressed a certain flexibility from ECHO's side during this transition phase and the understanding of NGOs constraints in implementing the new FPA. In case of derogations or special cases that NGOs encounter, they should be transparent in their communication with ECHO and inform them of the situation to avoid any complications.

Final financial reports

Regarding Financial Reports, Mr. Mosselmans recalls that the 2003 FPA was not ideal as over the time the level of information requested to the partners increased a lot. Thus the purpose of this one is to avoid such trend and Mr Mosselmans says ECHO will be ready to revise the financial reporting guideline in 6 months time when enough practical feedback is collected from NGOs experience in this exercise.

The Financial Reporting Guideline and the Fact Sheets will be finalised and published before the Annual Partners Conference (3-4 December).

The suggested thresholds from the TF in the September meeting should be adopted in this final version.

FPA Training

ECHO also shared the latest developments concerning FPA training. The contract has been awarded to a consortium of three organisations: punto.sud, MDF Brussels and ISPI. The contract covers mainly two activities: training and running the official Helpdesk for partners. At this stage, the activities focus on the 2008 FPA, but later it will be possible to cover also more operational issues related to Humanitarian Aid.

ECHO B/2: Mr. Mosselmans highlighted that the work is different: the partner has to formulate his proposal as good as possible and the TA and desk will assess the proposal. That justifies different trainings when possible (as in the field there often few participants ECHO and NGO staff are grouped).

ECHO B2 and the consortium are finalising the training calendar for 2009:

Training sessions will be held in Brussels (4), Geneva (1 on FAFA) and in the field (8).

The first dates in Brussels will be;

26-28 November: 3 days on the whole FPA

1- 2 December: 2 times 1 day training on Final reporting,

The FPA Watch Group proposed to ECHO to publish the calendar on their website.

In the future ECHO would like to add additional modules such as e.g. "How to prepare a Single form including Sphere ?".

Regarding the Helpdesk, Mr Mosselmans stressed that given the nature of a service contract the answer from punto.sud helpdesk will have the same legal value as one from the EU mailbox and be binding for the Commission.

As mentioned previously, ECHO is also working on reviewing its communication with partners. _Appel will be redesigned and enlarged so that NGOs easily can find the information they need.

Concept notes note from the WG

Finally Mr. Mosselmans gave his first comments to the note concerning ECHO Concept Notes. ECHO had launched an internal Working Group on the topic to assess the relevance of the comments made by the FPA Watch Group and to propose a coherent line for DG ECHO. The FPA Watch Group should receive a formal reply from ECHO hopefully before the end of the year.

DG ECHO agrees to be more transparent on how they handle proposals and reporting. The concept paper issue is a first step in this context. DG ECHO is open to tackle similar questions on other issues, if requested by the partners and on the basis of concrete examples. The issue about the publication of dates for Global Plans will be taken up and ECHO will examine how it could be best implemented.

4) Presentation of the progress in the ESingleForm project followed by discussion (Amine Othmane, DG ECHO/B/1.IRM)

Upon request from the FPA Watch Group last July and during their last meeting, Mr. Othmane presented the last developments made concerning the ECHO E-Single form project. Concerning the remarks made by the FPA Watch Group and other NGOs earlier, ECHO tried to address most of them and to adapt this tool accordingly.

ECHO also decided to prolong the transition phase and continue to let NGO partners decide whether they submit a classic single form or its electronic version. Moreover, the tool is now more user-friendly and NGOs can share this document widely internally thanks to the possibility of defining different kind of users (administrators and users with different access rights).

In 2009 ECHO hopes to have at least 50 partners using this tool on a regular basis and in the long term to be able to abandon the Single Form in its current shape/format. Should your organisation be interested to use the E-Single Form in 2009, please contact Magali@ngovoice.org

More details in ECHO
answer:



C:\Documents and
Settings\user4\Deskt

- The next FPA Watch Group meeting will take place in March/April 2009.

Magali Murlon/December 2008