



ECHOES

Newsletter for DG ECHO Partners – March 2014

SPECIAL EDITION

Upcoming training sessions

Classical training:

Brussels (EN): 31 March – 4 April

Bamako (FR): 02 – 08 April

London (EN): 09 – 13 June

Distance Learning courses:

<http://www.dgecho-Partners-helpdesk.eu/dl/start>

ECHO'S RESPONSE TO THE PAYMENTS PROBLEM

Concerns have understandably been expressed about the impact of the shortage of payment appropriations on humanitarian operations funded by the EU. To help alleviate these, ECHO organised two partner meetings in Brussels in the middle of February. The NGO event on 13 February – for which VOICE provided crucial logistical support – was attended by around 50 representatives from partner agencies.

Worldwide decision will be fully implemented

Jean-Louis De Brouwer, ECHO's Director of Operations, set the scene by explaining how the Commission was confronted with an unprecedented situation brought about by the widening gap between payment and commitment appropriations in the EU budget.

In the latter stages of 2013, ECHO had sought to keep partners informed of developments in a rapidly changing context. Mr De Brouwer reported that the situation had now stabilised and it was possible to deliver a clear message: that the 2014 Worldwide Decision (WWD) and its associated Humanitarian Implementation Plans (HIPs) will be fully implemented.

Arrangements have been put in place to contract an initial 50% of the WWD funding as rapidly as possible. These have been adapted to the specific priorities and requirements in different crisis zones, which were explained in more detail at the meeting by staff from ECHO's geographical units. The approaches used include:

- An overall decision to apply the 50% approach at geographical unit rather than HIP level, thereby allowing for additional flexibility;
- Prioritisation of life-saving and emergency actions, but not to the extent of cutting all recovery and resilience programmes. Where possible, smaller amounts have been retained for the latter, to ensure programme continuity and allow for scaling-up when new resources are available;
- An emphasis on ensuring that pipelines are not broken and avoiding situations where partners withdraw altogether (making subsequent scaling-up difficult or impossible);
- Prioritising situations where ECHO funding is critical to the operations (more often the case for programmes 100%-funded by ECHO than for multi-donor actions).
- Maintaining as many operations as possible in the short term – pending new appropriations later in the year – by reducing the length of contracts.

The combined effect is to give more emphasis to NGO financing agreements during the first phase.

A follow-up meeting will be arranged by ECHO for NGOs in the second half of April, to take stock of the contracting situation and provide an opportunity for continued dialogue. A further meeting may be held in early autumn.

Key points from the question and answer session

A number of questions were posed by the NGO and Red Cross representatives present at the meeting, giving rise to the following clarifications:

- Partners will receive a form of "comfort letter" in respect of those proposals that ECHO would hope to fund, or to scale-up, during the second semester, when new payment appropriations become available.

- ECHO hopes to obtain a proportion of the €400m that it needs in July, with the remainder being released in the autumn. In any event, if there is a reasonable assurance of obtaining the funds by the end of the year – which ECHO fully expects – the second phase of contracts and amendments can be signed after the summer holiday period.

- On the prospects for next year, ECHO indicated that it had begun preparatory work on the 2015 budget proposal. The aim is to get the payment/commitment gap back to a more normal level as soon as possible.

- There could be a call on the reserves to deal with any sudden, new major disaster. Should this happen, the commitments should be accompanied by an appropriate level of payments. The Emergency Aid Reserve does include €150m in payment appropriations.

- ECHO agreed to allow partners more time when it asks them to substantially downscale project proposals. Conversely, it will endeavour to accelerate payments on financing agreements that have been signed to help the cash flow of NGOs.



DG ECHO website:

<http://ec.europa.eu/echo>

Partners website:

www.dgecho-Partners-helpdesk.eu

For additional information or suggestions, please contact ECHO-FINANCE-LEGAL-AFFAIRS@ec.europa.eu