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Welsh European Funding Office

COVID-19 Conditions for Support and Frequently Asked Questions for ERDF, ESF & Ireland Wales European Territorial Co-operation Programmes

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VERSION HISTORY

Version	Date	Comments
1.0	19 March 2020	Not published on EU Funding pages of the Welsh Government website. Issued directly to ERDF/ESF beneficiaries.
2.0	24 March 2020	<ol style="list-style-type: none"> 1. Title amended to include the Ireland-Wales Programme 2. Amendment to question 6 3. Further FAQs added
3.0	3 April 2020	<ol style="list-style-type: none"> 1. Introductory paragraph amended. 2. Amendment to questions 2 and 8. 3. Further FAQs added 4. Addition of Annex A
4.0	1 May 2020	<ol style="list-style-type: none"> 1. Clarity on staff costs - part time & time-sheeted & the ability to use an historical average 2. Claim declarations & the need for beneficiaries to confirm no 'double funding', particularly where access to 'furlough payments' 3. Clarity on the use of the UK Government 'furlough scheme' for Third/ private sector organisations 4. Document name change to 'Conditions for Support' to reflect that this is part of the WEFO National Rules. 5. Management and Control systems for administering/ implementing the structural funds during the period covered by COVID-19 6. Criterion for the eligibility of the 20% top-up to 'furlough payments'

Coronavirus (COVID-19) & European Structural Funds supported projects

The COVID-19 crisis creates significant challenges for us all. WEFO recognises that this is affecting the way in which European Structural Funds projects are being delivered. We ask that continue to try and devlier project activity, as best you can however we are committed to working flexibly and pragmatically with all of our beneficiaries to ensure stability in the short term and to support the recovery that will be needed post crisis.

Government guidance has been produced to assist individuals and businesses in preparations to minimise the risks and impact of COVID 19 and we recommend beneficiaries should familiarise themselves with this, if not already done so. Further details of this guidance and the appropriate links can be found at Annex A of this document.

If you should experience any impact on the delivery of your structural fund project as a result of coronavirus (COVID-19), please refer to the relevant WEFO contact for further advice. WEFO recognises that this situation is evolving very quickly with advice likely to change at short notice. Taking this into account, we will look to make decisions as early as possible and on a case by case basis, making allowances where possible and appropriate. We will then update this FAQ document accordingly whilst taking into account all official advice at that time.

In the meantime this FAQ document has been produced for beneficiaries to reference before contacting WEFO. This document sits alongside the ['Eligibility Rules and Conditions for Support from the European Structural Funds 2014-20'](#) and forms part of Wales' national rules for the Structural Funds and in the circumstances we ask that as far as possible you continue to deliver where and however you can, making sure to keep a robust audit trail.

1. **Eligibility of project costs – will project costs continue to be eligible where official restrictions are in place which affect ‘business as usual’ activity?**

Any necessary costs that have already been approved by WEFO, are featured within the operation’s Business Plan and included within the agreed Delivery Profile will continue to be eligible, even in situations where offices have been forced to close and staff are working at home or project activity is reduced. For example rental costs, other accommodation costs (including Flat Rates) and staff costs. As with all costs agreed by WEFO, there is an expectation that value for money is secured and where savings or reductions can be made then these options should be explored where possible.

NB: Organisations must not duplicate or ‘double fund’ where any of these costs are covered by other government grants received to deal with the impact of COVID 19.

2. **Can Staff Costs continue to be claimed?**

Yes Staff costs for beneficiary staff contracted to work on the operation continue to be eligible and should continue to be claimed in line with the organisation’s own policies and in accordance with WEFO’s eligibility rules, as has always been the case. Where the beneficiary’s policies cover extraordinary circumstances (for example special leave for school closures) these costs continue to be eligible. Additionally where beneficiaries policies allow for staff to continue to work at home whilst self-isolating then these costs will continue to be considered eligible. WEFO will accept official emails as evidence to confirm what the organisation policy is for circumstances related to Coronavirus. Sick pay continues to be eligible if claimed in accordance with the WEFO eligibility rules.

