

## **TECHNICAL ANNEX**

### **LOGISTICS POLICY**

#### **FINANCIAL, ADMINISTRATIVE AND OPERATIONAL INFORMATION**

The provisions of the financing decision ECHO/WWD/BUD/2023/01000 and the General Conditions of the Agreement with the European Commission shall take precedence over the provisions in this document.

The activities proposed hereafter are subject to any terms and conditions that may be included in the related Humanitarian Implementation Plan (HIP).

#### **1. CONTACTS**

Operational Unit in charge                      DG ECHO<sup>1</sup>/A2

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## 2. FINANCIAL INFO

Indicative Allocation<sup>2</sup>: EUR 7 000 000.

Indicative breakdown per Actions as per Worldwide Decision (in euros)<sup>3</sup>:

Support to global strategic initiatives	2 000 000
Regional and/or country specific projects	5 000 000
<b>Total</b>	<b>7 000 000</b>

## 3. PROPOSAL ASSESSMENT

### a) Co-financing:

Under the EU Financial Regulation, grants must involve co-financing; as a result, the resources necessary to carry out the action must not be provided entirely by the grant. An action may only be financed in full by the grant where this is essential for it to be carried out. In such a case, justification must be provided in the Single Form (section 10.4).

### b) Financial support to third parties (implementing partners)

Pursuant to Art. 204 FR, for the implementation of actions under this HIP, partners may provide financial support to third parties, e.g., implementing partners. This financial support can only exceed EUR 60 000 if the objectives of the action would otherwise be impossible or excessively difficult to achieve. Such situations can occur in cases where only a limited number of non-profit non-governmental organisations have the capacity, skills, or expertise to contribute to the implementation of the action or are established in the country of operation or in the region(s) where the action takes place.

Ensuring broad geographical/worldwide coverage while minimising costs and avoiding duplications concerning in particular presence in country, prompted many humanitarian organisations to network, e.g., through families or confederations. In such a context, the situations referred to above would imply that the partner would rely on other members of the network. In such cases, justification must be provided in the Single Form.

### c) Alternative arrangements

In case of country or crisis-specific issues or unforeseeable circumstances, which arise during the implementation of the action, the Commission (DG ECHO) may issue specific ad-hoc instructions which partners must follow. Partners may also

<sup>2</sup> The Commission reserves the right not to award all or part of the funds made or to be made available under the HIP to which this Annex relates, or to allocate part of the funding to interventions with a regional or multi-country approach.

<sup>3</sup> For flexibility and fast responsiveness purposes, this breakdown can be adjusted within certain limits based on newly arising needs.

introduce via the Single Form duly justified requests for alternative arrangements to be agreed by the Commission (DG ECHO) in accordance with Annex 5 to the Grant Agreement.

d) Field office costs

Costs for use of the field office during the action are eligible and may be declared as unit cost according to usual cost accounting practices, if they fulfil the general eligibility conditions for such unit costs and the amount per unit is calculated:

- i. using the actual costs for the field office recorded in the beneficiary's accounts, attributed at the rate of office use and excluding any cost which are ineligible or already included in other budget categories; the actual costs may be adjusted on the basis of budgeted or estimated elements, if they are relevant for calculating the costs, reasonable and correspond to objective and verifiable information

and

- ii. according to usual cost accounting practices which are applied in a consistent manner, based on objective criteria, regardless of the source of funding.

e) Actions embedded in multiannual strategies

Funding under this HIP may only be used to finance actions for up to 24 months.

f) Regional and multi-country actions

Regional/multi-country actions can be supported under this HIP (and where relevant in conjunction with other HIPs<sup>4</sup>), where they are proven more suitable/effective than country-based interventions to respond to identified needs, taking into account the operating context, the strategy and the priorities set out in the HIP (or respective HIPs), the operational guidelines provided in section 4.1.2. of this Annex, as well as the applicant organisation's capacities. The proposals should specify the breakdown between the different country allocations.

