

FIFA[®]

FIFA COVID-19 Relief Plan

Operational Model and Governance Structure



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1. Background

Since the outbreak of the COVID-19 pandemic, FIFA has continuously reiterated the need to put health first and that safeguarding the public, as well as the well-being of players, officials and everyone who participates in any football activity, must be of primary importance.

In order to ensure this as much as possible, and for football to play its part in supporting health authorities and governments in controlling the spread of COVID-19, FIFA has strongly voiced its clear and unambiguous support for the suspension of football activities.

Unfortunately, the resultant suspension of basic football activities in almost every country in the world has led to enormous financial distress for member associations (MAs) and their respective football structures. FIFA quickly recognised the need and duty to implement a FIFA COVID-19 Relief Plan (hereinafter the “Relief Plan”) aimed at alleviating this distress and ensuring the provision of financial support to assist with football’s resumption and protect the game’s future well-being across the globe.

The work that FIFA has been doing over the past four years under the guidance and supervision of the FIFA Council has ensured that the organisation is in a very strong financial position, which has enabled a considerable financial relief plan to be put in place.

The need was identified to adopt a measured approach, with the aim of establishing an effective and meaningful plan capable of offering support to the whole football community across all 211 MAs. This has required extensive analysis and consultation to take place and careful consideration has also been necessary with regard to establishing an appropriate governance and operational structure for the Relief Plan.

This extensive work that had to be undertaken also had to be balanced against the need to provide immediate support and relief to MAs, which led to the following three-stage approach being implemented:

- Stage 1 - Provision of immediate liquidity relief to MAs

The most urgent priority established was the need for an instant injection of liquidity to assist MAs in the immediate short term. As a result, the Development Committee (on 15 April 2020) and the Finance Committee (on 16 April 2020) approved the immediate release of all remaining 2019 and 2020 Forward 2.0 operational-cost entitlements to MAs under the FIFA Forward Programme. The subsequent use of these funds by MAs is to be fully audited as per the FIFA Forward Regulations.

- Stage 2 - Provision of additional support to MAs

In addition to the release of operational-cost entitlements, it was decided that MAs should be given the opportunity to transform their remaining Forward “specific project” allocations into “COVID-19 relief funds”. There are two main elements to this aspect of the Relief Plan, according to which MAs may:

- 1) apply for unallocated specific project funds to be “transformed” into COVID-19 relief funds; and/or
- 2) apply for planned project funds to be reallocated to COVID-19 relief funds.

These possibilities were approved by the Development Committee and the Finance Committee (both on 8 May 2020). They are to be accommodated within the existing Forward 2.0 regulatory framework and MAs that avail themselves of this mechanism are required to inform FIFA of how the funds will be used in response to COVID-19 issues, and

to allocate a minimum of 50% of the funds released to women’s football. The subsequent use of the funds by MAs will be fully audited as per the Forward Regulations.

- Stage 3 - Support for MAs and the wider football community:

The third aspect of the Relief Plan has been designed so that MAs and confederations are provided with additional financial support to help protect and safeguard football from the adverse economic effects of COVID-19 within their individual countries and regions.

Given that the situation within each MA and confederation differs considerably, and as there are many ever-changing factors that affect the specific and individual needs of each MA and confederation, a grant-plus-loan system has been put in place that will allow a tailored use of the funds that are made available within stage 3 of the Relief Plan.

Each MA will be given the opportunity to illustrate where the funds are used so as to ensure the continual development and strengthening of football in all its forms (including futsal and beach soccer) – from grassroots to elite level, for girls and boys, women and men – as well as to uphold their governance, management and administration systems.

In order to finance stage 3 of the Relief Plan and to be able to provide assistance to MAs, the confederations and the wider football community, an allocation of part of FIFA’s existing excess reserves is required. Furthermore, a consultation process was put in place via the FIFA-Confederations COVID-19 Working Group and a FIFA-Confederations COVID-19 Relief Plan Coordination Group throughout the development of the proposed plan model and structure.

Details on the consultation process and the proposed operational model and governance structure of stage 3 of the Relief Plan (including the application and reporting process) are outlined below.

Summary of the three stages of the FIFA COVID-19 Relief Plan

STAGE 1	STAGE 2	STAGE 3
<i>Provision of immediate liquidity relief to MAs</i>	<i>Provision of additional support to MAs</i>	<i>Support for MAs and the wider football community</i>
Release of all 2019 and 2020 Forward 2.0 operational-cost entitlements to MAs	Transformation of Forward specific project allocations into COVID-19 relief funds	Grant + loan facility to provide assistance to MAs, the confederations and the wider football community
USD 152m	USD 465m	USD 885m
USD 1.5bn		

2. Impact assessment and consultation process

With a view to developing the most fit-for-purpose structure possible for stage 3, a comprehensive assessment of the impact of COVID-19 on the football community was simultaneously undertaken alongside the extensive consultation process.