Where these staff work across a number of operations the method for claiming their staff costs will continue to be determined by each individual contract i.e. whether a job description/ contract of employment/ letter of secondment specifies a fixed number of hours or percentage of time to be allocated to certain projects/ operations being supported by the structural funds then they should continue to be claimed in this way.

Where staff are employed on a flexible basis/ variable hours, the lead and/ or joint beneficiary must retain justification for the methodology used to claim these costs. For example, beneficiaries can use an historical average (minimum of 3 months where possible) in order to determine how much to claim. Any other method must be agreed with the Project Development Officer (PDO)/ Operations Officer (OO). Please ensure that all documentation relating to the analysis is maintained for audit purposes.

NB: Where a beneficiary decides to access the UK Government Coronavirus Job Retention Scheme, or the Irish Government's Temporary Wage Subsidy Scheme, any staff costs associated with the delivery of the approved operation will not be eligible for structural fund support as receipt of these payments will be considered 'double funding'.

2a. What about organisations that need to use the Government Furlough scheme?

Whilst we have confirmed that WEFO funded staff costs can continue to be claimed where project activity is reduced, we recognise that some organisations will need to make a decision on the use of the UK Government's Furlough scheme for their staff, particularly where staff costs are being matched by their own or other funds.

Organisations must not duplicate or 'double fund' staff costs, i.e. claim funding from HMRC through the Job Retention Scheme or the Irish Government's Temporary Wage subsidy Scheme, as well as the usual grant funding received from WEFO to cover staff costs. This would be an inappropriate use of public money and WEFO will seek to recover 'double funding' that has been claimed and paid.

Therefore, upon receipt of these furlough payments beneficiaries will need to ensure deductions are made from claims to WEFO for staff costs during/ for this period.

WEFO is currently in the process of amending the claim form declaration to include the following statement:

I confirm, to the best of my knowledge that:

- all the details on this form are correct;
- all of the expenditure declared has been defrayed (paid out) on eligible activities in relation to the Operation;
- none of the expenditure declared has also been claimed or covered by other funding sources (double funded) e.g. from other grant funders, Covid-19 Emergency Funding/Furlough Schemes etc.;
- I have adhered to the User Terms and Conditions and all applicable WEFO conditions of funding, rules and guidance that may apply to this claim form.

Private and Third Sector Bodies - receiving support via the structural funds whom may also be dependent on income from other sources, including commercial activities, fees and/ or charges:

The decision to furlough staff and apply to the UK Government Job Retention Scheme (JRS) is a decision for each & every organisation to make in discussion/

agreement with their employees. Upon applying to the JRS, you must claim in a proportionate manner e.g. where a loss of 50% of income only 50% of the associated staff costs to be claimed via JRS. Where you have an established organisation wide policy which enables the top up of the furlough payment i.e. the 20% gap, structural funds will be able to assist you in supporting this cost for those employees employed & undertaking activity on a supported operation/ project. However, please note this assistance will only be at the rate of the agreed intervention rate for the operation/ project, not the full 20% amount.

See Annex A for links to further details on this scheme.

2b. If an organisation decides to pay the 20% top up of the furlough payment, are these costs eligible?

If a beneficiary has made an organisation-wide decision to top up the furlough payment received via the UK Government Job Retention Scheme, this can be considered an eligible cost for staff contracted to work on structural funded operations, but only on the basis that this policy is also applicable to **all other staff** within that organisation. This is subject to there not being any increased cost implications to the operation and a reminder that WEFO will only pay at the approved intervention rate of the 20% salary amount.

3. Restrictions on travel abroad.

This concerns operations/ projects that contain costs for travel abroad within approved business plans and/ or those operations/ projects where individual journeys abroad have been authorised by WEFO. Where travel has been booked & it is to a country/ territory that the UK Foreign & Commonwealth Office (FCO) has advised 'against all travel' or 'against all but essential travel' – a beneficiary will firstly need to approach its own travel insurance provider (where applicable) & claim against the insurance. If for any reason, the travel insurance policy will not reimburse the cost of travel, the reasons for this will need to be provided to WEFO. Pending the reasons for the insurance policy not paying out & where WEFO accepts as being reasonable/ justified to claim from structural funds, then the foregone travel costs will be considered eligible. Insurance excess fees are considered to be an eligible cost.