#### 4. ADMINISTRATIVE INFO

##### **Allocation round 1 – Support to global strategic initiatives**

- a) Indicative amount: up to EUR 2 000 000.

Description of the humanitarian aid interventions relating to this assessment round: Strategic and pooled / joint approaches to humanitarian logistics, aiming to improve effectiveness and efficiency across the sector at a global level (e.g., enabling greater and better use of common services or joint procurement), which ideally have a

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<sup>4</sup> For multi country actions falling under more than one HIP, partners are requested to submit only one proposal in APPEL. The single form should refer to the HIP that covers the majority of targeted countries.

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significant tangible and measurable impact on operations and have already progressed beyond a pilot phase. Actions supported should have a multiplying effect by demonstrating the benefits of more efficient and effective ways of working, and proving these practices are workable and scalable, thereby encouraging others to adopt meaningful and positive change in humanitarian logistics practice.

- b) Costs will be eligible from 1 January 2023<sup>5</sup>.

The initial duration for the Action may be up to 24 months, including for Actions on Disaster Preparedness. Follow-up actions, which continue/extend ongoing operations financed under the 2021-2027 Multi annual Financial Framework, can be submitted as modification requests for the ongoing action with a time extension of up to 24 months and a total duration of the modified action of up to 48 months.

- c) Potential partners<sup>6</sup>: All DG ECHO Partners. Consortia or other collaborative arrangements are strongly encouraged.
- d) Information to be provided: Single Form or Modification Requests of on-going actions.<sup>7</sup>
- e) Indicative date for receipt of the above requested information: **by 31 January 2023**.

### **Allocation round 2 – Regional and/or country specific projects**

- a) Indicative amount: up to EUR 5 000 000.

Description of the humanitarian aid interventions relating to this assessment round: Regional and/or country level strategic and pooled/joint approaches to humanitarian logistics which contribute to a systemic change (e.g., enabling greater and better use of common services or joint procurement), ideally with significant tangible and measurable impact on operations. Actions supported should have a multiplying effect by demonstrating the benefits of more efficient and effective ways of working, and proving these practices are workable and scalable, thereby encouraging others to adopt meaningful and positive change in humanitarian logistics practice.

- b) Costs will be eligible from 1 January 2023.

The initial duration for the Action may be up to 24 months. Follow-up actions, which continue/extend ongoing operations financed under the 2021-2027 Multi annual Financial Framework, can be submitted as modification requests for the ongoing action with a time extension of up to 24 months and a total duration of the modified action of up to 48 months.

- c) Potential partners<sup>8</sup>: All DG ECHO Partners. Consortia or other collaborative arrangements are strongly encouraged.

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<sup>5</sup> The eligibility date of the Action is not linked to the date of receipt of the Single Form. It is either the eligibility date set in the Single form or the eligibility date of the HIP, whatever occurs latest. In case of amendments to existing agreements, the eligible date will however be the eligible date set in the initial agreement.

<sup>6</sup> Unless otherwise specified potential NGO partners refer to certified partner organisations.

<sup>7</sup> Single Forms will be submitted to DG ECHO using APPEL.

<sup>8</sup> Unless otherwise specified potential NGO partners refer to certified partner organisations.

- d) Information to be provided: Single Form or Modification Requests of on-going actions<sup>9</sup>
- e) Indicative date for receipt of the above requested information: **By 31 January 2023.**

