

COVID-19 - Questions and Answers – batch 3

Important notice about this Q&A document: This document of questions and answers responds to the exceptional situations caused by this global pandemic. In this particular circumstances it is justifiable to apply the principle of force majeure. Considering the principle of prudence, which underlines and inspires all of our activities, it would be difficult to do otherwise given the current circumstances, under which a large and important number of activities – planned or currently undertaken in the framework of already selected projects - have already been cancelled or will be postponed. Consequently, in order to simplify the administrative workload that National Agencies will be facing and the high volume of force majeure cases, DG EAC recommended National Agencies to provide the necessary flexibility to students, pupils, volunteers and others in Erasmus+ and European Solidarity Corps mobility.

However, the principle of force majeure cannot be automatically invoked. National Agencies are required to make a careful case-by-case assessment in the light of the relevant circumstances and on the applicable legal framework, to verify whether it is relevant and appropriate to apply the exceptional measures described below. Consequently, the application of these measures, in any circumstances, must be done following an assessment on a case by case basis by the National Agencies for each measure concerned, and these exceptions provided by the principle of force majeure must always be interpreted restrictively and not used abusively.

Seq. No.	Question	Answer
Eligibility of costs and other funding rules		
1.	Under normal circumstances, when using unit costs, Key Action 1 and Key Action 2 beneficiaries do not have to provide proof of the expenditures or report on /mention the exact amount of the incurred expenditure. Can you confirm that this is the case also when unit costs are applied under <i>force majeure</i> ?	<p>Yes, the same rule applies also in case of <i>force majeure</i>. When reporting on expenditures in Mobility Tool, the beneficiary is requested to flag the project as <i>force majeure</i> and explain the application of <i>force majeure</i> in the context of the COVID-19 pandemic (see the IT documentation for more information).</p> <p>As usual, beneficiaries should keep all the supporting documents that show that the event that generated the costs took place / was incurred for future possible audit purposes.</p>
Project Duration		
2.	Can the National Agency automatically apply the maximum project duration in case of projects selected under round 1 of 2020 Call?	<p>The beneficiary needs in each case to agree to the terms proposed by the National Agency for the projects implementation, including its duration, in the Grant Agreement. The beneficiary therefore has the right to refuse any change in the terms proposed by the National Agency, which was not announced in the context of the Call.</p> <p>In respect of the above, where relevant, the National Agency may propose to the beneficiary an extension of the project's duration to allow postponement of activities with up to 12 months, also for round 1 projects of the 2020 Call, when signing the Grant Agreements, if it seems likely that an amendment would otherwise become necessary.</p>

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3.	Can you explain what a “suspension” of a project is? Can it be registered in EplusLink? Is it just a term to explain this period when activities are on hold due to COVID-19 pandemic?	<p>The Guidance on <i>force majeure</i> refers to ‘suspension’ in a general meaning of interruption of activities. The aim is to allow National Agencies to manage suspensions/interruptions of activities without having to fix a legal duration via an amendment for the period of suspension, which in the current circumstances is not known.</p> <p>A suspension in the legal meaning can be introduced in EPlusLink where an amendment has been signed, which clearly fixes the start and end dates of the suspension. In this case, if the prolongation is of the same duration as the suspension, the project duration remains unchanged, while the validity of the Grant Agreement is extended with the period of the suspension. The National Agency may however still be in a situation of exception, if the prolongation takes the new end date beyond the latest possible end date fixed in the calendar for the use of funds.</p>
4.	If beneficiaries request to prolong the project duration, do they also have to suspend the project (for the number of months they wish to prolong it)? Can you clarify if there is a connection between suspension and prolongation of project?	<p>Where activities have been interrupted, the project needs to be extended with the number of months required to complete the project. It should be noted, that this extension does not allow for an increase in the grant amount.</p> <p>When activities are formally suspended, all activities, and the eligibility of the related costs, temporarily cease. A formal suspension requires an amendment to the Grant Agreement. The Commission therefore does not require that Grant Agreements are formally (legally) suspended when activities are interrupted for reasons linked with COVID-19 pandemic. National Agencies are instead authorised to extend the projects with in principle the number of months that activities are interrupted, and for reasons of simplification and maximum flexibility, up to the limits communicated by Note 014 and the calendars for the use of funds, while respecting the guiding principle for this Q&A document.</p>
5.	Is it possible to suspend a project that is coming to an end?	<p>The beneficiary can request a suspension of the Grant Agreement at any stage of the project implementation. It is up to the responsible National Agency to carefully assess case-by-case, in the light of the relevant circumstances and the applicable legal framework, and to verify whether the request is relevant, appropriate and justified, and to agree or not to the requested suspension.</p> <p>If the suspension leads to an extension of the project duration, to allow the beneficiary to complete the activities / produce the required outputs, the new latest end date / project duration needs to stay within the rules and dates of the relevant calendar for the use of funds.</p>
National Agencies’ activities and management of project lifecycle		
6.	Besides the new calendar for the use of funds, will the guidelines for primary checks be updated? E.g.	In order to provide some additional information to the National Authorities and National Agencies regarding primary checks during the crisis period, the Commission would like to clarify as follows:

