

ANNEX 5

SPECIFIC RULES

[HUMA > Annex 5 > Communication, dissemination and visibility](#)

SPECIAL COMMUNICATION, DISSEMINATION AND VISIBILITY

COMMUNICATION, DISSEMINATION AND VISIBILITY (— ARTICLE 17)

Limited communication and visibility to protect persons involved

Where the communication, dissemination or visibility obligations set out in Article 17 or this Annex would harm the safety of persons involved in the action, the beneficiaries may submit appropriate alternative arrangements to the granting authority for approval.

Visibility in field operations outside the EU

For field operations outside the EU, the beneficiaries must display the European flag and the following funding statement on signboards, office buildings, goods, equipment, clothing items, etc. worn by project staff:



Special logos

Where the call conditions impose the use of a special logo, communication activities and infrastructure, equipment or major results funded by the grant must moreover display that logo.



1. Limited communication and visibility to protect persons involved

Under Section 12.1.A of the Single Form, partners are required to display the EU clearly in the field as a donor. **The EU emblem is to be shown on items such as:**

- Building signage (e.g. partner office buildings, health centres, distribution points)
- Equipment (e.g. vehicles, water tanks, containers)
- Shipments and goods for distribution as part of the humanitarian response (e.g. blankets, sacks, tents, buckets, hygiene kits, debit cards)
- Branding of the operational materials/outreach materials addressing beneficiaries
- Clothing items worn by project staff (e.g. T-shirts, field vests, caps)

For signboards and similar displays, the EU emblem is to be displayed in a way that clearly explains the EU's role as a donor. To this end, the EU emblem should be accompanied by a short explanatory text or a relevant joint message on the project.

Example:

[Project's Name]
Implemented by: [Partner's Logo]

Funded by European Union Humanitarian Aid
<i>Joint message:</i> <i>e.g. "Acting together to help vulnerable children"</i>

Where the communication, dissemination, or visibility obligations would harm the safety of persons involved in the action, the beneficiaries may submit a request for appropriate alternative arrangements in section 14.1 of the Single Form and provide the due justification in section 12.1.A, in the text box that appears when an activity (A1-A5) is deselected.

 When the implementation of one or more of the activities listed in **section 12.1A** of the Single Form could **harm the safety** of the people involved in the action, they have to be deselected ("no"). Automatically, a text-box will appear at the end of the section, where the Partner needs to provide the **justification**. Only when the safety and security reasons are invoked for the full geographical scope of the action, an **alternative arrangement** must be requested in **section 14.1** of the Single Form using the drop-down menu the specific clause will be shown.

 When one or more of the activities listed in **section 12.1A** of the Single Form cannot be implemented because it is not envisaged as part of the action (e.g. distribution of goods), the section needs to be deselected ("no") and a justification must be provided in the text-box that automatically appears at the end of the Section. As **not justified on safety and security reasons**, it does not entail the request for an alternative arrangement in **section 14.1** of the Single Form. The Partner will be considered exempted with regard to the specific activity.

 For information on visibility in field operations outside the EU, see *the Communication and Visibility Manual*
Logos in various languages can be downloaded from: <https://www.dgecho-partners-helpdesk.eu/visibility/visual-identity-official-logo>



2. Visibility in field operations outside the EU

In principle, the GA contains a corporate “Funded/Co-funded by the European Union” logo, without any reference to a programme. However, due to security consideration and the humanitarian principles of humanity, neutrality, impartiality and independence, DG ECHO partners must use the funding statement “Funded/Co-funded by the European Union Humanitarian Aid” when it comes to **field visibility** under Section 12.1.A of the Single Form.

Example of DG ECHO specific logo to be used under section 12.1.A of the Single Form



For communication activities implemented under Section 12.1.B, the unified “Funded/Co-funded by the European Union” funding statement applies.

Example of the MGA corporate logo to be used under section 12.1.B of the Single Form.



3. Special logos

DG ECHO may impose the use of special logos to be displayed by the partners.

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SPECIFIC RULES FOR CARRYING OUT THE ACTION

SPECIFIC RULES FOR CARRYING OUT THE ACTION (— ARTICLE 18)

Specific rules for humanitarian aid operations

When implementing humanitarian aid operations, the beneficiaries must respect the following conditions:

- implement the action in compliance with:
 - applicable EU, international and national law (in particular the EU Humanitarian Aid Regulation [1257/96](#), Article 214 of the Treaty on the Functioning of the European Union, the [European Consensus on Humanitarian Aid](#) and the national laws of the country of registration and the country where the assistance is implemented)
 - the following fundamental humanitarian principles and, in situations of armed conflicts, international humanitarian law:
 - humanity: focus on saving and preserving human lives and relieving suffering
 - impartiality: respond solely to identified needs of affected populations, without discrimination of any kind between or within these populations
 - neutrality: not favour any side in an armed conflict or other dispute and
 - independence: respect the autonomy of the humanitarian objectives from political, economic, military or other objectives that motivate actors in the regions where the operations are carried out
- ensure that the action is implemented with utmost regard to the **safety and security** of humanitarian workers and the final recipients of the assistance
- ensure **zero tolerance** in relation to all wrongful conduct that has an impact on their professional credibility, in particular physical abuse or punishment, threats of physical abuse, sexual abuse or exploitation, harassment or verbal abuse, as well as any other forms of intimidation
- ensure compliance with the **quality standards for medical supplies, devices and food** established by the granting authority
- keep the **documents and information** required under Article 20 available at the headquarters (at least in copy)
- for the following specific cases:
 - for actions involving **cash transfers**: ensure that the efficiency ratio set out in the call conditions is maintained throughout the action, unless otherwise approved by the granting authority
 - for actions where the applicable national laws require the signature of a **project agreement** between the humanitarian organisation and the national authorities: the payment deadline for the first prefinancing is automatically suspended until the granting authority is informed about the preliminary approval by the national authorities (*lettre portant approbation préalable*)
 - for actions operating under **exceptional extreme operational conditions**: use the alternative methods for record-keeping agreed with the granting authority for the duration of the extreme conditions and inform the granting authority when the situation is over