Economic impact assessment

Initial outreach was conducted via direct contact with all 211 MAs in order to gather relevant data, both financial and non-financial, and better understand the situation being faced in each individual territory. The data that was gathered was then used as part of a wider analysis exercise that was performed in tandem with external expert consultants to assess the impact of COVID-19 across football and to identify how best to address the financial distress encountered by each MA.

The resulting economic impact assessment uncovered the near impossibility of accurately forecasting the global and individual impact, given that circumstances are continually changing and different in each MA. The process highlighted the following key results, however:

- The impact on global football is too big for any single stakeholder to mitigate and therefore concerted efforts by all stakeholders are needed.
- The impact comprises revenue losses ranging from approximately 10% to 30% depending on the different scenarios considered.
- On aggregate, approximately 90% of the impact of COVID-19 is at club level, although this varies across MAs.
- For all scenarios, the impact is spread across 2020 and 2021, and in certain scenarios, the 2021 impact is higher.

The assessment also underlined several important factors that were taken into consideration when developing the framework for stage 3 of the Relief Plan. These included the importance of using audited financial data to ensure the necessary degree of reliability and comparability, as well as the need to have a complete and final data set that is not subject to continuously changing factors.

Furthermore, an analysis was undertaken of accepted approaches adopted by large international funding institutions in response to the COVID-19 pandemic. This included an assessment of response programmes from the International Monetary Fund, the European Commission, the European Stability Mechanism and the World Bank. This research was completed together with external experts and several approaches have been reflected in stage 3 of the Relief Plan. In particular, the use of a combination of grants and interest-free loans, variable allocations based on economic size, allocations being subject to floors and ceilings, and governance requirements as funding conditions are common to this proposal and programmes considered as part of the research.

Consultation process

The key updates from this process and the resulting economic impact assessment were discussed at the following meetings:

FIFA-Confederations COVID-19 Working Group	FIFA-Confederations COVID-19 Relief Plan Coordination Group
13 May 2020	8 May 2020
20 May 2020	15 May 2020
27 May 2020	22 May 2020
	12 June 2020
	19 June 2020

Various options and structures with regard to stage 3 of the Relief Plan were discussed within the meetings of the FIFA-Confederations COVID-19 Relief Plan Coordination Group.

In addition, the Bureau of the FIFA Council (at its meeting of 28 May 2020) and the Governance Committee (at its meeting of 11 June 2020) were provided with updates on the Relief Plan and the consultation that had been taking place.

The following key considerations and feedback emerged and have been used as the basis for the proposed mechanism and structure of stage 3 of the Relief Plan:

- Financial support should be channelled through the MAs.
- It should be based on a clear, objective and easily understandable methodology.
- Large differences in entitlements between MAs and regions should be avoided.
- A universal solidarity grant should be combined with a variable loan facility.
- The variable loan allocation should be linked to financial data (acting as a proxy for the ability to repay) and the size of the MA's football economy.
- Confederations should be included within stage 3 of the Relief Plan.

At the meeting of the FIFA-Confederations COVID-19 Relief Plan Coordination Group on 12 June 2020, the proposed principles for stage 3 of the Relief Plan were presented to and supported by the members, with the resulting framework currently proposed being agreed at the subsequent meeting on 19 June 2020.

3. Proposed operational model

With stage 1 of the Relief Plan having been implemented in order to provide immediate liquidity relief to MAs and stage 2 having offered further support by allowing remaining Forward specific project allocations to be transformed into COVID-19 relief funds, stage 3 has been designed in order to deliver additional support reflective of the identified need to further assist both MAs and the wider football community.

This has meant establishing a framework with a broad reach and the flexibility to be implemented in a way that considers not only top-level club football but also national teams, women’s football, lower-tier domestic leagues and the youth and grassroots games, as well as other stakeholders. Based on this principle, the following framework is proposed:

MAs’ entitlement

MA COVID-19 Relief Grant	USD 1,000,000 per MA
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In order to address the impact of COVID-19 in as many MAs as possible, it is proposed that a basic solidarity grant be made available to all 211 MAs.

Where the impact of COVID-19 is clearly exceeded by the grant value, the remaining amounts are to be invested in development projects.