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	including minimum number of checks to be done but also guidelines on what may be checked when virtual mobilities are/ were organised within a project?	<ul style="list-style-type: none"> • given the overall long timescale available to the National Agencies to complete their checks, for the time being the Commission is not formally extending the overall deadline for the completion of checks; • in practice, if at the end of the time period certain National Agencies have not managed to reach their <i>minima</i>, it will be possible to either extend the period for completion of checks, or to replace certain “on the spot” checks with a desk check which can be carried out remotely; • notwithstanding the above, those National Agencies which have maintained business continuity are encouraged to continue their programme of checks, especially desk checks carried out remotely on electronic documents, during the period of confinement; • in particular, at this stage it is too early in the crisis period to make any overall changes to the time limits and targets, and the Commission will reassess the situation in this regard in September 2020.
7.	External financial audits (so-called ADEC audits contracted by the Commission) at the National Agencies are ongoing despite the situation. Does the Commission plan to suspend them?	A significant amount of the audit work can be done remotely. Therefore, the Commission deems that it is best to allow this work to continue. If for some National Agencies it proves impossible to complete all the planned work before the end of the contract, we will address that after the summer.
8.	The procedure for recovery orders and processing of final and interim reports requires communications to the beneficiaries through registered mail, which cannot be applied under the current restrictions. Is it possible to replace registered mail with PDF letters sent by e-mail only?	Section 3.12(2) of the Guide for National Agencies states that, in <u>case of recoveries</u> from the beneficiaries following the assessment of the final report, the National Agency shall send the notification letter <u>by registered letter or any other means</u> allowing to certify when the notification has been received by the beneficiary. Where the Guide for National Agencies does not mention any explicit alternative to registered mail (for example, in case of communications terminating Grant Agreements and implying the reimbursement of pre-financing), communications sent by e-mail shall be followed by duly registered mail once the situation is restored back to normal.
9.	Should the National Agency provide a prior agreement to the beneficiary on the costs incurred in cases where <i>force majeure</i> is invoked? Is an amendment of the Grant Agreement needed if the ceilings related to the budget categories are exceeded due to <i>force majeure</i> ?	See the reply to question A.1, which states that “Within this ceiling (i.e. amount indicated in the Grant Agreement), there is full flexibility for beneficiaries to modify (increase or decrease) the amounts requested for the various activities embedded within the same project”. The National Agency can at final report stage accept as eligible costs that go beyond the ceilings of specific budget categories, where they were incurred by the beneficiary and are directly and exclusively linked to the COVID-19 pandemic. Based on the justifications provided by the beneficiary in the final report, it is the responsibility of the National Agency, following a careful case-by-case assessment in the light of the relevant circumstances and the applicable legal framework, to verify the eligibility of the declared expenditure. As the National Agency in such cases is derogating from the contractual provisions, such derogations should be documented in an exception report.

