



HQAI Facilitation Fund Procedure

PRO200 - Facilitation Fund procedure - 2022-08-12

Be sure to have the latest version!

HQAI is constantly developing and improving its tools and procedures. Depending on feedback and learning from experience, these may change. Please make sure you're using the latest version.

How to give feedback or contribute to the process?

If you would like to provide comments on this document or any aspect of our work, please send your feedback to: contact@hqai.org.



PRO200 - Facilitation Fund procedure - 2022-08-12		
Replaces	PRO200 - Subsidy Fund procedure - 2020-06-09	
Nature of change	better distribution of clauses between policy and procedure	
Approval of the original document:	BOD	2016-09-16
Approval of the current version:	JM	2022-08-12

Table of Contents

Introduction	4
I. The Humanitarian Quality Assurance Initiative	4
II. Scope	4
III. References	5
IV. Definitions	5
Attribution of the FFund resources to subsidies and grants	5
1. Informed decision-making	5
2. Decision by the FFMC.....	5
Application for subsidies	6
3 Applicants for HQAI third-party quality assurance service.....	6
4. Applicants for HQAI training of auditors.....	7
Application to grants	8
5. Eligibility conditions	8
6. Application process.....	8
Role of Secretariat in grants and subsidies allowance.....	9
7. Secretariat.....	9
8. Role of Facilitation Fund Management Committee in grants and subsidies allowance	10
10. Conflicts of interest management	10
11. Management fee and underspending	11
12. FFund oversight.....	12

HQAI Facilitation Fund Procedure

Introduction

I. The Humanitarian Quality Assurance Initiative

HQAI's objective is to improve the Quality and Accountability of organisations working with vulnerable and at-risk population through the provision and promotion of meaningful and adapted independent quality assurance. Its services are intended to build capacity in the sector and provide consistent measurable data in the delivery of quality action, thus improving principled, accountable, efficient provision of aid to vulnerable and at-risk populations.

To all its stakeholders, HQAI is an accountable, open and trustworthy partner, which applies the internationally recognised ground rules of auditing that are impartiality, competence, responsibility, openness, confidentiality and responsiveness to complaints. Our policies, procedures and tools for independent quality assurance follow relevant ISO standards requirements. HQAI's CHS certification scheme is accredited against ISO/IEC 17065:2012.

HQAI has developed robust tools to measure efficiently where an organisation stands in relation to the [Core Humanitarian Standard \(CHS\) on Quality and Accountability](#). Tools related to other standards may be developed in the future.

HQAI is committed to the nine fundamental principles of the CHS and implements them as far as they are applicable to its own activities.

These are:

- delivery of services that respond to the needs of users
- timely delivery of these services
- avoidance of negative effects
- transparency and participation in decision-making
- provision of safe complaint mechanisms
- avoidance of duplication
- responsible management of staff, including non discrimination
- responsible use of resources

II. Scope

This procedure defines under which conditions HQAI Facilitation Fund (hereinafter the FFund) can attribute grants and subsidies and the process to be followed to apply for, assess, and decide on grant and subsidies.

III. References

The following referenced documents can usefully complement this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

Documents can be downloaded from HQAI's web-site (hqai.org/en/resources/)

POL110 - Conflict of interest Policy

POL114 - Third-party Quality Assurance policy

POL200 - HQAI Facilitation Fund Policy

PRO048 - Complaint procedure

PRO049 - Appeal procedure

TOR200 - Terms of reference for the Facilitation Fund Management Committee

PRO105 - Training and registration of auditors

IV. Definitions

The terms and definitions provided in POL200, HQAI Facilitation Fund policy, POL114 - Quality Assurance procedure and ISO/IEC 17000:2004, Conformity assessment, vocabulary and general principles apply, unless otherwise specified in the text.

Attribution of the FFund resources to subsidies and grants

1. Informed decision-making

1.1 For each of the meetings of the FFMC, the FFund's Secretariat shall prepare a summary that indicates:

1.1.1 The current financial status of the FFund, including the distribution of attributions between grants and subsidies.

Note: the current status includes projections based on commitments made, even if not implemented and commitments by donors to the FFund, even if not cashed at the time of the meeting

1.1.2 The projections based on application proposals, including the projected distribution of attributions between grants and subsidies.