- in case the activities in the field (or some of them) must be **temporarily interrupted** or reduced due to exceptional circumstances — in particular force majeure (see Article 35) — the beneficiaries must inform the granting authority and, if needed and agreed with the granting authority, adapt the action to the new circumstances (via an amendment; see Article 39)
- in case of **country-specific** issues or other **unforeseeable circumstances** that arise during action implementation: comply with the specific ad-hoc instructions of the granting authority.



1. Compliance with applicable law and humanitarian principles

Article 214 of the Treaty on the Functioning of the European Union (TFEU) spells out the objective of EU humanitarian aid, which is to provide ad hoc assistance and relief and protection for people in third countries which are victims of natural or man-made disasters, in order to meet the humanitarian needs resulting from these different situations. The Article also refers to the humanitarian principles of humanity, impartiality, neutrality and independence mentioned above.

Council Regulation N° 1257/96 of 20 June 1996 concerning humanitarian aid, known as the **Humanitarian Aid Regulation**, lays down further the objectives and general principles of humanitarian aid and the procedures for its implementation. The Regulation constitutes the legal basis for the adoption of humanitarian aid financing decisions and for the signature of the grant agreements.

In 2007, **the European Consensus on Humanitarian Aid** was adopted. The Consensus sets out a common EU vision and a practical approach for reaching out effectively to millions of people worldwide suffering as a result of conflicts and natural disasters.

National law of the country of registration and the country where the assistance is implemented must be observed as well.

 For further information, please see:

- Article 214 of the Treaty on the Function of the European Union
<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A12016E214;>
- Council Regulation No 1257/96 of 20 June 1996 concerning humanitarian aid
<https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:1996R1257:20090420:EN:PDF;>
- The European Consensus on Humanitarian Aid
<https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1431445468547&uri=CELEX%3A42008X0130%2801%29.>



2. Safety and security

Partners should implement actions with utmost regard to the **safety and security** of humanitarian workers and the **final recipients** of the humanitarian aid. This may concern various aspects of the action, its implementation and/or organisation. For instance, the beneficiaries should take care that the staff participating in the implementation of the action are adequately protected and when possible and cost-effective, insured.

The partner should also have a sound and comprehensive security/safety policy, which is regularly updated. Staff is to be adequately trained on the content of the said policy and on security measures in general. The partner should have in place security assessment, protocols and procedures for the emergency evacuation of staff.



3. Safeguarding cases

The partner must have in place a zero tolerance policy for any form of misconduct and unethical behaviour, in particular physical abuse or punishment, threats of physical abuse, sexual abuse or exploitation, harassment or verbal abuse, as well as any other forms of intimidation.

Safeguarding:

- The Organisation has a **child protection policy** and a **safeguarding policy** adhering to with best practices (the Inter-Agency Standing Committee's Six Core Principles Relating to Sexual Exploitation and Abuse or equivalent standards).
- The Organisation should clearly state that it has **zero tolerance** for for all forms of sexual exploitation, abuse and harassment (SEAH) as well as any type of unethical behaviour such as discrimination, forced and child labour, modern slavery, exploitative practices towards staff, partners, contractors or beneficiaries, illegal employment and intentional environmental damage.
- The Organisation has in place a **training and/or awareness programme** on safeguarding issues and evidence that (a) board, management and staff have undergone training and (b) the programme is designed to provide continuous training on an ongoing basis, both at HQ and in the field.
- The Organisation **regularly assesses** safeguarding risks in the countries and regions where it operates, including identifying key staff involved in sensitive posts with risk related to safeguarding and child protection. It has put in place **mitigating measures** to address the risks identified (e.g. rotation of functions, reinforced controls, continuous training of personnel in safeguarding issues).
- The Organisation has appropriate and proportionate **procedures and controls in place**, both at HQ and field, to prevent, report, detect, respond to and report on safeguarding issues and allegations.
- The Organisation has an accessible and confidential **whistle blowing** reporting mechanism whereby staff can report suspicions of misconduct, fraud or corruption, or any other ethical breach in a confidential and protected way.
- The Organisation has a complete up-to-date and reliable **register** of safeguarding allegations and established cases.

