

Recommendations on adapted measures in project development and grant implementation due to impact of COVID-19 pandemic

In the past weeks, CONCORD members welcomed messages and instructions on grant management in the context of COVID-19 pandemic issued by EU contracting authorities across the globe. This is a positive step in protecting our work with the most marginalised and excluded people across the world and helping our beneficiaries and our organisations cope with the devastating effects of the COVID-19 pandemic.

Following our first letter to DGs DEVCO and NEAR on 18 March 2020, CONCORD members have carried out an in-depth overview of the main risks to the development and the implementation of DEVCO/NEAR-funded projects due to the impact of COVID-19 at global scale. As a result of our analysis, we would like to present key recommendations to minimise this impact and to maintain the continuity of project implementations as much as possible. We are urgently requesting timely guidance from DEVCO and NEAR as well as a consistent approach across EU contracting authorities in dealing with project development and grant implementation. We would like to offer a number of recommendations to allow for flexibility, ownership, coherence and coordination.

We welcome the specific [guidance and flexibility received from DG ECHO](#) regarding current projects and proposals and hope that DG DEVCO and DG NEAR would take a similar approach.

Summary of key recommendations:

- Global guidance for all upcoming calls for proposals and ongoing grants funded from external EU funding instruments from DGs DEVCO and NEAR for all EU contracting authorities and external partners to ensure a consistent approach to mitigation measures.
- Assurance that all required costs will be considered eligible, including (but not limited to) the ongoing payment of project staff and partners, necessary costs for the resumption of the actions such as the running costs, any costs associated with the cancellation of flights, meetings and costs meant to ensure the safety and security of staff members, partners, beneficiaries which can generate additional unforeseeable costs.
- Timely approval of amendment requests and processing of payments.
- Sufficient flexibility in approving project modifications, contract amendments and no-cost extensions to provide Civil Society Organisations (CSOs), communities and partners we work with, in order ensure continuity where possible and minimize project interruptions.
- CONCORD would support a crisis declaration in relation to the COVID-19 pandemic in affected countries which would allow for increased flexibility for both the EC and grant beneficiaries. The use of flexible procedures would facilitate procurement of services, supplies and works and also entail derogations for rules, such as, of origin and nationality, proof of non-reimbursement of taxes, etc.

Flexibility

1. Flexibility regarding concept note and full proposal submission deadlines (Art 6.5.5, PRAG 2019)

Consider extending the deadlines for the submission of concept notes for HQ and local calls for proposals in line with the length of the state of emergency situation in a particular country and the Contracting Authority's capacity. Because of travel restrictions and limited internet connection in certain countries, it is currently more difficult to ensure timely consultations with partners and other project stakeholders and to carry out needs assessments. The extension request is in line with Art 6.5.5 in PRAG 2019 which states that *the deadline for submission must be long enough to allow for high-quality proposals*.

2. Waiver for paper submission of project proposal

Waive paper submissions of proposals where this is requested.

3. Flexibility in co-financing requirements (Art 6.3.9, PRAG 2019)

In these exceptional circumstances, examine the possibility of full financing of projects in line with Art 6.3.9 of PRAG 2019, as this pandemic may be considered a crisis situation and its economic impact may affect the ability of many organisations to fundraise in the medium and long term.

4. Extension of the deadline for submission of interim, final and Expenditure Verification Reports

Allow extensions for the submission deadline of interim and final narrative, financial and expenditure verification reports because shortage of staff may prevent organisations to collect data for the drafting of these reports. Limited access to some areas due to the impact of COVID-19 might also prevent the external auditors to perform and provide the expenditure verification reports on time.

5. Facilitate compliance with EU procurement principles

Bearing in mind that grant beneficiaries may rely on their own procurement procedures as long as they comply with the EU's principles, with the exception of the rule of nationality and origin, facilitate requests for derogations in order to comply swiftly with EU regulations. Market disruption may lead to scarcity of suppliers, contractors or service providers. In such cases, compliance with procurement requirements would result in a delay in the procurement process and thus in the implementation of activities.

6. Waiver for the submission of registered letters for administrative procedures

In cases where grant beneficiaries request project changes or suspensions, allow email notifications as evidence of receipt of submission by the other party instead requiring registered letters. This would allow for a more efficient communication and will inform beneficiaries more rapidly about the period that they are entitled to incur eligible costs.

7. Timely approval for request for changes

Timely approval of the requests for project modifications such as activities and budget changes, use of contingency reserve, no-cost-extension, project suspension or termination due to force majeure.

Ownership

8. Allow grant beneficiaries to decide which project modifications respond to the Covid-19 impact

Allow partners to modify and adapt the project activities according to needs generated by the impact of the pandemic as long as these changes do not put into question the award decision or the equal treatment of beneficiaries. Depending on the outcome of the project, these may include but not be limited to activities tackling COVID-19 impact in multiple sectors such as health; water, sanitation and hygiene; education, etc.

9. Allow grant beneficiaries to conclude a project without fulfilling certain activities or targets due to force majeure

Force majeure should be considered in case there is evidence that it is not possible to complete the project and a no-cost extension could ensure reaching targets. If prevented from fulfilling their obligations due to force majeure, the grant beneficiaries should not be considered in breach of their obligations, including being held responsible for not completing the action due to such circumstances.

Coherence and Coordination

10. Issue global guidance for DEVCO and NEAR-managed grants, including the European Development Fund, on the mitigation measures for projects affected by the COVID-19 pandemic, including clear instructions of application of force majeure .

Provide general guidance for both contracting authorities and for grant beneficiaries on the mitigation measures for ongoing projects affected by the COVID-19 crisis regarding proposals, project/budget modifications, partial or full suspension and termination. This is to ensure a consistent approach applied across by Authorising officers.

11. Allow for the reimbursement of costs during suspension and in case of termination

Allow necessary existing operational and staff costs to be charged to the project during the suspension of activities or termination of contracts due to force majeure. In addition, allow any costs associated with the cancellation of flights, meetings and costs meant to ensure the safety and security of staff members, partners and beneficiaries due to COVID-19's impact. We would welcome clear guidance on the eligible costs which can continue to be incurred during the suspension period as the interpretation differs across EU Delegations and other contracting authorities.

12. Provide additional support for Contracting Authorities managing grants under indirect management

EUDs may need to provide additional support to National Authorizing Offices (NAOs) managing EDF funds to ensure a consistent approach to mitigation measures.

13. Clear guidance on substitute or delayed performances

Provide more guidance or examples of what substitute performance or delayed performance can be considered in a situation where project performance is impeded because of unavailability of staff.

We welcome the European Commission's timely support in mitigating the effects of the Covid-19 pandemic on external cooperation projects and would like to engage in a constructive dialogue with DG DEVCO, DG NEAR and the EU Delegations in the coming period to allow a timely coordination among stakeholders as well as to ensure that compliance with EU rules is applied throughout.