2. Decision by the FFMC

2.1 Once a year, at its June meeting, and upon recommendation from the **Board of Directors**, the Committee decides the priority between direct subsidies for quality assurance services and grants for projects.

2.2 At the beginning of each of its meetings, the FFMC shall review, on the basis of the information provided by the Secretariat:

- 2.1.1 That the current balance between grants and subsidies is within the parameters set in POL200 (section 2.2) and in previous meetings of the FFMC.
- 2.1.2 Whether this balance should be modified in light of the situation at the time of the meeting, with the view to optimise the use of available resources for the long term success of the FFund.

Application for subsidies

3 Applicants for HQAI third-party quality assurance service

- 3.1 For initial audits, as a first step in the application process, organisations shall:
 - 3.1.1 Fill in HQAI application form, indicating in the form whether they will request a subsidy.

Note: This form has two purposes:
 - i. inform about the application fee;
 - ii. collect basic information on the organisation to allow HQAI's Secretariat to develop a detailed budget.
 - 3.1.2 Pay the application fee. This provides resources for HQAI to evaluate the application, go back to the organisation as necessary and elaborate a quote for the initial audit and an estimation of costs for the whole process.

Note: The application fee is deducted from the final invoice at the end of a quality assurance audit. A potential grant will thus include the application fee in the calculation of support. However, if the organisation decides not to pursue the process, including if this because the subsidy has not been granted, the fee is due.
- 3.2 If costs appear to be a barrier the organisation can apply for a subsidy. They shall:
 - 3.2.1 have paid the application fee;
 - 3.2.2 provide the name of two referees (partner organisations);
 - 3.2.3 demonstrate they are a legal entity in the country where they are based;
 - 3.2.4 demonstrate they have robust finance control mechanisms that, at a minimum, respond to the applicable national legal requirements (this demonstration may include providing the last audited financial statement);
 - 3.2.5 identify the level of support they require;
 - 3.2.6 demonstrate the need for the subsidy and the implication for their field activities if they had to pay the full extent of the quality assurance process; and
 - 3.2.7 show how they will be able to undergo the whole process, in case of independent verification or certification. In particular they shall indicate the extent to which they may depend on on-going support from the Fund.

Note: POL200 identifies the priorities by which grants are attributed. The amount of the requested support has no influence on the priority. However, as no partial subsidy is attributed, keeping the request as low as realistically possible increases the likelihood of support. Organisations are thus urged to make a careful estimation of the requested support, keeping it as low as realistically possible to ensure the Fund can help a maximum of organisations.

- 3.3 For any surveillance or renewal audit, the organisation shall:
- 3.3.1 identify the level of support they require, based on a quote of HQAI;
 - 3.3.2 show the evolution of their budget since the initial audit and if positive explain why they still need to be supported by the Fund.
 - 3.3.3 demonstrate the need for the subsidy and the implication for their field activities if they had to pay the full extent of the audit; and
 - 3.3.4 show how they will be able to undergo the rest of the process, in case of independent verification or certification. In particular they shall indicate the extent to which they may depend on on-going support from the Fund.

4. Applicants for HQAI training of auditors

- 4.1 If the cost of internal or external auditor's training within the framework of HQAI's quality assurance scheme is a barrier to access, candidates can apply for a subsidy.
- 4.2 For internal auditors, the HQAI audited partner (group or individual organisation) shall:
- 4.2.1 propose formally a staff member who is managing / will manage the internal auditing within the scope of HQAI's quality assurance scheme the audited partner participates in;
 - 4.2.2 demonstrate the need for a subsidy;
 - 4.2.3 unless the audited partner is already benefitting of a subsidy, provide the information requested from subsidised organisations in 1.2.3, 1.2.4 and 1.2.5.
 - 4.2.4 in case the request for subsidy concerns an update training for an internal auditor (periodic training) who has already been trained, provide the following information:
 - i. show the evolution of their budget since the initial audit and if positive explain why they still need to be supported by the Fund.
 - ii. demonstrate the need for the subsidy and the implication for their field activities if they had to pay the full extent of the audit; that is requested from subsidised organisations in 1.3.2 and 1.3.3.

Note: The term "audited partner" includes organisations that have signed an application form to one of the quality assurance scheme, even if they have not been actually audited at the moment of the request of subsidy for training an internal auditor.