- The Organisation has the **capacity to investigate** safeguarding issues in an independent and confidential way, while protecting both the alleged victim and the alleged perpetrator. If not, there are appropriate measures in place to follow-up on allegations.
- The Organisation ensures that investigation conclusions and recommendations are **followed-up** in a timely manner.
- There is a regular and reliable **consolidated reporting** on safeguarding issues to the Board of the Organisation or the appropriate authority if the Board is compromised.
- The organisation has a **survivor-centered approach** to SEA allegations, whereby the survivor's experience, consideration and needs are placed at the centre of the process.

 For more information on Safeguarding reporting, *the Guidance to DG ECHO partners funded under the Humanitarian Partnership Certificate (as of 1 January 2021) – Reporting on allegations of sexual exploitation, abuse and harassment (SEAH) in DG ECHO's actions* will be published soon.



4. Quality standards for medical and food supplies

They are contained in the document "[Provisions on medical and food supplies applicable to actions funded under the EU Humanitarian Partnership Certificate 2021 –2027](#)", which is legally binding and published on DG ECHO Partners' Website.

In a nutshell, the partner can **procure medical supplies** (finished pharmaceutical products and medical devices):

- through a Humanitarian Procurement Center (HPC), which are not-for-profit organisations specialised in the technical and commercial management of supplies and services necessary for the implementation of humanitarian actions. These entities are assessed and registered by DG ECHO with the aim of ensuring that humanitarian supplies and services purchased using EU funds are of sufficient quality and procured according to certain principles and ethical standards.

When the partner purchases medical supplies from an HPC, it may apply a negotiated procedure with a single offer.

- by launching a procurement procedure itself. Medical supplies must be purchased following a procurement procedure in accordance with the partner's procurement policy. Only pre-certified suppliers whose supplies are pre-qualified (i.e. both supplier and supplies must meet internationally recognized standards) may participate in the tender procedure. The partner must be able to produce certificates of conformity, proof of quality and relevant documentation concerning the pre-qualification of drugs and the pre-certification of suppliers. All documents linked to quality assurance considerations, e.g. assessments by qualified experts should be kept in the procurement file as evidence of quality compliance.

Best practice: partners are encouraged to discuss with DG ECHO field staff in the country of operation the best options to purchase medical supplies, taking into account factors logistic issues, barriers to importation, situation of the local market, etc.

Regarding **food supplies**, they must comply with the quality standards laid down in the national legislation of the country of origin and/or the country of destination, whichever has the higher standard. The partner is responsible for ensuring the quantity and the quality of the supplies, including their packaging and marking. For contracts of a value exceeding EUR 300 000, the partner must engage an independent recognised verification or inspection entity, namely a Monitoring Agency, which will assume the responsibility for verifying and certifying the quantity and the quality of the supplies.

Where the partner purchases food supplies from an HPC, it may apply a negotiated procedure with a single offer.

 For more information see *Provisions on medical and food supplies applicable to actions funded under the EU Humanitarian Partnership Certificate 2021 –2027* available at <https://www.dgecho-partners-helpdesk.eu/download/referencedocumentfile/216>



5. Keeping records and supporting documents

The partner shall make sure that information is available for **audits, checks and inspections** carried out by the Commission and other institutions (Articles 25.1 and 25.4 of the GA). This information should be available at all time, and sufficiently detailed to facilitate the verification of the nature, value and necessity of individual transaction and of the eligibility of costs. Upon request by DG ECHO, the partner shall ensure that at least a copy of all the relevant information for inspection, checks and audits at the level of the partner's HQ can be made available within 30 days.



6. Cash transfers

To measure the efficiency, DG ECHO uses the **Total Cost Transfer Ratio (TCTR)**, which is a standard way of measuring efficiency, defined as the proportion of the value of net transfers received by beneficiaries to the total action cost:

$$TCTR = \frac{\text{Total Net Transfer Value received by beneficiaries}}{\text{Total cost of the Action (or of the cash result) including indirect costs}}$$

 The TCTR is calculated at the action level when cash transfers is the only modality used. When several modalities are used in the action, the TCTR is calculated at the Result level.

 For more information on the TCTR, see the *Large-Scale Cash Guidance Note and the Cash Thematic policy*: https://ec.europa.eu/echo/what/humanitarian-aid/cash-transfers_en



7. Project agreement between the humanitarian organisation and the national authorities

In cases where the applicable national laws require the signature of a **project agreement** between the humanitarian organisation and the national authorities, the payment deadline for the first prefinancing is automatically delayed until DG ECHO is informed about the preliminary approval by the national authorities (*lettre portant approbation préalable*). Therefore, partners should inform in due time DG ECHO about the approval.



8. Exceptional Extreme Operational Conditions (EEOC)

DG ECHO could consider funding activities under '**Exceptional Extreme Operational Conditions' (EEOCs)** only if these relate to a live-saving humanitarian action to be implemented in the most extreme crises, ranked 'L3' level (according to the global UN humanitarian classification system), and where thousands of civilians are trapped in total disregard of international humanitarian law by parties to the conflict, in particular in besieged and hard to reach areas. Also, one or more of the following **constrains** have to identified:

- Beneficiaries are at risk of detention or worse when receiving assistance;
- Aid workers are at risk of detention or worse when delivering assistance;
- Access to the area is regularly impeded by armed forces;
- Suppliers and service providers are at risk of detention or worse when providing good or services for humanitarian assistance;
- Procurement of supplies is exceedingly difficult in terms of safety, security and/or access;

with the consequence that the partners would be unable to apply some of the standard DG ECHO procedures, hence making the delivery of life-saving assistance impossible and leaving hundreds of thousands people without basic humanitarian assistance.

