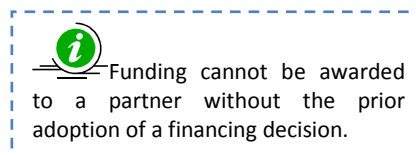


5. FINANCING DECISIONS

ECHO's humanitarian aid funding is channelled through **financing decisions** that are adopted by the European Commission. These decisions are the "legal basis" for the funding of individual actions. The financing decisions identify:

- the objectives of the humanitarian interventions;
- the region of intervention;
- the funds to be allocated;
- the implementation and eligibility period of humanitarian interventions.
- The implementation strategy



There are 4 types of financing decisions:

- the Worldwide financing decision;
- the Primary Emergency financing decision;
- the Emergency financing decision;
- the Ad-Hoc financing decision.

Why is it important to understand the financing decision process?

- to be able to provide inputs into the financing decisions (e.g. inputs in the drafting of the Worldwide decision/HIPs)
- to understand the limitation of ECHO funding (e.g. which actions can be funded)
- to have a clearer idea about the applicable rules and procedures (e.g. single bid for emergency decisions, or specific eligibility dates)

5.1 WORLDWIDE DECISION AND HIPS

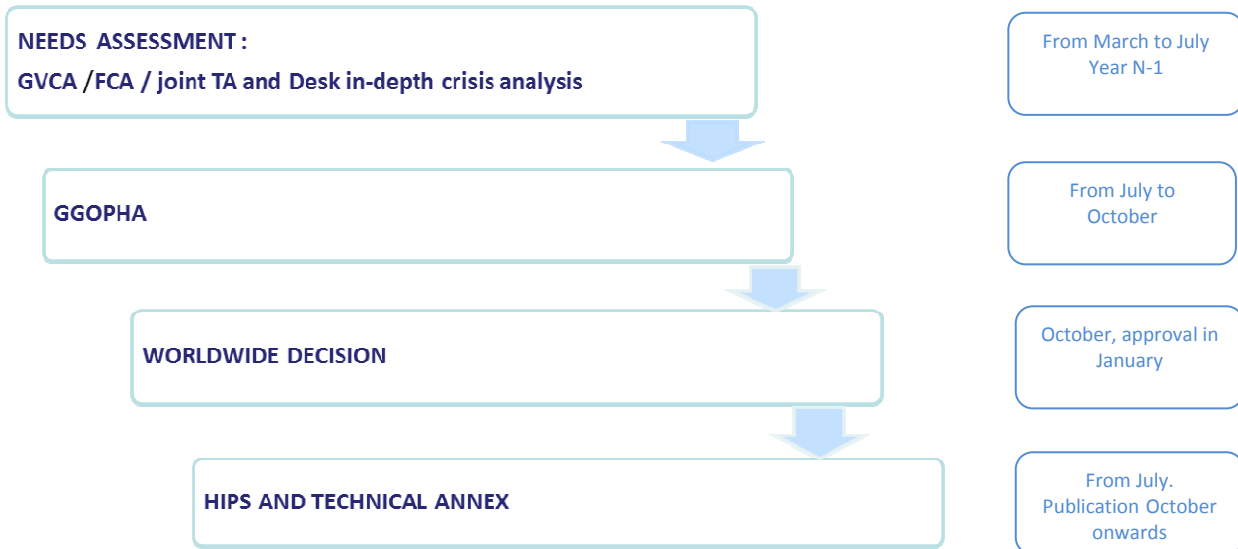
The Worldwide decision covers all the humanitarian crises which are described in ECHO General Guidelines and Operational priorities (GGOPHA) . The duration of actions under this decision is **maximum 24 months**.

The process leading to the drafting of the Worldwide decision and budget allocations per individual crisis is an impartial needs assessment exercise carried out on an annual basis and gathering information on the humanitarian crises from different sources of information such as:

- the Global Vulnerability and Crisis Assessment (GVCA)
- the Forgotten Crisis Assessment (FCA)

5| Financing Decisions

- a comprehensive (sub)crisis context and possible response analysis that gives an insight into the nature and severity of needs. This analysis is conducted by ECHO field experts in coordination with the respective operational units in Brussels (in some countries, the experts meet with the partners to jointly discuss existing needs and reflect on most appropriate response)



The most important documents for the partners from an operational point of view are the **Humanitarian Implementation Plans (HIPs)**. The HIPs are communication tools prepared and published by ECHO in the context of the Worldwide decision. They are based on ECHO's annual needs assessment exercise described above. They provide information on each operational priority identified in the Worldwide decision on the basis of the GGOPHA. HIPs per country or crisis may be published on ECHO website from October onwards of the year preceding the adoption of the decision.

