



EUROPEAN COMMISSION

DIRECTORATE-GENERAL HUMANITARIAN AID AND CIVIL PROTECTION - ECHO

Directorate B - Support to operations

Unit B/2 - Finance Management, Legal and procedural affairs

Brussels,
ECHO/B2/HM-AS D(2010)

Also sent by email

To all DG ECHO Partners

Dear Partner,

As announced during this year's Annual Partner Conference, DG ECHO established new procedures for the adoption of its financing decisions, in particular towards Global Plans and Ad Hoc decisions. We are pleased to provide you hereby with more information on the new procedures and what they might entail for you.

As you are aware, DG ECHO's mandate, as defined in the Humanitarian Aid Regulation, is implemented through financing decisions adopted by the European Commission. These financing decisions "regulate" the funding of individual Actions. No agreement may be concluded without the prior adoption of a financing decision.

Up to now, DG ECHO prepared financing decisions for each individual crisis and this corresponded to an average of 90 decisions per year. The financing decisions supporting documents were also used to inform DG ECHO's main stakeholders about DG ECHO needs assessment and expected response to crisis. The administrative procedures involved in the adoption of these financing decisions rendered the process quite time consuming and it could often take several months for a decision to be adopted formally.

Therefore in order to increase efficiency, DG ECHO has decided to simplify the decision-making process by re-grouping under two main financing decisions the DG ECHO response to the crises identified in DG ECHO's Annual Operational Strategy.

As a result, the majority of the Global Plans and Ad Hoc Decisions that were usually adopted individually by the European Commission will be grouped as follows:

- one **Worldwide** decision for all humanitarian aid actions covered by DG ECHO's annual operational strategy
- one **DIPECHO** decision, for the DIPECHO Action Plans in the regions identified in the Annual Operational Strategy (e.g. in 2011: South America, the Caribbean, South Asia and the Pacific).

The duration of each decision is 24 months, starting on 1st January 2011, and all DG ECHO partners and Member States' Specialised Agencies are identified as potential partners for the implementation of these financing decisions.

Because of their specific nature and budget, the (primary) emergency decisions, decisions financed by the European Development Fund and some technical ad-hoc decisions (such as for capacity building) are not integrated in the scope of this new approach. For these actions we will continue to adopt separate decisions, as before.

The operational information that was previously provided in the supporting documents of the individual financing decisions will now be provided through **Humanitarian Implementation Plans (HIPs)** drafted for each country or crisis. The HIPs will become your reference tool for humanitarian actions covered by the worldwide and DIPECHO decisions.

The HIP gives a snapshot of the situation in a given crisis/country at a specific moment in time, provides an overview of the humanitarian needs and of DG ECHO's response to address the challenges and informs the reader of the planned procedures for allocation of funds as well as on the state of the already allocated funds.

With the HIPs, the funding of humanitarian actions in response to individual crises remains entirely needs-driven. Humanitarian actions will continue to be implemented through grant or contribution agreements concluded with our partners (NGO, IO, UN) and Member States Specialised Agencies.

HIPs per country or crisis will be published on DG ECHO's website at http://ec.europa.eu/echo/funding/decisions_en.htm and you will be informed of the publication of new or revised HIPs by e-mail.

By publishing the HIPs, DG ECHO informs its partners of the availability of funds for a specific country or crisis and of the planned procedure for allocation of these funds.

In this framework, in a spirit of increased efficiency and transparency, you might be asked to submit **intention letters** in order to give us a global view on how you and all other interested partners expect to cover the identified needs, without having to draft a full Single Form. If your intention letter is selected, you will be invited to submit a Single Form which will form the basis of the final assessment.

In case additional needs and/or funding appear during the year; a new version of the HIP will be published, without having to go through the whole financing decision adoption process again. The new version of the HIP will give an overview on the current state of implementation of the HIP and specify the new issues to be tackled as well as information on the planned procedure for allocation of funds. This allows DG ECHO to maintain a global view on the situation in the field and revising existing agreements, whenever needed.

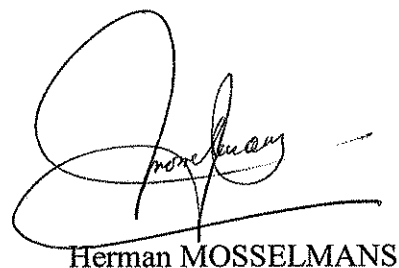
Annexed to this letter, you will find a more detailed explanation of the impact of this new approach on your daily work.

We trust that with this new approach we will progress together towards our goal of increasing the efficiency of the European Commission's work method and transparency towards partners and stakeholders while at the same time maintaining high expertise and flexibility.

As all communication concerning the publication of HIPs will be done electronically, we **request all partners to verify the e-mail addresses of their organisation in APPEL** in order to ensure that every partner receives the information.

