



# Subsidy Fund

Supporting organisations to access HQAI quality assurance services

POL200 - Subsidy Fund - 2017-03-14

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<b>POL200 - Subsidy Fund - 2017-03-14</b>		
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# Subsidy Fund Policy

## Introduction

### I. The Humanitarian Quality Assurance Initiative

HQAI's objective is to help organisations progress and show their effectiveness in delivering to recognised humanitarian standards. Its quality assurance 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 populations affected by crises.

HQAI upholds the humanitarian principles of humanity, impartiality, neutrality and independence.

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 procedures follow the ISO 17021 requirements.

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.

### II Scope

This policy applies to the management of the Subsidy Fund established by HQAI to support organisations for which cost would be a barrier to access its third-party quality assurance services.

### 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.

Document can be downloaded from HQAI web-site ([hqai.org/publications](http://hqai.org/publications))

- ADM104 - Certification application form
- ADM105 - CHS verification application form
- ADM106 - CHS benchmarking form
- PRO049 - Appeal and Complaints procedure
- PRO200 - Subsidy Fund Procedure

### IV Definitions

The terms and definitions provided in the Core Humanitarian Standard and ISO/IEC 17000:2004, Conformity assessment, vocabulary and general principles apply, unless otherwise specified in the text.

## 1. Purpose

1.1 The subsidy fund, hereafter the Fund, is designed to support financially organisations that want to access HQAI third-party quality assurance, but for which costs would be a barrier.

## 2. Governance

2.1 The Fund is hosted by HQAI and works independently. It is managed by a Fund Management Committee (hereafter the Committee), appointed by HQAI Board of Directors. The Committee is composed of three members reflecting the perspective of:

- i. Donors;
- ii. Humanitarian NGOs;
- iii. HQAI (through one member of its Board).

2.2 The Committee should collectively bring knowledge and experience which makes the Fund an impartial service to the sector. The Committee shall examine how to include the perspectives of people affected by crisis in its proceedings.

2.3 The Committee members entering into function on the first of July 2016 shall have a first term of one year. The following terms shall be three years, renewable once. (for a maximum of 6 years in function).

## 3. Resources

3.1 The Fund is financed by:

- i. Donations (private and public);
- ii. Surplus from HQAI, if and when its incomes from third party quality assurance leave a positive balance after all expenses and investments in R&D are paid;
- iii. Any other sources as far as they do not compromise the independence and impartiality of the Fund.

3.2 Donors are publicly acknowledged and can declare in their public communications that they are providing resources to the Fund. Contributions to the Fund do not allow donors to imply that:

- i. they participate themselves under any of HQAI's third-party quality assurance;
- ii. the partner(s) they fund / support participate in any of HQAI's third-party quality assurance;
- iii. make any declaration related to their level of compliance with the CHS

## 4. Decision-making

4.1 Decisions of the Committee require the totality of its members taking part in the discussion (100% quorum).

4.2 The Committee strives to make decisions by consensus, defined as the absence of sustained opposition. If consensus cannot be reached, a vote shall take place.

4.3 In making a decision, the Committee shall:

- i. check that the documentation it receives from the Secretariat is complete;
- ii. assess if the need is sufficiently established (see PRO200, clause 1.1.iii), in particular the extent to which paying the full amount of the quality assurance process would prejudice field action;

Note: If the Committee deems the need is not adequately justified, it may either reject the application or request more information. In the latter case, the decision will be deferred to the following meeting of the Committee. Without any contrary indication from the Committee the application will be considered in the order indicated in 5.4.

- iii. follow the priorities identified under 5, below.

## 5. Priorities for funding organisations

5.1 The Fund supports organisations that want to access HQAI third-party quality assurance services but for which costs would be a barrier.

Note: See clause 7. Attributing grants, below, for details on the attribution of support.

5.2 The Fund only supports access to HQAI third-party quality assurance and not the implementation of measures to apply the CHS or other relevant standards.

5.3 Support is attributed in priority to the following categories:

- i. National NGOs that directly assist people affected by crisis in their own country;
- ii. National NGOs working nationally through partners that assist people affected by crisis in their own country of affected countries and;
- iii. International NGOs (that have activities in at least one country outside their home country), the priority level diminishing in proportion to the number of countries where they operate.

5.4 Within each of these category, support is attributed in priority to:

- i. Organisations whose applications were complete, but could not be financed at a previous meeting for lack of resources of the Fund;
- ii. Organisations whose applications required further information at a previous meeting;

- iii. Organisations that are already engaged in either independent verification or certification for which a financial support is key to be able to continue the process;
- iv. Organisations that want to engage in either independent verification or certification (four-year process);
- v. Organisations that want to engage in a benchmarking process (single audit and report)

## 6. Level of support

6.1 The Fund supports organisations to the following levels:

- i. initial audit: maximum of 80% of the quote established by HQAI, including expenses.
- ii. maintenance audit: maximum of 50% of the quote established by HQAI, including expenses.
- iii. if the final cost of an audit is inferior to the budget initially established by HQAI's secretariat, the maximum support shall be 80% of the final cost.
- iv. If, during the course of the audit of an organisation that is subsidised by the Fund it appears that costs will vary more than 15% from the quote established by HQAI's secretariat, the latter shall inform both the organisation and the Fund Management Committee as soon as it becomes aware of the situation, to identify the way forward. A grant cannot be extended beyond the initial agreement without the approval of the Fund Committee.