4. **What is the impact of having to extend projects and increase costs with little or no increase in targets and outputs?**

If beneficiaries are unable to deliver their projects as planned because of the virus, we will consider the situation on a case by case basis, as we would for any other situation which prevents a beneficiary from delivering their contractual obligations as planned. We will of course be sympathetic to this, and will consider extensions etc; as appropriate but being mindful that these dates cannot go beyond the Programme eligibility date of 31st December 2023, with a preference for dates not to be later than June 2023 in order to enable all closure activity to occur. Your WEFO Project Development Officer (PDO)/ Operations Officer (OO) will be the point of contact to discuss this in detail.

5. **Would cancellation fees be eligible?**

Where a beneficiary has incurred costs which turn out to be fruitless because of events or decisions beyond their control e.g. meetings are cancelled by third parties or following Government advice, that expenditure will not be made ineligible for EU funding, as long as reasonable steps have been taken to minimise that cost e.g. they have made any possible insurance claims. Looking ahead beneficiaries should exercise caution when booking attendance at events and avoid doing so whilst movement/ travel restrictions are in place, unless there is a fully refundable option in such scenario.

6. **Can alternative methods of providing participant evidence be used – for example scanned/ electronic signatures, email confirmation and scanned copies where not possible to have sight of original copies?**

Yes scanned copies of identification or emailed enrolment forms can be accepted as evidence for management verifications, the same applies to participant results that can be self-declared under existing rules. For example we will accept email confirmation from a participant (e.g. please see attached my application form), this along with the email could replace the signatures for the time being. It has also been agreed that we will allow passports etc; to be provided without being certified. These flexibilities have been introduced on the condition that, at a future date, projects will need to go back over this evidence as per normal requirements and at the earliest opportunity. Beneficiaries **must continue** to ensure that GDPR rules are taken into account whilst implementing these revised measures.

7. Can electronic signatures be used on the assumption that the organisation's own policies and procedures allow for this?

There is no WEFO or EC requirement that hard copy documents or 'wet signatures' are used or are preferable to digital records and the use of electronic systems, where at all possible, is encouraged. If alternatives to 'wet signatures' are used then the beneficiary must conform to the requirements set out in section 5.1.4.2 of the WEFO 'Rules' so as to ensure that the authenticity and integrity of the records can be relied upon for legal/ audit purposes, there are the required certification processes and controls in place and the ICT systems used conform to the required BSI standards.

Further information can also be found in the link below, to the UK Gov site document, which contains a link to a UK regulation and the eIDAS regulation.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/545098/beis-16-15-electronic-signatures-guidance.pdf

8. Redeployment of staff – where operation/ project staff are being redeployed to other core critical services to address the impacts of COVID-19 will operation/ project staff costs still be eligible for support via the structural funds?

Where there is a need for operation/ project staff to be redeployed to undertake urgent work on minimising the impact of COVID 19, please contact your WEFO Project Development Officer (PDO)/ Operations Officer (OO) and provide the following information:

- (a) copy of the organisation policy or similar evidence which enables redeployment of staff – e.g. organisation email/ bulletin or terms of employment contract;
- (b) details of the operation/ project staff members to be re-deployed;
- (c) time period of redeployment i.e. start and end dates (latter where known);
- (d) redeployment activity & wider benefits of undertaking the activity, particularly if/ where the activity has some alignment with the original WEFO approved operation aims/ objectives/ activity.

The above will enable the PDO/ OO to provide informed advice & will ensure a sufficient audit trail for the future.

Please be mindful of the final paragraph at question 2 should a beneficiary exercise their right via the UK Government's Coronavirus Job Retention Scheme or the Irish Government's Temporary Wage Subsidy Scheme

9. **Will deadlines for claim submissions, verification checks and review findings be extended under the current circumstances?**

Claims will still be invited in line with the individual Operation's delivery profile with an expected date towards the end of the third week following the end of the claim period. This has always been a target date and Operations can submit before or after this date if necessary.

