

COVID-19 RESPONSE FUND

Background

1. In May, the Managing Authority (MA), sought ministerial approval of a new Strategic Intervention (SI) in response to COVID-19, the COVID-19 Response Fund. Now approved, the SI has been developed to take advantage of flexibilities to the current regulations under the Coronavirus Response Investment Initiative (CRII and CRII +) announced by the European Commission.

2. The SI has been developed to aid the Scottish Government (SG) response to, and assist, Scottish health care services, for example, respond to the COVID-19 outbreak. The scale and complexity of the outbreak is significantly beyond and out-with normal SG planning and provision of health services.

3. Members are aware that COVID-19 has created significant social and economic challenges. The SI has been designed to provide much needed funding to SME's, helping to meet the economic challenges that SME's are currently working through, and develop, and put in place, mitigation to minimise the negative social impact that COVID-19 is having on the continued delivery of ESIF funded projects and activities.

4. The SI contains the over-arching principles in which operations can be considered for support. At present, there are no specific operations supported through the SI. Members should note that, under the terms of the SI, there is no requirement for applicants to provide match funding when seeking support through the Fund.

Q&A

5. The MA has received a number of questions in relation to the Fund. For ease, these have been detailed below with responses:

Q. Where will the funds that will make up the COVID-19 Response Fund be drawn from and what impact will have this, if any, on the ERDF Programme in the Transition Area?

A. The funds are being drawn from any uncommitted funding or funding that has become available as a result of the recent Lead Partner re-profiling exercise. The Fund is currently estimated to be upwards of £19 million, but these figures may fluctuate.

Q. Will there be a specific part of the fund dedicated to the Transition Area?

A. No, other than the funding already allocated to SIs in the Transition Area. The Fund is intended to support COVID19 related activities across Scotland.

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Q. How will the fund operate and who will be the Lead partner?

A. The MA is currently exploring different options and will be in a position to provide a further update once these discussions have been concluded.

Lead Partners have been given the opportunity to re-profile their current SIs to include activities linked to the COVID19 crisis.

Q. What activities will be eligible for funding?

A. The funds will be used to support COVID-19 related activities and, in particular:

- the purchasing of goods and services to support the health care system
- support to SMEs to help them mitigate the impact of COVID-19.

Q. What are the timeframes (start date, end date etc.)?

A. The Commission has confirmed that the funding can be applied retrospectively where it is COVID-19 related - this activity is eligible to be funded from 01 February 2020. Provided it can be demonstrated that activities are COVID-19 related, current Programme end dates apply.

Q. What role will the HITC have in contributing to the design and operation of the funds allocated to the Transition Area to ensure they meet the needs of the area?

A. The MA will consult with HITC members as the Fund progresses.

Q. What mechanism is there for ensuring that these activities align with existing SI delivery, avoiding duplication and also making best use of all resources available?

A. The MA is very clear that the Fund must align with current SIs and avoid duplication with existing provision – appropriate checks will be put in place to ensure this.

Q. What mechanism was in place to offer more flexibility in current SI delivery?

A. Since the beginning of lockdown in March, the MA has been working closely with Lead Partners to provide advice and guidance on issues affecting delivery and will continue to do so for the foreseeable future.

6. A copy of the ESIF COVID-19 Response Fund Q&A is also available at the following link: <https://www.gov.scot/publications/coronavirus-covid-19-european-structural-and-investment-funds/>

**Managing Authority
31 August 2020**