- 4.3 For external auditors, the candidate shall:
- 4.3.1 be vetted by HQAI Quality Assurance Team for their particular skills and/or the strategic need to develop local auditing capacity in a specific country or region, and in line with PRO105 - Training and registration of auditors procedure;

Note: Candidates will be requested to provide information related to points 2.1, 3.1, 3.2, 3.3, 3.4 of PRO105.

- 4.3.2 demonstrate the need for a subsidy;

4.3.3 commit in principle, if the training is successful, to keep being part of HQAI's pool of auditors for at least four years after registration;

Note: The Fund may request a reimbursement of the subsidy if the auditor leaves the pool before these four years.

4.3.4 in case the request for subsidy concerns an update training (periodic training) for a registered HQAI auditor, demonstrate that the cost is disproportionate with the income as an auditor in the previous year.

Application to grants

5. Eligibility conditions

5.1 The following types of organisations are eligible to submit a grant request:

5.1.1 Audited partners that have no major CAR or weakness open

5.1.2 HQAI

5.1.3 Not-for-profit organisation that have undergone a donor due diligence audit based on an independent audit/list of "approved" donors

Note: while being eligible to submit a grant request is a prerequisite for submitting request, it is by no mean an assurance that the project will receive a grant from the Fund.

5.2 Eligible projects shall support the delivery of HQAI's localisation strategy and be aimed at, at leasts one of the following objectives:

5.2.1 building the local capacity to undergo HQAI audits that are not tailored to a specific organisation;

5.2.2 creating a local capacity to audit or input into audits in HQAI's scheme;

5.2.3 developing methodologies to robustly adapt auditing methodologies to local realities;

5.2.4 promoting HQAI Facilitation Fund to local and international stakeholders;

5.2.5 raising funds for the FFund.

6. Application process

6.1 The organisation submitting a request for a grant shall:

6.1.1 Submit a maximum two page summary of their project that includes:

i. their name and location of their registration office, including the registration number, as relevant;

ii. the total amount of the project;

iii. their own participation (possibly through other grants), as relevant;

iv. the grant that is requested;

v. a description of the project and how it fits into HQAI localisation strategy;

vi. the objective of the project and a list of key performance indicators.

- 6.1.2 Submit the full description of the project, unless project is sufficiently detailed in the two-page summary.
- 6.1.3 For organisation under category 4.1.3, demonstrate their not-for-profit status and the fact they have undergone a suitable due diligence process.
- 6.2 The FFund Secretariat shall acknowledge reception of the request upon its reception.
- 6.3 Within two weeks after reception, the FFund secretariat shall review the proposal for its completeness and possibly revert back to the applicant with additional questions.
- 6.4 Filter out applications that do not fulfil the eligibility criteria
- 6.5 Once the application process is complete, the FFund shall submit the application to the Facilitation Fund Management Committee (FFMC) for discussion and decision at its next ordinary meeting.

Note: Requests received less than one month before a regular FFMC meeting shall normally be transferred to the subsequent meeting to allow the time to process the application.

Role of Secretariat in grants and subsidies allowance

7. Secretariat

- 7.1 Before transmitting the applications to the Committee, the Secretariat shall:
 - 7.1.1 Check that the applicant has provided all the required information;
 - 7.1.2 As relevant, justify any deviation.

Subsidies

- 7.2 For subsidies, in principle, the Secretariat shall send batch of three requests to the FFMC, for decision by email.

Note: this is to maximise the FFMC time and efficiency without representing too large a bulk of work for its members. However, for justified reasons, the Secretariat may ask the FFMC to address smaller or larger batches.
- 7.3 As part of a subsidy request batch, the FFund Secretariat shall include:
 - 7.3.1 The financial status of the FFund.
 - 7.3.2 A summary of all applications submitted.
 - 7.3.3 A folder per applicant containing all the required information.
 - 7.3.4 A form to standardise the way members report a decision, with the intention to ease their task.
 - 7.3.5 The projected financial status of the FFund if all application that are presented are accepted.
 - 7.3.6 An update on a one-year estimation of the FFund's situation.
- 7.4 At the end of the process, the FFund Secretariat shall inform candidates of the decision, whether positive or negative.

Grants

- 7.5 The FFund Secretariat shall send to the FFMC, at least two weeks in advance, a document package that includes at a minimum
- 7.5.1 A list of all applications received since the last meeting, including
- i. those that meet the eligibility criteria
 - ii. those that are filtered out, including a rationale for doing so
- 7.5.2 The elements described under 6.3, above, applied by analogy to grants.
- 7.6 At the end of the process, the FFund Secretariat shall inform candidates of the decision, whether positive or negative.