Partners should signal to DG ECHO the existence of EEOCs, on the basis of the criteria set up above, as soon as they materialise. Depending on the operational context, the information may be provided by the partners either at proposal stage (new agreements) or at modification request stage (ongoing agreements). If accepted by the Commisison, the partner will be invited to officially introduce its request for alternative arrangement in section 14.1 of the Single Form.



9. Temporary interruption or reduction of activities

The difference between **temporary interruption or reduction of activities** (Annex 5 of the GA) and **suspension** of the grant agreement (Article 31 of the GA) is that in the latter, costs incurred during the period of suspension are not eligible.

A temporary interruption or reduction of activities provides the possibility for the Commission to accept some costs incurred if the partner has to interrupt (totally or partially) or reduce activities in the field also in exceptional circumstances — in particular force majeure. The partner must inform the granting authority and, if needed and agreed with the granting authority, adapt the action to the new circumstances (via an amendment, see Article 39 of the GA).

As soon as an event occurs in the field that could lead to an interruption or reduction of activities, the coordinator will inform DG ECHO (Desk or Technical Assistant) by email, even if the coordinator is not sure yet that a temporary interruption or reduction will be needed. This first message is important to set the possible start date of the temporary interruption or reduction of activities.

There are two different situations:

- 1. Total temporary interruption of activities.** When the decision to interrupt the action is taken, the partner will inform immediately DG ECHO via APPEL, using the "Request total interruption" functionality in the eDocument result list screen.

The partner is requested to provide the **information supporting the total interruption**, i.e:

- The **reasons**.
- The **expenses connected** to the interrupted activities during the interruption period (e.g. the running costs of the local office). The eligibility rules continue to apply during this period.
- The **proposed start date of the interruption** and the **estimated duration** (in days).

The coordinator can add supporting documents if deemed necessary.

DG ECHO will review the grounds for interruption and inform the coordinator of its decision by email to the official address of the coordinator. DG ECHO's letter will confirm the start date of the interruption/reduction, the duration and the nature of the expenses considered as eligible.

Once the interruption is approved in APPEL, the action will change from 'ongoing' to 'interrupted'. No further activity in APPEL will be possible during the interruption of activities.

As soon as circumstances allow, the beneficiaries will resume the activities and inform immediately DG ECHO via APPEL, by clicking on the button "Terminate interruption" in the eDocument result list screen. **The coordinator will have to provide the following information:**

- The **end date of the interruption**.
- Other **modifications** necessary to adapt the action to new implementation conditions. (e.g. duration, results, budget).
- Any other **supporting documents** if deemed necessary.

DG ECHO will analyse the information provided and inform the coordinator of its decision via a pdf letter sent via email to the official address of the coordinator:

- When the resumption has no impact on any basic element of the agreement, DG ECHO will confirm the resumption and will give the new end date of the action.
- When the resumption entails changes of the agreement's articles or of the basic elements of the action (e.g. results, end date, indicators), DG ECHO will have to agree first on these changes and then it will confirm its agreement.

2. Temporary partial interruption or reduction of activities. When the interruption/reduction is partial (concerning one or several results), the coordinator should not use the functionality "Request total interruption" (as this would put the action on hold) but the modification request functionality (MR).

The coordinator should inform DG ECHO immediately in writing of the risks of temporary partial interruption/reduction to set the start date of the partial interruption/reduction.

Once the temporary partial interruption/reduction is confirmed, the coordinator will provide detailed information on the interruption/reduction through a Modification Request in APPEL. In the Single form, **the partner will provide information on:**

- the **reasons** for the partial interruption/reduction
- the **conditions** and **dates** foreseen for the resumption of the activities
- the **expenses connected** to the interrupted/reduced activities.

DG ECHO will review the grounds for interruption/reduction and inform the coordinator of its decision by email to its official address. DG ECHO's letter will confirm the start date of the interruption/reduction, the duration and the nature of the costs considered potentially eligible.

As soon as circumstances allow, the coordinator will resume the activities and inform immediately DG ECHO via APPEL by introducing a Modification Request. The coordinator will explain which elements of the grant agreement, if any, have to be modified as a result of the partial interruption/reduction. **The coordinator will have to provide the following information:**

- The **end date** of the interruption/reduction.
- Other **modifications** necessary to adapt the action to new implementation conditions. (e.g. duration, results, budget)
- Any other supporting documents if deemed necessary.

DG ECHO will analyse the information provided about proposed changes and inform the partner of its decision via a pdf letter sent via email to the official address of the coordinator.

***Example:** A partner is implementing an action in two different locations in given country: the capital city and a village in a rural area, where a group fighting the government launches an attack. Activities include Health, Shelter and Education. Due to the security situation in the village, the final beneficiaries are not attending school and the building of shelters has to be disrupted because suppliers cannot reach the works site, whilst Health activities are permitted by the army. The situation in the capital city is normal. The partner may requests the temporary interruption of the Education and Shelter activities only in the village, but not in the capital, which is not affected by the armed attack.*



10. Country specific issues and other unforeseeable circumstances

If a specific country, ad-hoc issue prevents the partner from fulfilling its obligations under the grant agreement, the partner must contact the responsible country desk to inform about the situation and decide about next steps.

