

GUIDANCE ANNEX 4A/B – EX-ANTE ASSESSMENT – DG ECHO

This guidance has been developed to help applicants and their external auditors drafting Annex 4 A and/or Annex 4 B of their Partnership 2021 application.

The information below should be considered as a guidance as to the level of information that is needed to enable the Commission to carry out its assessment, while clarifying the purpose to be served by the provision of said information.

Not all the questions below are relevant for the two annexes. They are to be considered as follows:

QUESTION	ANNEX
1. RESPONSIBILITY OF ACTION	4A & 4B
2. INDEPENDENCE FROM IPS	4A
3. EFFECTIVE SUPERVISION OF IPS	4A & 4B
4. PERFORMANCE OF CORE TASKS	4A & 4B
5. CALCULATION OF IN/DIRECT COSTS	4A & 4B
6. DIRECT TRANSFER OF FUNDS TO IP COUNTRY OFFICE IN COUNTRY OF OPERATION	4A & 4B
7. SET-UP JUSTIFIED TO ACHIEVE OBJECTIVES	4A & 4B

1. Does the applicant NGO retain full responsibility for the actions to be implemented?

Benchmark:

The information provided in Annex 4 shows that there exist legally binding arrangements between the applicant NGO and its IPs from which it appears that, as the applicant NGO is responsible for the proper implementation of the action towards DG ECHO, the IP is itself fully accountable towards the applicant NGO so that the latter can fully comply with obligations vis-à-vis DG ECHO.

2. Is the applicant NGO independent from (i.e. neither controlled by nor subordinated to) any of the entities which are referred to as its IPs?

Benchmark:

The information provided in Annex 4 shows that:

- the applicant NGO board and/or senior management act without receiving instructions from the management of any of its IPs;
- a majority of the members of the applicant NGO board are not appointed by any of its IPs;
- there are no legally binding arrangements between the applicant NGO and any of its IPs from which it appears that any of the IPs of the applicant NGO may instruct the latter to act in a particular manner.

3. Does the applicant NGO have the capacity to take independent decisions regarding actions whose implementation is entrusted to IPs and exercise effective control and supervision of its IPs?

Benchmark:

The information provided in Annex 4 shows that the applicant NGO is entitled at any time to:

- require any information and documentation to perform the monitoring;
- suspend the implementation of the action if the information requested from the IPs is not provided and/or, as a result of the assessment of the information provided, a deviation from the activities and/or means invested is found;
- terminate the action where the issues mentioned above are not resolved in a reasonable period of time;
- require the IPs concerned to find alternative arrangements to ensure the proper completion of the action in the event where the IPs concerned appears to lack the necessary capacity to that effect.

4. Does the applicant NGO transfer funds to implement the action by its IPs:

- a. directly to the country office in charge of the implementation of the action?

If not then:

- b. to the headquarters of its IPs on the basis of pre-agreed arrangements justifying the reasonableness of the amounts to be transferred?

Benchmark:

The information provided in Annex 4 shows that there are pre-agreed arrangements between the applicant NGO and its IPs for the transfers of funds justifying the reasonableness of the amounts to be transferred (e.g. cost claims based on incurred costs; instalments to be paid according to a pre-agreed schedule based on cash flow needs of the actions funded by the EU.)

5. Does the information provided in Annex 4 show that the applicant NGO actually performs core operational tasks?

Benchmark :

This information provided in Annex 4 shows that the applicant is:

- reviewing any draft project proposals submitted to it by its IPs for consideration, the applicant NGO retaining the right to reject proposals which it would not consider suitable;
- monitoring on a regular basis the implementation of the action;
- ensuring the reliability of the interim and final reports to donors with regards to results achieved, accuracy of indicators reported and legality and regularity of expenditures claimed; and
- keeping an exhaustive audit trail of all the expenditure to be covered by EU funds

6. Does the information provided in Annex 4 show how the indirect and direct costs incurred by the applicant when performing the core tasks mentioned above are calculated and funded?

Benchmark:

The information provided in Annex 4 shows notably how costs incurred by the applicant when performing the core tasks are calculated. It also shows how these costs are funded when the source of funding would not be the humanitarian grants to be awarded by the EU.

7. Is the set-up related to the interaction between the applicant NGO and its IPs justified to achieve the objectives of the activities it is set to implement which would otherwise have been impossible or overly difficult to achieve?

Benchmark:

The information provided in Annex 4 shows that the set-up has allowed the applicant NGO to act in a more effective manner as it would have been able to do without this set-up.

Ex.:

- Support of a higher number of beneficiaries thanks to economies of scale/efficiency savings (e.g. ‘unified presence’/one single country office acting on behalf of several INGOs in a given country of operation)?
- Quicker access to final beneficiaries thanks to distribution and communication channels already established by IPs.