6.2 If a grant is attributed, but the audit later shows that the indications upon which it was granted were intentionally false or misleading, the audit will stop immediately, the organisation will be requested to reimburse the expenses incurred to date and their fraudulent action will be advised on HQAI's website.

*Note: this does not imply that an organisation asking for support for certification but fails to obtain it would have to reimburse the expenses.*

*Note 2: cases of negligent misrepresentation are not covered in this clause*

## 7. Attributing grants

7.1 Grants are attributed twice yearly, normally in November for the first semester of the following year and in June for the second semester of the current year.

7.2 Within the parameters identified in 4.3, grants are attributed according to the priorities identified above (5.), on a first come first served basis within a category, then in the next category, within the limit of available resources.

Note: the date considered for determining the sequence of applications is the date at which HQAI's Secretariat has received all requested information (see PRO200 1.1.iii).

- 7.3 The decision on attributing grants shall not be contingent on the amount of subsidy requested.
- 7.4 However, as the subsidy is deemed to cover only what is necessary for an organisation to participate in HQAI quality assurance and providing less than this amount would jeopardise the sustainability of the process, subsidies are provided only to the requested amount. There shall be no grant lower than for the requested amount.
- 7.5 If the available resources in the Fund are not sufficient to cover the full amount of requested funds, the application shall be deferred until sufficient funds are available. The organisation shall be placed at the top of its priority category. A grant will be attributed to the next organisation in the priority list identified in 7.1 which request for subsidy can be granted within the available resources.

Example:

Available resources at the beginning of an attribution session			CHF 40'000.00
Organisation (According to priority)	requested amount	remainder after grant	Decision
<b>A</b>	18'000.00	<b>22'000.00</b>	OK
<b>B</b>	12'000.00	<b>10'000.00</b>	OK
<b>C</b>	15'000.00	<b>-5'000.00</b>	On hold until the next attribution session
<b>D</b>	8'000.00	<b>2'000.00</b>	OK

- 7.5 Support granted once (e.g. for the initial audit) is not a guarantee that support will be granted in the future (e.g. for a maintenance audit).

## 8. Appeals

- 8.1 Applicants who disagree with the decision made regarding the attribution, or not, of a grant can lodge an appeal to HQAI Advisory and Complaint Board. HQAI General Complaints and Appeals procedure (PRO049) applies.

## 9. Compensation for Committee members

- 9.1 The work as Committee member of the Fund is on a voluntary basis.
- 9.1 Upon request, Committee members shall be reimbursed for their expenses incurred in the management of the Fund, notably travelling, food and accommodation, according to HQAI reimbursement policies.



## 10. Validity

- 10.1 The Fund was established on July 1st, 2016 by a decision of HQAI's Board of Directors.
- 10.2 The Fund's policy and procedure were reviewed on 14 March 2107 and will be reviewed further as necessary.
- 10.3 The duration of the Fund is open ended. It can only be closed by a decision of HQAI's Board of Directors.
- 10.4 Remaining available resources at the time of closing the Fund will be redistributed to donors, in proportion of their support in the last year of operation of the Fund.



# Annex

## Terms of Reference for the Fund Management Committee

### 1 Members

- i. The Committee is composed of three members, appointed by HQAI Board of Directors
- ii. The members of the Committee shall represent the perspective of:
  - Donors
  - Humanitarian NGOs
  - HQAI (through one representative of its Board of Director)
- iii. Further details are provided in Art. 2. of POL100 - Subsidy Fund

### 2 Meetings

- i. There are two meetings annually, normally in June and ~~December~~November. The first meeting will happen as soon as there are three candidates who have presented their demand and provided the necessary documentation (see 6.1.iii)
- ii. Meetings are held virtually, unless the Committee deem a face-to-face meeting is necessary.
- iii. Before requesting to hold a face-to-face meeting, the Committee shall check with HQAI secretariat if resources are available.
- iv. Because each meeting requires the participation of all members, the next meeting is planned at the end the preceding meeting.
- v. If, in exceptional circumstances, a member of the Committee cannot attend one meeting, s/he shall propose an alternate, who needs to be approved by HQAI's Executive Director.
- vi. One staff member of the Secretariat, either the Executive Director or the Quality Assurance Officer, shall serve as secretary to the Committee.

### 3 Time involvement

- i. HQAI secretariat shall transmit the files of the applicants along with a status of available funds at the latest two weeks before a Committee meeting.

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- ii. Time involvement for Committee members in the preparation of meetings is expected to be half an hour per application. It is unlikely this will require more than half a day work, at least in the first year of operation of the Fund.
- iii. Meetings, held via teleconference, should last two hours and a half. The organisation of the time is left to the Committee to decide, but topics shall include:
- addressing applications
  - management of the Fund
  - financial situation of the Fund
  - agreeing the date and time of the next meeting

