

# **Handbook for Humanitarian Aid**

*A handbook for grant applications in the framework of humanitarian funding for NGOs*

## **1. Background**

Since 2004, the Humanitarian Aid Division of the Human Rights and Peacebuilding Department (DMV/HH) has adhered to a streamlining procedure agreed with its NGO partners concerning grant applications for humanitarian aid projects. Streamlining was necessary because of the administrative burden on both DMV/HH and NGOs. Over the last few years, the procedure – laid down in a memorandum – has proved its worth. This handbook is intended to update and confirm the procedure.

## **2. Objective**

The purpose of this handbook is to set up a project cycle that reduces the administrative burden and procedures to a minimum, while guaranteeing maximum accountability and results. The legal frameworks, including the General Administrative Law Act and the Ministry's grant rules and regulations (the Ministry of Foreign Affairs (Grants) Framework Act, the Ministry of Foreign Affairs Grants Decree, the Ministry of Foreign Affairs Grant Regulations and the relevant policy rules) will determine the scope for awarding grants. The intention is not to develop a new procedure but, rather, to achieve as much as possible within existing rules.

## **3. Duration**

The standard duration of humanitarian aid projects is twelve months. But complex crises often last much longer. Project proposals should therefore have a maximum duration of two years if they relate to protracted crises. Such crises should be listed in the annexe to the Humanitarian Aid Policy Rules, published annually in the Government Gazette. It is possible to submit proposals for projects of a shorter duration.

A minimum project size has not yet been fixed, but both DMV/HH and the NGOs are continuing to work towards scaling up, so that the project size will be at least several hundred thousand euros.

In the context of a conflict, project proposals can be submitted for several countries (in the same region; of the same duration; in the same sector). It is not compulsory to submit multiyear grant applications.

#### **4. Simplicity**

Project proposals should be as simple as possible. The general analysis of the situation in the country of implementation may be left out, and the description may focus on the specific project setting. It is not necessary to give a political analysis and the project description can focus on the specific sector covered in the project and the coordination structure. It is crucial that objectives and results are formulated according to the SMART (specific, measurable, acceptable, realistic and time-related) principles.

#### **5. Budget**

The grant application must be based on a detailed budget. Besides the budget, a plan of activities and (if the application is for an activity grant) a liquidity forecast are required under article 25 and following of the Ministry of Foreign Affairs Grants Decree. The grant will be allocated on the basis of main cost types. The implementing agency, however, does have some room to manoeuvre. Transfers within the main cost types (staff, investment, running costs, training) up to a maximum of 25% do not need to be reported and approved in advance, unless they entail contracting expatriate staff and consultants with the budget intended for local staff, or purchasing vehicles and means of communication.

It is necessary to give notice of and obtain prior approval for transfers when increasing the main cost types 'staff' and 'investment' at the expense of other main cost types (maximum of 25%). Such notice and the final approval of authorised transfers (i.e. which are less than 25%) will be linked to interim or final reports (after 1 year). There will not, therefore, be any interim correspondence about this.

Any spending under 'contingencies' will also be examined subsequently, within the project context, and will have to be justifiable. In other words, it must be directly relevant to the approved project and the formulated objectives and target group. Only the deployment of additional local staff and the hiring of project resources will be accepted as contingencies, and not increased expenditure on expatriates (including consultants) or the purchase of capital goods.

#### **6. Reporting**

For projects with a duration of two years, the decision awarding the grant will specify that, after one year, an interim report will be drawn up, not on the achieved results, but on any deviations from the results and objectives set out in the grant application. The report will, of

course, need to include an action plan describing how these objectives can still be achieved and what the budgetary consequences will be. Transfers in the budget lines, whether planned or carried out, can be shown in the action plan and in the report. As before, a combined final narrative and financial report will be submitted at the end of the project.

## **7. Policy rules and country annexes**

DMV will publish the Humanitarian Aid Policy Rules, including indicative country ceilings and supplementary criteria for specific crises, annually. These will be set out in country annexes.

## **8. Conclusion**

This handbook aims to substantially reduce the volume of documents, confirmation letters and registrations for many of the activities. At the same time, the implementing agency is given optimum room to manoeuvre and flexible implementation is assured. In cases of serious complications, however, such as a dramatic deterioration of the security situation which hampers the implementation of a project, the obligation to report will still fully apply.

The focus of control and monitoring has shifted to deviations from the planning. Reporting will be based on achievement of objectives and on presentation of an action plan that deals with potential setbacks.

Small NGOs and foreign NGOs are not excluded. By encouraging the former to cluster activities, further streamlining can be achieved.

It is in the interests of the Ministry of Foreign Affairs that freedom of planning and the necessary budget flexibility are maintained, and that the government continues to have sufficient room to manoeuvre in its response to disasters. The handbook therefore deals with the more or less predictable funding provided in complex, protracted crises.