



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR EMPLOYMENT, SOCIAL AFFAIRS AND INCLUSION
Social Affairs
Disability and Inclusion

Brussels, 12 June 2020
EMPL.C.3/EG

Dear Mr Lens, Dear Partners,

Thank you for your email of 19 May 2020. In the letter, signed by several beneficiaries of operating grants awarded under EaSI, you draw our attention to the challenges faced by the EU Civil society due to the COVID-19 crisis and call for flexibility in the application of the EU financial rules, in particular related to the co-financing rates.

Please be assured that the Commission is focusing all its efforts to address as much as possible the consequences of this unprecedented crisis. As communicated in my email of 11 May 2020, the possibility to change the co-financing rate was extensively discussed internally since the beginning of the crisis. These discussions concluded that such modification is unfortunately not possible for financial, operational and legal reasons.

In your letter, you mentioned the flexibility offered recently under the cohesion policy and we fully understand your request in this context. The amendments, which were adopted under the Coronavirus Response Investment Initiatives (CRII and CRII+), include only the Cohesion funds under shared management and aim to give flexibility and liquidities to Member States. This flexibility allows the Commission to frontload reimbursement to provide Member States with funds, but does not constitute an overall increase of the national allocations nor increase of co-financing to the final beneficiaries. Within the framework of direct management, under which EaSI and other programmes like REC operate, we unfortunately cannot follow the same path.

The reasons are multiple. The most straightforward and critical one for 2021, is that there is no reserve in the budget directly managed by the Commission to allow absorbing the risk linked to increased co-financing. With an equal budget available for the call, all beneficiaries would have to self-restrict their work programmes to ensure sufficient credits for all partners. As this is an open call, the Commission has absolutely no means to ensure this. We therefore run the risk not to be able to fund all partners having signed the FPA (i.e. eliminate the proposals with the least good rating following the evaluation procedure). We cannot run this risk, as we consider necessary to support all NGOs covered by the FPAs, especially in the current difficult times they are going through.

There are other reasons, for example related to the timing as, instead of accelerating the procedure for next year, it would have led to significant delays. In addition, the Commission must ensure equality of treatment among organisations funded from different programmes, as the legal basis of REC (funding the disability organisations) and EaSI do not offer the same possibilities.

Your letter also refers to EAC and we thank you for providing the additional information we asked for. We looked at it in detail and consulted the relevant services to see if this case could open any other door for 2020. Unfortunately, our investigations concluded that this case is not applicable and does not offer any solution to the current situation. Without entering into the details, the EAC's case that you described related to the award of grant agreements with rates that were inferior to the ones published and the maximum ones allowed under the legal basis of the programme. In our case, the rates of maximum 80% set-up in your grant agreements is equal to the maximum co-financing rate that was allowed by the initial call for proposals and the legal basis, leaving no margin up.

Via our second Q&As, we presented you with the most flexible approach possible. For the current work programme 2020, it includes:

- the replacement of initially planned activities that cannot take place due to the crisis by alternative solutions;
- the reallocation of funding in particular towards staff costs where needed and justified;
- the eligibility of costs that would normally not be considered eligible (cancellation costs of non-incurred events), and;
- simplified procedures to amend the work programmes.

In addition, we have made every effort to accelerate the 2021 procedure to be able to advance the payment of some pre-financings to end 2020 in case some networks expressed the need for an early payment (subject to the availability of payment credits).

Although we cannot reply satisfactorily to your request on the co-financing rates, we trust that the approach followed up to now has allowed all EU beneficiaries to address most difficulties faced to implement their activities and maintain the level of their grant despite cancelled activities in the current circumstances. Please keep contacting us for any specific question you would have and be assured that we will treat each of them in depth and consider all possible solutions to support you in these challenging times.

Yours sincerely,

Emmanuelle GRANGE