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		<p>If any changes among budget categories are due to reasons other than <i>force majeure</i> directly and exclusively linked to the COVID-19 pandemic, the rules for Grant Agreement amendments apply.</p> <p>In the case of ICM projects and transfers within <u>regions</u>, please see question G.1.</p> <p>National Agencies are also recommended to disseminate among their beneficiaries the Guidance on the application of <i>force majeure</i> (Annex 2 to Note 021).</p>
10.	Does the Guidance on <i>force majeure</i> for National Agencies received with the Note 021 apply to all cases received since the beginning of the crisis or as of March 30th?	<p>On 30 January 2020, the World Health Organisation (WHO) declared the COVID-19 outbreak a public health emergency of international concern, and on the 11 March 2020, WHO declared the COVID-19 outbreak a pandemic. As the number of cases is increasing alarmingly and due to the lack of means to deal with the COVID-19 outbreak, numerous Member States have declared a national state of emergency. Consequently, and taking into account the need to protect all the participants, the Guidance issued with Note 021 shall apply to all cases received from 30 January 2020 where the <i>force majeure</i> clause can be invoked, if those cases are directly and exclusively linked to the COVID-19 pandemic.</p>
11.	Can the Commission clarify if the exceptions provided by the National Agencies, under these circumstances, will have full validity for auditors in future years?	<p>Section 2.5.4 of the Guide for National Agencies establishes: “The NA shall ensure that all cases of overriding of controls or deviations from established policies and procedures <u>under exceptional circumstances</u> are documented, justified and approved at the appropriate level before action is taken. [...]”</p> <p>The National Agency should, as per the normal requirements, keep a complete record of the exceptions duly authorised at the right hierarchical level (National Agency’s Director) for future audits. The contents of the exception reports should provide for a clear audit trail to the activities / transactions impacted.</p> <p>The National Agencies should also refer the auditors to all the Guidance documents issued by the Commission in relation to the COVID-19 pandemic where the use of this instrument has been explicitly authorised. The Commission on its part will provide the external (ADEC) auditors with the set of specific guidance issued for the National Agencies’ management of the COVID-19 pandemic.</p>
12.	Do beneficiaries who run projects that are close to end or have recently finished in midst of the pandemic, but still produce unforeseen expenditure, have to request an extension of their projects to justify these expenses through their final report? Can the National Agency accept these	<p>Costs can only be accepted if incurred during the implementation period of the project. Therefore, an extension of the Grant Agreement of the project is needed to cover unforeseen expenses due to a <i>force majeure</i> directly and exclusively linked to the COVID-19 pandemic.</p>

Seq. No.	Question	Answer
	costs under <i>force majeure</i> clause without extending the projects?	
European Solidarity Corps Specific		
13.	Can volunteers continue to carry out their activity in the projects as long as the general protective measures in the workplace are guaranteed?	National rules and measures apply in those cases. Participants and organisations should be made aware of the necessary health and safety measures to guarantee that activities take place without risks to their health.
14.	<p>If volunteers have taken part in a project for more than 3 months but the project was cancelled due to the COVID-19 outbreak, can they participate in other volunteering projects?</p> <p>Can they support other organisations if their host organisation had to close down? Are volunteers allowed to fulfil different tasks?</p>	<p>The principle of <i>force majeure</i> is applicable also to these cases directly and exclusively linked to the COVID-19 pandemic. If the activity of the volunteer is cancelled due to <i>force majeure</i> linked to the COVID-19 pandemic, the volunteer could be entitled to take part in another activity. In any case, the total amount of time should not exceed 12 months.</p> <p>Projects can also adapt their activities following a consultation with the relevant National Agency. In that case, the National Agencies are required to make a case-by-case assessment in the light of the relevant circumstances and the applicable legal framework, to verify whether it is relevant, appropriate and justifiable to adapt those activities as long as the project is implemented in accordance with the overall objectives and with the Grant Agreement provisions. However, in the case that changes do not fall under the flexibility of the Grant Agreement, beneficiaries should ask the National Agency for an amendment of the Grant Agreement.</p>