Should you need more information, do not hesitate to contact DG ECHO's Helpdesk at ECHO-FPA-PARTNERS@ec.europa.eu.

Yours sincerely,



Herman MOSSELMANS

Cc: DG ECHO

Annex: 1

ANNEX- IMPACT OF THE NEW FINANCING DECISION PROCEDURES ON YOUR WORK.

Which financing decisions are concerned by the new approach?

Decisions affected by this re-grouping exercise:

- **Global Plans** and
- most of the **Ad Hoc** decisions (i.e. the crises identified in DG ECHO Annual Strategy).

Decisions not affected by this regrouping exercise:

- (primary) emergency decisions, EDF-related ad-hoc decisions and certain ad hoc decisions such as NOHA, Enhanced Response Capacity, technical assistance, etc.

What is included in the text of the Worldwide and Dipecho decisions?

The text of the Worldwide and DIPECHO decisions is reduced to the strict legal minimum requirements laid down in the European Union's financial regulations.

The decisions will define:

- the objectives of the humanitarian interventions (as per Article 2 of the Humanitarian Aid Regulation),
- the total amount of the decision,
- the total amount per specific objectives and per budget lines (Humanitarian Aid and Food Aid),
- the mechanisms of financial flexibility,
- the implementation dates,
- the budget/management modalities, and
- the type of partners.

An indicative table with the amounts earmarked per region is provided in the Annex of the Worldwide decision. In the DIPECHO decision, the budgetary allocation by region is provided in the specific objectives. In the supporting documents of the decisions, the context of the humanitarian crises is presented in more detail together with the indicative amounts in the Worldwide decision earmarked for each country. The texts of the Financing decisions, once adopted, will be published on DG ECHO website for information.

What is a HIP (Humanitarian Implementation Plan)?

Most operational information previously provided through the supporting documents of the financing decisions will be grouped in the Humanitarian Implementation Plans (HIPs).

The HIP gives a snapshot of the situation in a given crisis/country at a specific moment in time; it provides an overview of the humanitarian needs and DG ECHO's response to address the challenges identified, and informs you of the planned allocation of funds as well as the state of already allocated funds.

One HIP relates to all actions financed for a given crisis using credits of one budgetary year.

The HIP is composed of 6 major sections:

- Sections 1 to 4 present the context, the needs, the response and coordination aspects relating to a crisis. In particular, section 3.4 of the HIP identifies our envisaged response. This section is important if you want to make sure you're your action meets DG ECHO priorities.
- Section 5 explains how the funds will be allocated.
- Section 0 and 6 are filled in update version of the HIP. They explain the changes that we introduced and report on the allocation of funds.

How and when are the HIPs adopted?

When preparing a HIP, Partners might be requested to provide their input on a specific crisis during consultative meetings. The list of foreseen consultative meetings will be announced on DG ECHO's internet.

Once finalised, HIPs are made available on DG ECHO's website and all stakeholders including, partners, other Commission DGs, Member States and European Parliament are informed electronically of the new/ revised HIP.

Can we revise the HIP?

The HIP is not a static document; it can be revised and updated whenever there is a need. All revised HIPs will be put on internet. You will be officially informed of a new version each time the revision affects an essential elements of the HIP (amount, allocation process).

What are the relevant dates and duration of the financing decisions?

The worldwide or DIPECHO financing decisions will start on the 1 January of the budget year concerned. (Year N). The decisions will last 24 months.

All allocation procedures of funds will be launched between 1st January to 31st December of Year N as the related funds of the Worldwide and Dipecho Decisions are covered by the budget of year N. Implementation of actions can go up to 31st December N+1, if needed and justified.

What are the relevant dates of the HIP and agreements?

The date of submission to DG ECHO of the Single Form or Intention letter no longer influences the eligibility date of individual actions. The earliest date of eligibility of costs is specified in the HIP (section 5) and can in no case be before either 1 January of Year N or maximum 3 months before the publication of the HIP, whatever occurs last.

The duration of your Action is by default maximum 12 months for Humanitarian Aid Actions and 18 months for DIPECHO Actions.

The signature of the agreements cannot take place before the entry into force of the Financing Decisions.

However, HIPs can be published before the adoption of the financing decision, for instance, to invite you to submit proposals for projects starting on 1 January. If this is the case, DG ECHO will include a conditionality clause indicating that the HIP is subject to the adoption of the financing decision (Worldwide or DIPECHO).

All partners are potential partners

For the Worldwide and DIPECHO decisions, all DG ECHO partners are considered as potential partners and will be informed by email of the publication of a HIP, including also the procedures chosen for submitting proposals.