WEFO would like Operations to submit claims in line with their delivery profiles but fully understand that there are very valid reasons why claims cannot be submitted on time under the current circumstances. If beneficiaries are struggling to submit claims, please contact the Lead Payment Officer or Project Development Officer (PDO)/ Operations Officer (OO) so we can assist in any way we can. Missing a claim "deadline" does not mean the opportunity to claim is lost.

WEFO is endeavouring to ensure that the payments process will continue and has devised the following process for verifications:

- where beneficiaries are able to access audit trail evidence and content to upload the evidence to WEFO online in the usual way, the normal verification process will be applied
- where beneficiaries are not be able to access audit trail evidence, they may prefer to defer their verification testing until such time as they are able to access their records. WEFO will pay the claim without a verification check having taken place. Once beneficiaries return to normal business the audit trail evidence must be available.

If you are experiencing difficulty in submitting your claims, please contact your Lead Payment Officer or Project Development Officer(PDO)/ Operations Officer (OO).

10. **Face-to-face support to participants and businesses has now ceased and is being delivered remotely i.e. telephone/ email/ skype. Can alternative methods of providing evidence of this support be used, such as:**

- **notes of the discussion**
- **email verifications for registration/ attendance records/ achievements of results that are not signed by the participant/ business**
- **microsoft forms that gather registration information and audit trail consent from participants/ businesses**

Under the current circumstances WEFO will accept this approach. All notes of discussions should be retained alongside the date/ time. When the COVID-19

crisis ends, beneficiaries should ensure that the participant/ business signs and dates the relevant paperwork required to confirm that the support has taken place.

11. Is the European Commission considering changes to regulations to respond to COVID-19 e.g. state aid?

Yes. The European Commission has introduced a series of flexibilities under the Coronavirus Response Investment Initiative (CRII), Coronavirus Response Investment Initiative Plus (CRII+) and the Temporary Framework for State Aid in response to the current situation. WEFO is currently working to maximise the flexibilities that have been put in place and working directly with beneficiaries to achieve this. If you have any further questions on this please contact you PDO/OO.

12. Are there any changes to procurement rules as a result of COVID 19? Can I release advance payments to my suppliers to ensure continuity once the crisis is over?

The procurement regulations already contain provisions to enable a response in cases of extreme urgency. Where beneficiaries intend to use these they should obtain the appropriate procurement advice.

Additionally the following note also applies in Wales - UK Government Cabinet Office Policy [Note - Supplier relief PPN02 /20](#).

<https://www.gov.uk/government/publications/procurement-policy-note-0220-supplier-relief-due-to-covid-19>

Due to the current COVID-19 crisis it may be that advance payments to suppliers are unavoidable, in order to support those suppliers at risk to ensure that they are better able to cope and resume normal service delivery and fulfil their contractual obligations when the crisis is over. Therefore payments in advance for services as part of an approved contract & which are applied in line with the Cabinet Office Policy Note will be eligible for support.

In addition the WEFO eligibility rules already accommodate paying for goods and services in advance where:

- these are the standard business terms of the supplier or contractor and is at their request or unavoidable; and
- to secure the best price or secure significant discounts (for example, travel tickets and accommodation); or
- to secure the best quality (e.g. book early to secure the best venue for a key event integral to the success of the project).

Further guidance entitled WEFO Covid-19 Guidance for Contracting Authority Beneficiaries is now available [link below]. Beneficiaries should only consider following the guidance for buying goods or services that are needed as a direct result of the Covid-19 pandemic.

<https://gov.wales/eu-structural-funds-programme-purchasing-during-coronavirus-crisis>

Non-contracting Authorities will need to follow their existing established procurement policies for any procurement activity undertaken during this period. The existing policies may detail processes to be adopted where exceptional measures are encountered e.g. COVID-19. A robust audit trail will need to be maintained of any procurement activity undertaken during the period and/ or as a direct result of COVID-19. A link to the Guidance from the European Commission on using the public procurement framework in the emergency situation related to the COVID-19 crisis can also be found below

[https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020XC0401\(05\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020XC0401(05)&from=EN)

12a. Due to remote working, how do organisations ensure that 2 people are present in the opening of tender documents?