The partner might be invited to officially introduce its request for alternative arrangement in section 14 of the Single Form.

HUMA > Annex 5 > Transfer of assets at the end of the action

TRANSFER OF ASSETS AT THE END OF THE ACTION

Transfer of assets at the end of the action

Unless exempted by the granting authority, the beneficiaries must — after the end of the action — transfer equipment or goods [bought and eligible at full cost] to other actions they have ongoing under the same EU programme. Such equipment must continue to be used until the end of its economic lifespan (i.e. transferred on to other actions, until it has been fully depreciated); goods must be fully consumed by the next action they are transferred to.

If transfer to another ongoing action is not possible, the beneficiaries can — after the end of the action — transfer the equipment or goods to the final recipients, local non-profit organisations, international non-profit organisations, international organisations, or local authorities, if agreed by the granting authority.



1. Transfer of assets at the end of the action

Equipment – the partner can declare the full price of equipment only if this equipment can be transferred to another humanitarian aid action funded by DG ECHO. The transfer means that the partner continues to exercise ownership and control over the equipment.

Equipment has to be transferred until it has reached the end of its useful lifespan. To assess this, the partner has to simulate the depreciation costs of the equipment as if it was proposed for depreciation from the date of its purchase until the end of the eligibility period for the action.

Equipment purchased towards the end of the action is, in most cases, considered as not necessary for the action and will be declared ineligible unless duly justified.

There is no limitation to the number of times the equipment may be transferred as long as it has not been fully depreciated.

If after several transfers, the equipment does not have an economic value according to the depreciation plan but is still usable, the beneficiary can freely decide what to do with the equipment.

The transfer to an action funded under other EU programmes is not possible, but the beneficiary may charge in those cases a part of the depreciation costs to both EU programmes.

If transfer to another humanitarian aid action funded by DG ECHO is not possible or appropriate, the equipment may be transferred to the final recipients, local non-profit organisations, international non-profit organisations, international organisations, or local authorities, **if agreed by the granting authority**.

 Equipment may never be transferred to for-profit entities!

In all cases, the beneficiary has to inform DG ECHO about the end use of the equipment in the final report. Transfer certificates must be kept by the beneficiary for audit purposes but should not be attached to the periodic final report.

DG ECHO may exempt the beneficiary from the obligation to transfer equipment, in particular in cases where the equipment is either **very specific** (e.g. de-mining equipment) or it requires expert handling, and if the partner pledges to use it for the benefit of humanitarian aid actions until the end of their useful economic lifespan.

In case the equipment cannot be transferred, the beneficiary should give the reasons and explain the future use of the equipment in the final report. The final destination should then be approved by DG ECHO. If the exemption is granted, the beneficiary becomes the owner of the equipment and does not have to report further.

If the total costs of the equipment is lower than EUR 1000, the beneficiary does not have to report on it in the final report but it has to use it for humanitarian actions.

If equipment item cost EUR 1001 to EUR 2500, it does not need to be transferred provided that the total costs of the equipment concerned is maximum EUR 15 000 and the beneficiary pledges to use it for humanitarian actions.

The threshold for low value allowance equipment is EUR 15 000, regardless of the action's budget or the number of the co-beneficiaries.

Depreciation – In case the equipment cannot be transferred and the exemption has not been granted, the beneficiary can report the depreciation cost.

The beneficiary can use their **own depreciation rates, provided that they are in line with:**

- its own accounting practices (and that they are recorded in the accounting statement);
- the applicable national legalisation of the country where the partner is established;
- international accounting standards;
- the principle of economy and efficiency;
- the principle of proportionality (only the portion of the actual use is taken into account).

The end use of the equipment of value of above EUR 1.000 should be mentioned in the Final Report. An example of reporting table for equipment purchased during the action is provided below. The beneficiary can use a different table provided that the key information is available.

Example of reporting table for equipment.

Equipment					
Grant agreement reference:					
Item description	Purchase date	Quantity	Price par item (VAT excluded)	Total cost	Final destination (please select the right option and provide details, when necessary)
Item 1					Transferred to action ... Transferred to the final recipients, local non-profit organisations, international non-profit organisations, international organisations, or local authorities (please specify) Request for exemption to transfer + justification Low value equipment item cost between EUR 1001 to EUR 2500 with max of EUR 15000 Depreciation
Item ...					

Goods – In order to be eligible, costs of goods needs to be incurred during the action and be necessary. This implies that the relating results foreseen in the proposal need to be achieved within the duration of the implementation period of the action.

Goods purchased towards the end of the action and, not distributed by the end of the action are, in most cases, considered not necessary for the action and will be declared ineligible unless duly justified.

If despite achieving the result, the **partner has remaining goods (in quantity exceeding 20% of goods purchased during the action)** at the end of the implementation period, the following steps - in order - will be taken:

- To request a no-cost extension via an amendment by mutual consent to give more time to distribute the remaining goods, provided that the no-cost extension is still possible and that the distribution meets the needs of the beneficiaries. In order to avoid risk of double funding in the event of an overlap of actions/activities, a no-cost extension is possible only

if there is no follow-up action or when the follow-up action does not focus on addressing the same needs. (i.e. there is no overlap in the activities/results).