Depending on the needs identified, DGE CVHO might decide to work with pre-selected partners. If this is the case, it will be mentioned in the HIP as well as the name of the pre-selected partner and the reason for the pre-selection: i.e. urgent character of the activities, specific competence or other reasons to be specified.

How do we ensure transparency? Publication and consultative meetings

We may consult you before the adoption of the financing decision and/or before the publication of the HIP to provide inputs on a crisis (**consultation meetings**). **Information meetings** may also be organised after the publication of the HIP and before the target date for the submission of proposals. We will announce these meetings well in advance on DG ECHO internet.

Once finalised, we will publish the HIP on our website at the following address: http://ec.europa.eu/echo/funding/decisions_en.htm.

In section 5 of the HIP, you will see how much funds are available per specific objective and per budget line and how we intend to award funding.

When additional funds become available or when there is a need to modify the HIP, a new version will be published on the internet with clear indications (under section 0) of the changes made to the original HIP and clear indications (under section 6) of the implementation status of the HIP (amounts contracted, number of partners funded, type of activities, etc).

We will inform you by email of the publication or modification of a HIP.

How do we allocate funds under a HIP? (Section 5 of the HIP)

Section 5 of the HIP presents the operational and financial details relating to a HIP. It explains how DG ECHO intends to allocate the funding available.

Section 5.2 of the HIP indicates to the Partners the budget available for the crisis. The amount mentioned under this section is initially the same as the amount mentioned in the supporting document of the financing decisions. This amount can be increased or decreased during the year according to the identified needs.

Section 5.3 explains how we expect to allocate funds. We will present our options through **assessment rounds**. These rounds will identify the sectors of interventions for which we intend to allocate funds, the amounts reserved to these sectors, the date of eligibility of funds, in some cases, the partner pre-identified to submit a proposal, the type of information you must provide, the date by which your proposals should be received or sent and the principles used for our assessment of your proposals.

One HIP can have either one or several assessment rounds. We may announce assessment rounds at the time of the first publication of a HIP or at a later stage. For instance, a HIP may invite you to submit proposals in January for a given number of sectors and in September for other sectors. The assessment rounds will be prepared according to the needs in the field, to the eligibility dates and the need to work with specific identified partners.

Indeed, should DG ECHO know in advance that for some activities there is only one potential partner possible (either because of the competence required or the urgency of the situation), a specific assessment round will be drafted for the related activities mentioning also the name of the pre-selected partner. Partners will know therefore that for this type of activities, there is no need to prepare a proposal.

When can you submit proposals?

You may submit proposals at any time. However, DG ECHO will not make any formal request for the submission of proposals before the publication of a HIP.

We have two options to fix the date of submission of your proposals: either you have to submit them by a certain date, or you may submit them from a certain date onwards. We will use the first option when we intend to allocate the bulk of the funds in a short period of time. The second option will be used for a progressive allocation.

There should be at least (unless in exceptional circumstances) 2 weeks between the publication of the HIP and the indicative date for submission of the intention letters/Single Forms.

What are intention letters?

Because of the increased level of transparency, we expect to receive more proposals from some countries than was the case in the past. In such cases we might ask you to submit intention letters. Intention letters will give us a global view on how you and all other interested partners expect to cover the identified needs, without having to ask you to go through the heavy workload of drafting a Single Form.

As is the case for the Single Form, either your HQ or your field may send Intention letters. If we request intention letters, you always remain free to submit a complete Single Form or any other information (such as humanitarian programmes and appeals, CAPs or CHAPs). However, we will only carry out our first analysis on the basis of the information requested for the Intention letter in the HIP. If we select your intention letter, you will be invited to submit a Single Form, which will then be the subject of a more detailed assessment. The final decision to fund your action can only be made on the basis of a complete Single Form.

How should you submit your Single Form and Intention letter (APPEL)

Single Forms should be submitted to DG ECHO using APPEL.

Intention letters can also be submitted using APPEL. The fields that are requested as mandatory by the system but which are not required for the Intention letter can be encoded as "N/A" (not applicable). In case of positive answer by DG ECHO, the partner will be invited to complement the Intention letter by submitting the missing information (this will be a new version of the e-Request).

You may also send Intention Letters by e-mail to the ECHO-Central-Mailbox and copy the desk and the DG ECHO expert in the field.

When can we sign agreements?

Agreements cannot be signed before the adoption of the financing decision or before the publication of a HIP.

When a HIP is updated to include new activities or an additional budget, it will be possible to make amendments to the original agreements instead of having to prepare different agreements as was the case in the past.

What about the specific objective of the Logframe?

The specific objective of the Logframe does not have to refer strictly to the concerned specific objective of the financing decision, which becomes now more generic. However, the objectives and the activities must be in line with DG ECHO needs assessment and proposed interventions indicated in the HIP. They should be described sufficiently flexible enough as they cannot be modified after the signature of the agreement.