The MA COVID-19 Relief Grant is to be paid in two instalments:

USD 500,000 in July 2020

USD 500,000 in January 2021

Total amount of MA COVID-19 Relief Grant:

USD 211,000,000

MA Women’s Football COVID-19 Relief Grant

USD 500,000 per MA

In order to protect and ensure a healthy restart for women’s football, it is proposed that a Women’s Football COVID-19 Relief Grant be made available to all 211 MAs.

The MA Women’s Football COVID-19 Relief Grant is to be released as a single payment:

USD 500,000 in July 2020

Total amount of MA Women’s Football COVID-19 Relief Grant:

USD 105,500,000

MA COVID-19 Relief Loan

Up to 35% of MA revenues

It is proposed that access to a variable, interest-free loan be provided to MAs whereby they are entitled to apply for up to 35% of their total revenues* (as per the most recently submitted audited financial statements as of 1 March 2020).

To secure the loans, future entitlements from FIFA will serve as collateral, with a repayment schedule beginning in the post-COVID period and extended over a long-term period spanning future cycles unless otherwise requested. This collateral may include future entitlements under the Forward Programme, as well as future prize money and any other amounts receivable from FIFA.

**The loan amount that can be applied for is, however, subject to lower and upper limits, regardless of the total revenues per MA:*

USD 500,000 min

USD 5,000,000 max

Total amount of MA COVID-19 Relief Loan:

USD 532,000,000

Confederations' entitlement

Confederation COVID-19 Relief Grant

USD 2,000,000 per confederation

It is proposed that a basic solidarity grant be made available to all six confederations.

Where the impact of COVID-19 is clearly exceeded by the grant value, the remaining amounts are to be invested in development projects.

The Confederation COVID-19 Relief Grant is to be released as a single payment:

USD 2,000,000 in July 2020

Total amount of Confederation COVID-19 Relief Grant:

USD 12,000,000

Confederation COVID-19 Relief Loan

Up to USD 4,000,000 per confederation

Access to an interest-free loan is also to be made available to each confederation. The regulations and applicable terms and conditions will closely reflect those in place for the MA COVID-19 Relief Loan outlined above.

Total amount of Confederation COVID-19 Relief Loan:

USD 24,000,000

Permissible use of funds

The Relief Plan has been established in order to alleviate the financial distress caused by the impact of COVID-19. As such, the funds made available within stage 3 of the Relief Plan should be used for relevant losses that have been incurred or are expected to be incurred, as well as to address needs that have arisen or are envisaged to arise, as a result of COVID-19.

Areas in which funds provided within stage 3 can be used include, but are not limited to, the following, provided they have been adversely affected by COVID-19:

- the restart of competitions across all categories (where the sanitary situation and government policy permit);
- the implementation of return-to-play protocols, including testing;
- the participation of national teams of all age categories in restarted competitions;
- the payment of staff costs and (re-)hiring of essential staff where necessary;
- the maintenance of footballing infrastructure; and
- the payment of general administration and operating costs.

Where there is reasonable doubt as to whether the intended use of funds is permissible, a request should be submitted in writing to FIFA in order to obtain approval.

In respect of the grants, and only where all COVID-19-related losses and needs have been addressed, any surplus funds may be invested in development projects. In respect of the loans, all funding drawn down is required to be directed towards COVID-19-related losses and needs.

Use of funds for relief for stakeholders within the wider football community

Where COVID-19-related losses and needs have been addressed, MAs have the option of using the funds to mitigate needs within the wider football community, such as by making payments to clubs or other stakeholders. Disbursements should be directed only where the subsequent recipient has been clearly demonstrated to be in need, and the principles of transparency and non-discrimination should be applied. Where such disbursements to stakeholders within the wider football community are made, MAs are obliged to report these separately to their members via the statutory audit and activity report for the year in question, clearly indicating the recipients and related amounts. The approval of the MA's executive committee should be obtained and documented for such disbursements and this applies in respect of both grants and loans.

Any loans made to subsequent recipients need to be secured or collateralised accordingly. FIFA will offer guidance and assistance in these matters, including standardised forms and templates if needed.

4. Proposed governance structure (including oversight, audit and control)

The need to have a manageable system that operates in an efficient and transparent way, incorporating a robust governance structure that ensures an appropriate level of accountability, has been central to establishing this proposed framework.

Based on the internal analysis of the FIFA administration, as well as advice provided by an external legal counsel, and having taken into consideration the feedback received during the consultation process, a number of key considerations emerged with regard to the governance and operational structures:

- priority to be given to ensuring the funds are used in an effective way and for the designated purpose;
- existing regulations to be adapted to create an easily understandable framework;
- standardised application forms and processes to be developed and used to ensure smooth operation;
- appropriate auditing mechanisms to be included in the framework;
- loan agreements, securities and repayment arrangements to be designed; and
- a Steering Committee responsible for oversight of the process to be established as an ad hoc committee of FIFA.