Together with the HIPs, ECHO publishes a **Technical Annex**. The Annex is prepared and published by operational units to assist partners in the preparation of their proposals . It contains operational, legal, and financial information necessary for drafting proposals, such as operational priorities, contact data of ECHO in HQ and the field, the allocated amount, the indicative date for submitting proposals, eligible partners etc.



- Further information on the Annual Strategy: <http://ec.europa.eu/echo/en/who/accountability/strategy>
- Needs assessment: <http://ec.europa.eu/echo/en/what/humanitarian-aid/needs-assessments>
- HIPs: <http://ec.europa.eu/echo/en/funding-evaluations/funding-decisions-hips>.

5.2 PRIMARY EMERGENCY FINANCING DECISION

The Primary Emergency financing decision is designed to cover the first immediate needs of the people concerned in the hours and days after the outbreak of a new humanitarian crisis.

Proposals should be submitted to ECHO as soon as possible after the onset of the crisis. In some cases, the proposals will serve as background to draft the financing decision. It is a first initial response which does not aim to cover all the needs. The Primary Emergency financing decision is appropriate in the case of sudden onset of natural disasters (e.g. earthquakes), and man-made disasters (e.g. conflicts). **The maximum duration of actions under these Financing Decisions is 3 months. It is not possible to extend the duration of the actions.**

5.3 EMERGENCY FINANCING DECISION

The Emergency financing decisions cover both new crises and existing humanitarian crises where humanitarian aid is already under way, but where continuing uncertainty and instability (a '*crisis within a crisis*') require an appropriate, rapid and flexible response (e.g. where there are sudden deteriorating weather conditions within a natural disaster situation). Experience shows that most Emergency financing decisions are taken to react to sudden natural disasters and a few of them are related to conflicts (e.g. sudden flows of refugees). **The maximum duration of actions under these financing decisions is 6 months. It is not possible to extend the duration of the actions.**

5.4 AD-HOC FINANCING DECISION

The Ad-hoc financing decisions primarily cover funding for crisis in African, Caribbean or Pacific countries funded from the European Development Fund (which is outside the EU budget).

5.5 URGENT ACTIONS

An urgent action³² is an action which addresses immediate and unforeseeable humanitarian requirements generated by sudden natural or man-made disasters.

Urgent action includes all actions financed under the ECHO Primary Emergency and Emergency financing decisions mentioned above. Urgent action may also exist under other types of financing decisions (e.g. Worldwide decision/HIP, if foreseen in the text of the HIP or its Technical Annex). In this later case, ECHO and the partners agree together that the implementation of the actions has to start immediately.

Where an urgent action is financed under a Primary Emergency or an Emergency Financing decision, the partner should in principle use the simplified Single Form.

Where the urgent action is financed under other types of financing decisions, the partner may either use the simplified Single Form or the full Single Form (in the latter case the partner needs to include a reference to the fact the action is urgent in Section 11 of the Single Form)

³² Article 2(f) of Annex III

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In both cases, an Article 6.3 will be included into the text of the Specific Grant Agreement.

5.6 AGREEMENT NUMBER & FINANCING DECISION

The reference number given to a Specific Grant Agreement gives information on the financing decision. It reads as follows

ECHO /AFG /BUD /2014 /9101 where:
ECHO = Financing Decision from ECHO
/AFG = Region/Country code. It can be: <ul style="list-style-type: none"> • AFG – country code based on ISO - 3 digit • -CF – region code defined by ECHO
BUD = Budget line, can be: <ul style="list-style-type: none"> • BUD (general budget of the EU) • or EDF (European Development Fund)
2014 = Budget year of the financing decision
/9101 = decision and agreement number where: <ul style="list-style-type: none"> • 9 or 0 = 9 for HIP or 0 for emergency/ad-hoc decision • 1= number of decisions taken for the country concerned • 01= reference number of the agreement.

5.7 TO SUMMARISE

Decision Type	Duration of actions	Single Form to be used	Date submission proposal	Extension possible
Primary Emergency	3 months – maximum	Simplified	In the first days of the crisis.	NO
Emergency	6 months – maximum	Simplified	As soon as possible after the crisis	NO
Urgent action in HIP	6 months maximum	Simplified or non-emergency	As soon as possible after the crisis	NO ³³
Non Emergency Decision (ad-hoc)	Defined in the decision and where relevant in the HIP	Non-emergency or complementary		YES
World wide Decision	24 months – maximum	Non-emergency or complementary	For Worldwide decision, date specified in the HIP	YES

³³ In very exceptional cases, when the amendment would not call into question the award of the grant or equal treatment of partners, ECHO may agree to an extension amendment of the Agreement for a few months to allow completion of activities.