



EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR EUROPEAN CIVIL PROTECTION AND HUMANITARIAN AID
OPERATIONS (ECHO)DIRECTORATE-GENERAL FOR EUROPEAN CIVIL PROTECTION AND
HUMANITARIAN AID OPERATIONS (ECHO)

General Affairs

MESSAGE TO THE CANDIDATE NGO

**EX-ANTE ASSESSMENT
OF A NON-GOVERNMENTAL ORGANISATION
APPLYING TO BECOME
A HUMANITARIAN FPA PARTNER
OF THE EUROPEAN COMMISSION
(AS REPRESENTED BY DG ECHO)
APPLICATION FOR 2021 FPA**

CONTEXT

The European Commission, as represented by the Directorate-General ‘European Civil Protection and Humanitarian Aid Operations’ (DG ECHO) administers European Union (EU) humanitarian aid financing in accordance with the Humanitarian Aid Regulation¹ and the EU Financial Regulation². The Commission works with Non-Governmental Organisations (NGOs) on the basis of a Framework Partnership Agreement (FPA). The Framework Partnership Agreement sets the principles of partnership between the Commission and humanitarian organisations. They define the respective roles, rights and obligations of partners, and contain the legal provisions applicable to the humanitarian operations financed by the EU.

Several different versions of FPAs have been concluded under the Humanitarian Aid Regulation. The first FPA entered into force in 1993. The validity of the current version has been extended until 31 December 2020. The next FPA is to enter into force on the 1st of January 2021 (‘2021 FPA’).

NGOs submit an application to become an FPA partner. In order to apply for the 2021 FPA Partnership, the candidate NGO must provide the Commission with an assurance, given by an independent external auditor, that the NGO fulfils the set of criteria set by the Commission based on the Humanitarian Aid Regulation, the Financial Regulation and international best practices.

To this end, the Commission issues the present Terms of Reference (ToR) to be used by the candidate NGO to engage independent external auditors to perform an assessment of its organisation and report on it.

OBJECTIVE AND SCOPE

The objective of this assessment is to verify whether the Organisation fulfils the criteria and conditions for being awarded a FPA and to express a conclusion on a reasonable assurance basis as to whether the Organisation:

- is an **NGO** entitled to receive EU funding in accordance with the Humanitarian Aid Regulation and with the specific conditions determined by the Commission on the basis thereof;
- is **transparent** and **accountable** when delivering aid;
- ensures that it complies with the **humanitarian principles**, observes the highest **ethical standards** and **deploys adequate means** to address **irregularities, fraud, corruption and misconduct** of any sort;
- has a **suitable operational capacity** to design, implement and monitor EU-funded projects so as to meet relevant humanitarian needs by delivering aid in difficult circumstances;

¹ Council Regulation (EC) No 1257/96 of 20 June 1996 concerning humanitarian aid (OJ L 163, 2.7.1996, p. 1).

² Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

- ensures **compliance with relevant rules, regulations, standards and contractual obligations** in the areas specified by the Commission; and
- has a sound **internal control system** based on international best practices and in line with the criteria set by the Commission.

Specific requirements may apply for niche organisations in some of the above-mentioned categories. Moreover, those organisations that would like to be considered for Programmatic Partnerships need to fulfil some additional requirements described in Annex 3 of the Assessment Report.

The scope of the work will cover two blocks as follows:

BLOCK 1 – Minimum requirements: composed of 17 fundamental questions, pertaining to the legal and financial status of the candidate, humanitarian and other principles, as well as accountability.

BLOCK 2 – Additional suitability requirements: composed of 13 essential questions, pertaining to compliance with principles, operational capacity and internal controls.

The ToR include criteria and guidance on the questions and the assessment procedures to be followed by the auditors. The Minimum Requirements Block questions are formulated as “yes/no” questions. The Additional Suitability Requirements Block questions are attributed a score on a scale ranging from 0 to 10.

It is to be stressed that the report prepared by the auditors does not in itself constitute the final ex ante assessment of the applicant NGO; it is to be used by the Commission as an aid for finalising the ex-ante assessment based on which the Commission will decide about the award or else of the FPA.