Having taken into consideration the above factors, the below principles are proposed for inclusion in a specific set of regulations that will govern the Relief Plan. It should be noted that these regulations are in the final phase of being drafted in collaboration with the aforementioned external legal counsel and an international funding advisor, both of whom have considerable expertise and experience in financial-assistance facilities.

Principles for inclusion in the FIFA COVID-19 Relief Plan Regulations

- The Steering Committee will act as an oversight body that monitors the overall implementation of the Relief Plan. As such, it will have the power to request additional information or documentation concerning applications, payments and monitoring as it sees fit.
- The allocation of funds will be based on an application process comprised as follows:

MA COVID-19 Relief Grant (1st instalment: USD 500,000 in July 2020; 2nd instalment: USD 500,000 in January 2021)

- For the first instalment (to be paid in July 2020), MAs will be required to submit an application form, containing all relevant terms and conditions, to the FIFA administration for review and approval. This will include written confirmation of their agreement with the applicable regulations and additional terms and conditions.
- For the second instalment (to be paid in January 2021), the application form that has to be submitted to the FIFA administration for review and approval will have to be accompanied by a report on the use of the first instalment and the MA Women's Football COVID-19 Relief Grant (as outlined further below), subject to which the second instalment will be released.

MA Women's Football COVID-19 Relief Grant (single payment of USD 500,000 in July 2020)

- The MA Women's Football COVID-19 Relief Grant will follow a similar process to that of the MA COVID-19 Relief Grant. However, this application will require an additional written commitment to include the development of women's football in the MA's contract of agreed objectives and the associated strategy – where it is not already in place – under the Forward Programme. This will be a written commitment at the application stage to work with the FIFA administration to develop this after the release.

- A report on the use of the MA Women's Football COVID-19 Relief Grant, as well as the fulfilment of the commitments signed and agreed with FIFA as part of the grant application, will need to be provided in order to receive the second instalment of the MA COVID-19 Relief Grant in January 2021.

Confederation COVID-19 Relief Grant (single payment of USD 2,000,000 in July 2020)

- To receive the grant (to be paid in July 2020), confederations will be required to submit an application form, wherein they will have to state their agreement with all relevant terms and conditions, to the FIFA administration for review and approval.

COVID-19 Relief Loan (MAs and confederations)

- To access the entitlement calculated for the loan, a clear demonstration of COVID-19-related losses and needs and the intended use of the funds will be required. This aspect of the application will be a central part of the assessment by the FIFA administration.
 - This assessment will include the determination of the collateral for the loan.
 - The schedule and terms of loan drawdowns and repayments will be included in the standard-form loan agreement to be drawn up between FIFA and the MA/confederation, and will reflect a long-term amortisation timetable.
- All funds – grants and loans – will be included in the central review process and subject to the same audit and reporting requirements as set out under the Forward Programme. The FIFA administration will include the Relief Plan in the scope of an expanded and adapted central review, including:
 - all standard checks as per the audit and reporting programme under Forward;
 - that any excess funds from the COVID-19 Relief Grant are invested in development activities under Forward;
 - that the Women's Football COVID-19 Relief Grant has been spent on women's football and the conditions attached to it have been met;
 - that the COVID-19 Relief Loan conditions are being adhered to; and
 - that any subsequent grant of funds for relief to other stakeholders within the relevant MA is approved by the MA's executive committee and has been included in the financial statements and activity report, where these have subsequently been completed.
 - The dedicated Forward bank account will be the sole destination for the release of funds to recipients, to facilitate the audit process and also to enable ease of reporting and traceability.

5. Non-financial support from FIFA

FIFA will be responsible for providing hands-on guidance and assistance concerning the implementation of the funds, which may involve, but will not be limited to, developing educational content and standard-form templates, and issuing written guidelines. Examples may include further guidelines on permitted expenses and the expected level of supporting documentation for the central review, as well as guidance on the MA Women's Football COVID-19 Relief Grant.

6. Next steps

With the aim of being in a position to release the first grant payments in July 2020, and following the approval of the Relief Plan by the Finance Committee at its meeting on 22 June 2020, the following next steps are envisaged with regard to establishing stage 3 of the Relief Plan:

- approval of the Relief Plan by the FIFA Council at its meeting on 25 June 2020; and
- approval of the FIFA COVID-19 Relief Plan Regulations by the Bureau of the FIFA Council.