

## EU Humanitarian Aid Multi-Year Funding December 2023

# FACTSHEET

In the context of the Grand Bargain, and to improve the effectiveness and the efficiency of humanitarian aid, DG ECHO has stepped up efforts to increase multi-year funding. Where the available financial envelope allows it, agreements could be signed or amended with respect to a period lasting at least 24 months with the full budget committed upfront, provided that proposals submitted by the partners contain convincing and strong gains in efficiency and effectiveness.

### I. HUMANITARIAN AID MULTI-YEAR FUNDING AT PROPOSAL STAGE

Partners will be informed on the geographic, sectoral and/or thematic priorities for which DG ECHO is strategically interested and financially able to fund multi-year actions. This will be done through the Humanitarian Implementation Plans (HIPs) and the related Technical Annexes.

Multi-year funding is not a goal *per se* but seeks to generate additional efficiency gains and improve design and delivery of humanitarian assistance, where applicable. These gains must be demonstrated in the proposals submitted. Partners should bear in mind that the expected gains will be monitored (during the implementation of the action) and will have to be reported upon (in the final reports related to the action).

DG ECHO's use of multi-year funding is conditional upon the availability of funds in successive annual budgets, under the applicable Multi-annual Financial Framework. This means that, in view of budgetary constraints and the annuality of the EU budget, DG ECHO may not be able to accommodate all requests for multi-year funding.

The selection of multi-year projects by DG ECHO will be done in line with the applicable criteria, with specific attention to identified gains in efficiency and effectiveness, as outlined in project proposals. These gains may be of financial nature, or linked to a more effective implementation of relevant EU policies, like localisation, greening of humanitarian aid, IHL, gender, etc. Education in Emergencies and Disaster Preparedness are areas where the multi-year funding could be used; justifications are therefore needed in such cases only for particularly volatile contexts.

More details about the activities and related forecasted expenditures over the duration of the action may be requested by DG ECHO to be set out in an annex to the Single Form.

Partners that have submitted proposals for multi-year actions are allowed or may be asked to revise them (i.e., to reduce their duration), if due to budgetary constraints, proposals cannot be accommodated by DG ECHO. The revised proposals will be considered by DG ECHO for funding over a shorter period of time.

### II. CONTRACTING HUMANITARIAN AID MULTI-YEAR FUNDING

## **A. Initial contracting**

Multi-year funding is implemented by committing the full budget of the action at the time of signing of the related funding agreement/modification request.

In practical terms, contracting will follow the usual procedures in place for signing Model Grant agreements (MGA) or Humanitarian Aid Contribution Agreements (HACA). The project duration<sup>1</sup>/implementation period<sup>2</sup> of the action concerned should be of at least 24 months and the action's budget mentioned in the MGA or HACA should be covering the whole action's duration.

## **B. Pre-financing**

By default, a pre-financing corresponding to 80% of the EU financial contribution is paid within 30 days of the signing of the related funding agreement. However, MGA and HACA allow for fractioned pre-financing (pre-financing paid in successive instalments). DG ECHO will determine whether fractioned pre-financing should be used and the amounts concerned, after considering all relevant circumstances.

Where fractioned pre-financing would be used, a pre-financing of 50%-30% will be the default option.

In those specific situations where an initial pre-financing of 50% would appear to be manifestly insufficient or inadequate DG ECHO may agree on an *ad hoc* basis on a higher level of pre-financing, taking duly into account the work plan of the action and the corresponding expenditures forecast. In the same vein, where an initial pre-financing of 50% would appear to be manifestly disproportionate, taking into account the work plan of the action, the expenditure forecast and the volatility of the context of operation, DG ECHO may agree on an *ad hoc* basis on a lower level of pre-financing.

The applicable contractual clauses governing pre-financing can be found in Article 22.3.1 of the MGA and 19.1 of the HACA General Conditions.<sup>3</sup>

## **C. Interim reports**

From a contractual viewpoint, multi-year funding is to be implemented through either MGA or HACA. Consequently, the existing rules, procedures and policies applicable to funding agreements apply by default.

Regarding MGAs, the 'Interim Report - Scope and schedule' document<sup>4</sup> should therefore apply.

Concerning HACAs signed with UN entities, Article 2.5 of the Financial and Administrative Framework Agreement (FAFA) states that, for contribution-specific agreements exceeding 12 months, the minimum requirement of the Commission is a yearly narrative and financial report. The due date will be specified in article 4.3 of the HACA Special Conditions.

The deadline for the submission of the progress report(s) to DG ECHO by ICRC and IFRC will be specified in article 4.3 of the Special Conditions of the specific HACA.

Considering the above, for actions up to 24 months, it is recommended to have two progress reports to be submitted after 9 and 18 months respectively from the starting date of the Action.

## **D. Modification Requests**

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<sup>1</sup> As specified in the MGA Data Sheet.

<sup>2</sup> As specified in Article 2.3 of the HACA Special Conditions.

<sup>3</sup> Both templates are available on [DG ECHO Partners' website](#)

<sup>4</sup> The document is available on [DG ECHO Partners' website](#)

Upon availability of funds DG ECHO could consider extension of existing projects (in terms of both duration and budgetary top up) with a multi-year modality. To be considered as multi-year funding, the project implementation period of the modification concerned should be of at least 24 months and the action's budget mentioned as a top-up in the modification request should be covering the whole additional action's duration. The overall duration of the action cannot exceed a maximum of 48 months.

#### **E. Multi-year funding and Programmatic Partnerships**

It is possible to request multi-year funding in the context of a Programmatic Partnership to be concluded with DG ECHO. In such a situation, DG ECHO Guidance on Programmatic Partnerships applies.<sup>5</sup>

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<sup>5</sup> The document is available on [DG ECHO Partners' website](#)