SCORING AND OUTCOME

| OVERALL RATING | |
|--|---|
| BLOCK 1 – MINIMUM REQUIREMENTS: YES / NO | |
| BLOCK 2 – ADDITIONAL SUITABILITY REQUIREMENTS: .../10 | |
| OUTCOME OF THE ASSESSMENT | |
| A. ACCEPTABLE | |
| FPA Partner | => Block 1 – Minimum requirements: reply = YES => Block 2 – Additional suitability requirements: score ≥ 6/10 and ≥ 4/10 for each question. |
| Programmatic Partnership | => Block 1 – Minimum requirements: reply = YES => Block 2 – Additional suitability requirements: score ≥ 7/10 and ≥ 4/10 for each question. |
| B. ACCEPTABLE as a provisional Partner with an Action Plan | |

| | |
|---------------------------------|--|
| FPA Partner | <p>=> Block 1 – Minimum requirements: reply = YES</p> <p>=> Block 2 – Additional suitability requirements: 5/10 ≤ score < 6/10 and ≥ 4/10 for each question</p> <p><i>In such cases, a follow-up within a year of the signature of the FPA by provisional partner's auditors will have to be performed. Re-assessment of those questions with a score greater than 4 and below 6 and recalculation of the average score of the Additional suitability requirements block.</i></p> <p><i>If the assessment report provided by the provisional partner leads to an overall rating of Acceptable (A), then status is changed to regular FPA partner. The organisation will be systematically included in DG ECHO's Audit Plan and audited by DG ECHO auditors during the first year of FPA.</i></p> <p><i>If the new assessment report provided by the provisional partner shows that recommendations have not been fully implemented and the new Additional suitability requirements score is below 6/10, the FPA is suspended or terminated.</i></p> |
| Programmatic Partnership | Not applicable |
| C. INELIGIBLE / REJECTED | |
| FPA Partner | <p>1. Block 1 – Minimum requirements: reply = NO – whatever the Block 2 – Additional suitability requirements score.</p> <p>OR</p> <p>2. Block 1 – Minimum requirements: reply = YES and Block 2 – Additional suitability requirements: score is ≥ 5/10 but one of the question's score is < 4/10.</p> <p>OR</p> <p>3. Block 1 – Minimum requirements: reply = YES</p> <p>Block 2 – Additional suitability requirements: score is < 5/10</p> |
| Programmatic Partnership | <p>1. Block 1 – Minimum requirements: reply = NO – whatever the Block 2 – Additional suitability requirements score.</p> <p>OR</p> <p>2. Block 1 – Minimum requirements: reply = YES and Block 2 – Additional suitability requirements: score is ≥ 7/10 score but one of the question's score is < 4/10.</p> <p>OR</p> <p>3. Block 1 – Minimum requirements: reply = YES</p> <p>Block 2 – Additional suitability requirements: score is < 7/10.</p> |

SIGNATURE OF THE FPA

The Commission will finalise the *ex ante* assessment of candidate NGOs based:

- on the findings set out in the Independent Auditor's Final Report and;
- on the assessment of the candidate NGOs' accountability level when the latter (a) is a member of a family, network or (con-)federation or (b) works systematically with Implementing Partners.

While this report will contribute to the assessment of the Organisation, DG ECHO retains the final decision on whether to award the FPA or not.

PROGRAMMATIC PARTNERSHIP

Candidate NGOs interested in applying for a Programmatic Partnership will have to first meet the thresholds and requirements laid down in this respect in the Terms of Reference. Only NGOs holding a valid FPA can be selected as a Programmatic Partner at a later stage through a dedicated procedure.

TIMELINE TO SUBMIT THE INDEPENDENT AUDITOR'S REPORT

In order to be in a position to become a FPA Partner on 1 January 2021, the candidate NGO needs to submit the Independent Auditor's Final Report to the Commission before 1 July 2020. Final reports received beyond that date may delay the signature of the FPA beyond 1 January 2021.