- If the no-cost extension is not possible, and when the action’s results are achieved and the remaining quantity of goods does not result from procurement excessive to the needs, the goods can be **transferred to a follow-up DG ECHO-funded action**.

 Goods can only be transferred once

- If transfer to another humanitarian aid action funded by DG ECHO (follow-up action) is not possible or appropriate, the goods left over at the end of the action may be transferred to the final recipients, local non-profit organisations, international non-profit organisations, international organisations, or local authorities, **if agreed by the granting authority**.

 Goods may never be transferred to for-profit entities!

DG ECHO may agree to exempt the beneficiary from the obligation to transfer goods in particular in cases where the goods require **expert handling** (e.g. nutrition or health-related goods) and the beneficiary pledges to use it for the benefit of humanitarian aid actions.

This approval must be requested in the final report.

In all cases, the beneficiary has to inform in the final report on the goods destination and has to keep a transfer certificate for future audit purposes. An example of reporting table for remaining goods is provided below. The beneficiary can use a different table provided that the key information is available.

Example of reporting table for remaining goods.

Remaining goods						
Grant agreement reference:						
Item description	Purchase date	Quantity purchased during the action	Price par item (VAT excluded)	Quantity left over at the end of the action	Total cost	Final destination (please select the right option and provide details, when necessary)
Item 1						Transferred to action ... Transferred to the final recipients, local non-profit organisations, international non-profit organisations, international organisations, or local authorities (please specify) Request for exemption to transfer + justification
Item ...						

If the quantity of remaining goods does not exceed the 20% of goods purchased during the action, the beneficiary doesn't have to report to DG ECHO on the final use but the good have to be used for the benefit of humanitarian aid actions. The final use of those goods will be verified at the audit stage.

The beneficiary should not mention in this table the goods purchased as a pre-constituted stocks (stockpiling) as they are considered as fully incurred and therefore they are not considered as remaining goods.

Stocks – In order to respond quickly and effectively, the beneficiary often need to purchase supplies in advance and to constitute stocks. For eligibility purpose, DG ECHO makes a difference between two types of stocks: **stocks constituted** in advance of an action and **stocks pre-positioned (or stockpiling)** in advance of possible disasters.

Pre-constituted stocks are goods or equipment bought before the action funded by DG ECHO. For DG ECHO, these stocks will be considered as incurred when distributed or used during the eligibility period of the action, no matter the purchase date. The procurement rules and quality requirements must be respected.

The beneficiary can declare the historical purchase price, the inventory costs and the costs relating to the distribution of the supplies.

Pre-positioning/Stockpiling is the constitution of emergency supplies not intended for immediate use, with the objective of reinforcing the emergency/disaster preparedness in third countries. These stocks managed by a beneficiary and constituted with DG ECHO's support should be made available to all DG ECHO partners in case of emergencies. The costs of the supplies will be considered as incurred when the supplies are delivered to the warehouse of the beneficiary.

Which costs to declare in the action under which the stocks are pre-positioned?	
Stocks pre-positioned but not distributed during DG ECHO action.	Purchase costs Transport costs to the warehouses Warehouses costs during the eligibility period ① If the goods are distributed in a follow-up action funded by DG ECHO, the distribution costs can be charged to that follow-up action.
Stocks pre-positioned and distributed during DG ECHO action.	Purchase costs Transport costs to the warehouses Warehouses costs Distribution costs.

As pre-positioning/stockpiling is not for immediate use, the reporting rules are stricter than for other type of stocks. The beneficiary will provide in the Single Form of the actions under which the stocks are purchased the following information:

At proposal stage: The pre-positioning should appear in one of the results of the action. The beneficiary will explain why the stocks should be constituted, the nature of the supplies and how they will be handled (for instance, in case the disaster or emergency, in case limited period of usability).

At report stage:

- If the stocks were used during the action: explain in the narrative sections of the Single Form the use that was made of the stocks.
- If the stocks were not used: update if necessary the information provided at proposal stage on the handling of the stock.

After the action: In order to avoid risks of double funding, the beneficiary should clearly label the stocks. The beneficiary should also, at any time, be able to trace the stocks and explain its use. (For instance, in case of an audit).

Exception: In certain countries, in view of possible a follow-up action, partners may be authorised to pre-position stocks to avoid rupture in the procurement pipeline, subject to the following conditions:

- the delay in procuring or delivering of supplies should be due to objective logistical reasons and should not be due to problems in the procurement process of the partner that may be avoidable or manageable.
- the stocks should be proportionate to the identified possible gap in the procurement chain.
- the other stockpiling conditions (inclusion as a result in SF, reporting obligations, stocks available to other DG ECHO partners if needed) remain applicable.

[HUMA > Annex 5 > Restrictive measures in humanitarian aid](#)

RESTRICTIVE MEASURES IN HUMANITARIAN AID

EU restrictive measures in humanitarian aid

The beneficiaries must ensure that the EU grant does not benefit any affiliated entities, associated partners, subcontractors or recipients of financial support to third parties that are subject to restrictive measures adopted under Article 29 of the Treaty on the European Union (TEU) or Article 215 of the Treaty on the Functioning of the EU (TFEU).