#### **4.1. Operational requirements:**

##### *4.1.1. Assessment criteria:*

- 1) Relevance
  - How relevant is the proposed intervention; is it compliant with the objectives of the HIP?
  - Has a joint needs assessment been used for the proposed intervention (if existing)? Have other recent and comprehensive needs assessments been used?
  - Has the proposed intervention been coordinated with other humanitarian actors?
- 2) Capacity and expertise
  - Does the partner, with its implementing partners, have sufficient expertise (country / region and / or technical)?
  - How does the partner contribute to developing/strengthening local capacity?
- 3) Methodology and feasibility
  - Quality of the proposed response strategy, including intervention logic / logframe, output & outcome indicators, risks and challenges.
  - Feasibility, including security and access constraints.
  - Quality of the monitoring arrangements.
- 4) Coordination and relevant post-intervention elements
  - Extent to which the proposed intervention is to be implemented in coordination with other humanitarian actors and actions (including, where relevant, the use of single interoperable registries of beneficiaries).
  - Extent to which the proposed intervention contributes to resilience and sustainability.
- 5) Cost-effectiveness/efficiency/transparency
  - Does the proposed intervention display an appropriate relationship between the resources to employed, the activities to be undertaken and the objectives to be achieved?
  - Is the breakdown of costs sufficiently documented/explained?<sup>10</sup>

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<sup>9</sup> Single Forms will be submitted to DG ECHO using APPEL.

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In case of actions ongoing in the field, where DG ECHO is requested to fund the continuation thereof, a field visit may be conducted by DG ECHO field expert (TA) to determine the feasibility and quality of the follow-up action proposed.

No award will be made to NGO partner organisations which have not complied with their obligations concerning the submission of audited financial statements (i.e. which would not have submitted those in due time to the Commission without a proper justification) or which would appear not to offer sufficient guarantee as to their financial capacity to implement the proposed actions (in light of their liquidity and independency ratios as appearing from their latest available annual statutory accounts certified by an approved external auditor).

#### *4.1.2. Specific operational guidelines and operational assessment criteria:*

This section outlines the specific operational guidelines that DG ECHO partners need to take into account in the design of humanitarian operations supported by DG ECHO. It also lists and explains the assessment criteria – based on those outlined in section 4.1.1 - that DG ECHO will apply in the specific context of the HIP to which this Technical Annex relates when assessing proposals submitted in response to the related HIP.

Regarding **logistics (meaning the entire supply chain)**, DG ECHO will support strategic solutions such as shared and / or common services, joint procurement, etc. if their cost-efficiency and benefit in increasing effectiveness and timeliness of the response is demonstrated, in line with DG ECHO's Humanitarian Logistics Policy. DG ECHO also encourages the application of the Humanitarian Logistics Policy more widely, in particular the key considerations set out in Annex 1: Framework for Operations. DG ECHO will also publish Operational Guidelines on Humanitarian Logistics which will be available on the DG ECHO website. Once published, these should also be used as a reference.

#### **Contribution to a paradigm Shift towards a more efficient and effective humanitarian response**

As mentioned in the HIP and above, **actions supported should have a multiplying effect by demonstrating the benefits of more efficient and effective ways of working**, and proving these practices are workable and scalable, thereby encouraging others to adopt meaningful and positive change in humanitarian logistics practice – ultimately contributing to a paradigm shift. **The impact of a proposal in this regard will be a key assessment criteria** and should be addressed in any proposal, ideally with indicators specifically to measure the impact of the action in this area (e.g. how many and to what extent other organisations are willing to collaborate and / or will benefit). **Other key criteria will be the extent to which a proposal contributes to consideration of logistics as early as possible in the planning process and raise the overall profile and professionalisation of humanitarian logistics, and the extent to which environmental impacts (see below) of the supply chain are addressed.**

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<sup>10</sup> In accordance with the relevant section of the Single Form guidelines (section10)

## **Climate change adaptation and environmental considerations**

Adapting responses to climate change as well as reducing environmental degradation are highly relevant in partners' interventions. Such actions also contribute to the European Commission's overall implementation of the European Green Deal<sup>11</sup>.

All partners are expected to include context-specific measures to reduce the environmental footprint of the proposed actions, while preserving their effectiveness, in compliance with the minimum environmental requirements set out in the DG ECHO Environmental Guidance for humanitarian projects<sup>12</sup>.

The HIP Policy Annex should be consulted in parallel.

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<sup>11</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en)

<sup>12</sup> <https://www.dgecho-partners-helpdesk.eu/download/referencedocumentfile/272>