It is important to ensure transparency with regards to procurement even during this period. If possible & the technology is available, the tender could be opened via skype or any type of video call with a second person and the process documented for audit purposes.

13. Will the European Commission waive the obligation to comply with applicable management and control requirements?

Despite the exceptional flexibilities laid out in the EC Coronavirus Response Investment Initiative (CRII) and the Coronavirus Response Investment Initiative Plus (CRII+), the Commission has made very clear in it's communications that the legislative framework for the implementation of the European Structural and Investment Funds programmes remains fully applicable even under the current exceptional circumstances.

Therefore, beneficiaries must continue to maintain their already agreed/ established accounting/ management & control/ monitoring systems for operations/ projects, in order to claim support from the structural funds & satisfy audit requirements.

It has been recognised however that some verifications and audits are currently not possible and the regulations already allow for these to be performed at a later date. Desk-based verifications/ audits will be undertaken, where possible, until such time as it is safe for staff to perform visits again. Please see question 9 for more detail relating to verifications.

14. Can we change our project activity under current rules to help respond to the situation?

We recognise that there are opportunities for existing projects to amend their approach or refocus their support to respond to the current situation. These will be considered by WEFO on a case by case basis. In the first instance you should contact your Project Development Officer (PDO)/ Operations Officer (OO) setting out all of the changes that you anticipate and they will inform you of WEFO's decision.

ANNEX A

The Welsh Government & Irish Government have published advice and information on COVID-19 for individuals, business and employers, the social, community and residential care sector and the education sector. This advice can be found at

<https://gov.wales/coronavirus>.

<https://www.gov.ie/en/campaigns/c36c85-covid-19-coronavirus/>

The UK Government has recently produced an action plan (<https://www.gov.uk/government/publications/coronavirus-action-plan>) for how the UK has planned for and what further action will be taken to tackle the current coronavirus (COVID-19) outbreak. To assist beneficiaries in locating further advice/guidance in respect of COVID-19 and its impact on a specific topic, hyperlinks to these various documents have been included below.

UK Government Business support

<https://www.gov.uk/government/news/coronavirus-covid-19-guidance-for-employees-employers-and-businesses>

UK Government guidance to employers and businesses about Covid-19 including information and guidance on areas such as Statutory Sick Pay, advice for employees which have travelled to high risk areas and home working

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19>

HMRC also has a Coronavirus helpline for businesses and is available on 0800 0159 559.

Further advice/ guidance produced by the Welsh & Irish Governments:

Welsh Government financial support and grants for employers – including Economic Resilience Fund & Development Bank of Wales Loan scheme:

<https://businesswales.gov.wales/coronavirus-advice/support/financial-support-and-grants>

<https://developmentbank.wales/covid-19-wales-business-loan-scheme>

<https://businesswales.gov.wales/coronavirus-advice/support/business-rates-relief>

Welsh Government guidance for employers and businesses about Covid-19 including what to do if someone develops symptoms on site:

<https://gov.wales/coronavirus-covid-19-employers-and-businesses-guidance>

Welsh Government guidance regarding businesses and premises that should close:

<https://gov.wales/coronavirus-covid-19-closure-businesses-and-premises>

Please also refer to the Business Wales website for further regular updates:

<https://businesswales.gov.wales/coronavirus-advice>.

Government of Ireland guidance for employers and businesses about Covid-19 including the temporary wage subsidy scheme

<https://www.gov.ie/en/publication/612b90-covid-19-information-for-employers/>

Government of Ireland business support

<https://dbei.gov.ie/en/What-We-Do/Supports-for-SMEs/COVID-19-supports/Government-supports-to-COVID-19-impacted-businesses.html>

Please also refer to the Department of Business, Enterprise and Innovation, Government of Ireland

<https://dbei.gov.ie/en/#>



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