The need to ensure the respect for EU restrictive measures must not however impede the effective delivery of humanitarian assistance to persons in need in accordance with the humanitarian principles and international humanitarian law. Persons in need must therefore not be vetted.



1. Restrictive measures in humanitarian aid

Beneficiaries of EU funds ('beneficiaries') are required to comply with EU restrictive measures ('EU Sanctions')¹.

The beneficiary must ensure that EU funds or economic resources² will not be made available to, or for the benefit of, any person, group of persons, entity or body designated under EU Sanctions. This includes anybody receiving, directly or indirectly, EU funds or economic resources, such as contractors, financial intermediaries, participants to workshops and/or trainings if they receive per diem payments or if they can obtain an economic benefit from that.

¹ Council Regulations adopted pursuant to Article 215 of the Treaty on the Functioning of the European Union establishing EU restrictive measures.

² Under EU Sanctions, 'funds' and 'economic resources' are respectively defined as "financial assets and benefits of every kind" and "assets of every kind, whether tangible or intangible, movable or immovable, which are not funds, but may be used to obtain funds, goods or services".

However, when persons in need of humanitarian assistance in accordance with the humanitarian principles and international humanitarian law are the final recipients of EU humanitarian aid, no vetting against EU Sanctions is required for those persons.

Beneficiaries must make the identification of persons in need solely based on the humanitarian principles of humanity, impartiality, independence and neutrality. Once this identification has been made, no further vetting of persons in need against EU Sanctions is required. Vetting or screening means the same, i.e. checking whether the person is designated under EU Sanctions. This principle applies only to persons in need.

By contrast, any natural person, designated under EU Sanctions and not qualifying as 'persons in need', which takes part in the implementation of the action, cannot receive or benefit, directly or indirectly, from EU funds or economic resources. Hence, anybody, not qualifying as 'persons in need', involved in the implementation of humanitarian action that entails EU funds or economic resources (such as intermediaries, contractors and any other person, group of persons entity or body receiving directly or indirectly EU funds or economic resources), must be vetted against EU Sanctions.

This sanction clause only refers to sanction regimes adopted or transposed by the EU. It covers all EU Sanctions, including those to combat terrorism³. Also, the principle of non-vetting of persons in need applies to all EU-funded humanitarian actions, irrespective of humanitarian exceptions⁴ included in individual EU Sanctions.

If any part of the EU grant is made available to, or benefits, directly or indirectly, a designated person who is not a person in need, the beneficiary must consult with the Commission with a view to finding a remedy, including the reimbursement of that part of the grant to the Commission.

In application of Article 18.2 of the GA, in case of breach of the specific rules set out in Annex 5 on EU restrictive measures in humanitarian aid by the beneficiary, remedial measures will apply, as provided in Section 5 of the GA. Accordingly, the granting authority can reduce the grant for any breach of EU Sanctions and take other measures such as terminating the grant agreement and recovering from the beneficiary the EU funds or economic resources.

Beneficiaries must always seek solutions that do not breach EU Sanctions. Accordingly, they are required to channel humanitarian aid via actions that are not restricted and persons, group of persons, entities and bodies that are not designated under EU Sanctions. However, in accordance with IHL, where no other options are available, the provision of humanitarian aid should not be prevented by EU sanctions. In this case, it will be for the Beneficiary to prove that, even in the absence of humanitarian exceptions, the only viable way to channel humanitarian assistance to persons in need is to use EU designated persons, group of persons, entities and bodies.

***Example:** the funded action consists in providing life-saving food assistance to communities C1 and C2 in two remote areas in a state S. With this EU grant, the beneficiary B proposes to provide essential and rapid life-saving assistance through food to populations in hard-to-reach areas.*

The persons in need identified in communities C1 and C2 are 30,000. They will receive aid in kind. Therefore, they are not to be vetted.

Sourcing of commodities is done mostly from local markets. B must buy food commodities only from persons, entities and bodies that are not (i) designated under EU Sanctions, (ii) controlled or owned by persons, entities and bodies that are designated under EU Sanctions or that (iii) are going to make EU funds

³ This includes: Council Regulation (EC) No 881/2002 of 27 May 2002 imposing certain specific restrictive measures directed against certain persons and entities associated with the ISIL (Da'esh) and Al-Qaida organisations (OJ L 139 29.5.2002, p. 9); Council Regulation (EU) 2016/1686 of 20 September 2016 imposing additional restrictive measures directed against ISIL (Da'esh) and Al-Qaeda and natural and legal persons, entities or bodies associated with them (OJ L 255 21.9.2016, p. 1); Council Regulation (EC) No 2580/2001 of 27 December 2001 on specific restrictive measures directed against certain persons and entities with a view to combating terrorism OJ L 344 28.12.2001, p. 70).

⁴ Exceptions from EU sanctions usually take the form of derogations or exemptions. Derogations mean that a restricted (prohibited) action can be carried out only after the NCA has granted an authorisation. Exemptions mean that a restriction does not apply when the purpose of the action coincides with the scope of the exemption; as a result, persons falling within the purview of the exemption can carry out the action at hand without any delay.

in any way available to or for the benefit of persons, entities and bodies that are designated under EU Sanctions.