8. Role of Facilitation Fund Management Committee in grants and subsidies allowance

Subsidies

- 8.1 Two weeks after receiving the subsidy applications batch from the secretariat, the FFMC shall decide whether to grant a subsidy:
- 8.1.1 After reviewing the information provided by HQAI's Secretariat;
- 8.1.2 Assessing the extent to which the need is justified;
- 8.1.3 Ensuring that the allocated subsidies fall within the budget
- 8.1.4 Following the order of priority identified in POL200.

Note: Members of the FFMC can revert back to the Secretariat with additional questions if they deem that the information provided by the Secretariat is not sufficient to make an informed decision.

Grants attribution

- 9.2 The FFMC shall meet to check the rationale provided by the FFund Secretariat in filtering projects, in line with Art. 5. above.
- Note: The FFMC can agree or not with the Secretariat. This step is to ensure the objectivity of the filtering
- 9.3 The FFMC shall assess the merit of each project presented to the FFund, in particular as it relates to the FFund strategy, and prioritise them for strategic importance.
- 9.4 Based on the priorities, the FFMC shall attribute grants taking into account:
- 9.4.1 the available resources for grants (see 2. above);
 - 9.4.2 the potential of creating a conflict of interest with HQAI's independent quality assurance.
- 9.5 The FFMC shall instruct the FFund Secretariat on how to proceed with each project.

10. Conflicts of interest management

- 10.1 Conflict of Interest (CoI) situations, whether actual or perceived, can be very detrimental to the reputation of the FFund and need to be treated with utmost care.
- 10.2 Members of the FFMC are requested to sign HQAI POL110 - conflict of interest policy.

- 10.3 Situation of Col between the members of the FFMC and their role in the FFMC include, but are not limited to:
- 10.3.1 Being an employee or part of the governance of the organisation(s) requesting a subsidy or a grant.
 - 10.3.2 Having an interest in the organisation in question.
 - 10.3.3 Having currently or in the past two years provided paid services to the organisation in question .
 - 10.3.4 Managing a membership network/association of which the organisation in question is a member.
 - 10.3.4 Having first-degree relatives who are in the situation described under 8.3.1 to 8.3.2
- 10.4 As it is expected that situations of real or perceived Col will occur, the FFMC shall at the beginning of each of its meetings review such situations in relation to the agenda of the meeting and decide whether a member has to abstain from the discussion and decision on specific items of the agenda.
- Note. This is in derogation of POL110 that stipulates that these decisions regarding governance bodies are taken by the President of the Board of Directors.
- 10.5 Members who have a Col with a topic to be discussed may however have information that could be beneficial to the decision-making of the FFMC and can attend the beginning of the discussion on the topic in question to answer questions asked by their colleagues.
- 10.6 They shall however remove themselves from the meeting for any substantive discussion and decision-making.
- 10.7 For written decision-making regarding subsidies or grants, each FFMC member shall confirm s/he has no conflict of interest with the case in question.
- 10.8 In case they do have a Col, the members shall abstain from any decision or discussion on the case in question and can reply only indicating the Col.
- 10.9 In case of doubt, members shall seek advice from the FFMC Chair.
- 10.10 The FFMC Secretary shall duly record any Col raised in the minutes of the meeting, including written decision making.

11. Management fee and underspending

- 11.1 A management fee corresponding to 7% of the subsidy/grant is charged to the Fund.
- Note: this does not apply to projects proposed by HQAI
- 11.2 This fee is charged by the FFund's Secretariat to the Fund and does not diminish the amount of the grants attributed.
- 11.3 The management fee covers the costs of managing the Fund, including organising face-to-face meetings of the SFMC, whenever they happen.
- 11.4 The part of subsidies and grants that are not spent at the end fo the process for which they were attributed shall be returned to the FFund.

12. FFund oversight

- 12.1 At the first meeting of the year, the FFMC shall review the functioning cost of the FFund and the adequacy of human and technical resources.
- 12.2 Should the FFMC identify an inadequacy, it shall refer back to HQAI's Board of Directors (BoD) with recommendations.
- 12.3 If these recommendations imply a budgetary change, this can be addressed at HQAI's June General Assembly, when the annual budget is revised.