Storage of food commodities is managed by B, which rents a warehouse for keeping those commodities. B must vet from whom the warehouse is rented, as B will need to pay the rent, and thus need to ensure that it does not make EU funds directly available, to persons, entities and bodies that are designated under EU Sanctions. B should also ensure that the persons that receive the rent is not controlled by a person, entity or body that is designated under EU Sanctions, as B cannot make funds indirectly available to them. By way of example, this could be the case if the landlord or owner is a shell company or a front man of a person designated under EU sanctions.

Also, if designated entities control territories in state S where B has the warehouses, the payment of charges (water and electricity bills) or other public services for its offices and warehouse would correspond to making funds available to them, and thus it would be in breach of the sanctions obligation. Where no other option is available, for example when it comes to the sole available water and electricity services being provided by government owned entities designated under EU sanctions, the provision of humanitarian aid should not be prevented by EU sanctions. B must be able to prove the only available option in state S was to channel humanitarian aid via actions that are restricted or designated persons, group of persons, entities and bodies.

Transportation is managed through implementing partners. B has to select an implementing partner that is not designated under EU Sanctions, controlled or owned by persons, entities and bodies that are designated under EU Sanctions or that will make EU funds in any way available to or for the benefit of persons, entities and bodies that are designated under EU Sanctions. In doing so, B must vet possible implementing partners and check contracts with an entity to whom funds can be made available. The selected transport company IP1 in turn uses other smaller local companies IP2 and IP3 to reach respectively C1 and C2 in remote areas. Signing a contract for the implementation of part of the action with B, IPs must also comply with the EU agreement's sanctions clause, and thus must vet the smaller local companies before contracting them.

Distribution is implemented directly by B for C1 through its local office, whereas it is conducted by a local NGO present and active in C2. B must vet the NGO before cooperating with them.

When it comes to liaising with the governmental counterparts, as long as no funds or economic resources are made available, no vetting against EU sanctions is required. B and its IPs can get in contact with government officials, entities and bodies even if listed under EU Sanctions. Differently, in case of any transfer of funds to those persons, entities and bodies, they are to be vetted and not be designated, controlled by persons, entities and bodies that are designated or that make EU funds in any way available to or for the benefit of persons, entities and bodies that are designated under EU Sanctions, to perform such payments.

i For more information on sanctions, see the European Commission's sanctions dedicated webpage at https://ec.europa.eu/info/business-economy-euro/banking-and-finance/international-relations/restrictive-measures-sanctions_en

For further information on sanctions regimes currently in place, see the EU sanctions map <https://www.sanctionsmap.eu/#/main>

For more information on sanction and humanitarian aid, and related support provided to partners, see the sanctions dedicated section on DG ECHO Partners' website <https://www.dgecho-partners-helpdesk.eu/sanctions/eu-restrictive-measures>

HUMA > Annex 5 > Specific rules for financial support to third parties

SPECIFIC RULES FOR FINANCIAL SUPPORT TO THIRD PARTIES



1. Specific rules for financial support to third parties

Article 204 of the Financial Regulation (FR) defines financial support to third parties as funding provided by the beneficiary (signatory of the grant agreement) to recipients that are not party to the grant agreement. It is also called 'cascade funding' and it can be provided in the form of grants or similar support.

Furthermore, pursuant to Article 204 FR, for the implementation of actions, a beneficiary may provide financial support of more than EUR 60 000 to third parties if the objectives of the action would otherwise be impossible or excessively difficult to achieve.

Such situations can occur inter alia in cases where only a limited number of non-profit non-governmental organisations have the capacity, skills or expertise to contribute to the implementation of the action or are established in the country of operation or in the region(s) where the action takes place.

EUR 60 000 is a threshold and not a ceiling. If a beneficiary provides financial support of more than EUR 60 000, it will need to provide a justification in the Single Form section 10.6 (Annex I of the GA).

Third parties cover all implementing partners (to be) involved in the implementation of the action. This includes the implementing partners in direct contact with the beneficiary, as well as any additional implementing partners (to be) involved in the action by direct implementing partners (with the agreement of the granting authority through acceptance of the proposal). In the latter case, the direct implementing partners are to ensure that the (legally binding) arrangements with additional implementing partners require that the additional implementing partners abide by the same rules, standards and procedures.

Obligations as set out in the sanction clause are to be complied with by the beneficiary and all implementing partners.

The beneficiary is responsible for ensuring that the implementing partners providing support to third parties also comply with the above-mentioned obligations.

The case of cash support transferred directly from a beneficiary (and co-beneficiary as the case may be) to persons in need is also financial support to third parties. Due to its specificity, falls under the scope of Article 6.2. D.1 (a) of the GA on eligible costs. However, Article 9.4 of the GA on the application of certain legal provisions to the final beneficiaries of the support is not applicable.

By filling in the Single Form and the required Annexes, the beneficiary meets the criteria under the Article 6.2 D.1 (a) of the GA. Persons in need do not have to be listed in the data sheet.

 For more information on financial support to third parties please see: *EU Humanitarian Partnership Certificate Guidance 2021* and *Single Form Guidelines* available on DG ECHO's partners' website: <https://www.dgecho-partners-helpdesk.eu/reference-documents-ngo>