



# **FUND FOR EUROPEAN AID TO THE MOST DEPRIVED (FEAD)**



# Background and basic concepts





## Origin of the FEAD

- 1987: Programme for EU aid for deprived persons -> distribute food products from intervention stocks
  - 1995: Possible to purchase food products from the market
- 
- 2011: Court decision -> no food purchase from the market
  - 2011: EP -> continue food programme
- 
- 2012: COM proposal for the FEAD
  - 2014: FEAD Regulation adopted





## Basic info

- **Regulation 223/2014 of 11 March 2014**
- **Budget: 3,8 bn EUR** (current prices) from SF
- **General objectives:** promote social cohesion and enhance social inclusion and contribute to achieving the EU2020 poverty reduction target  
-> contribute to eradicating poverty
- **Specific objective:** contribute to alleviating the worst forms of poverty by providing non-financial assistance to the most deprived persons



# Scope of support

## 2 main strands of support/2 types of OPs:

- Food and/or Basic Material Assistance (OP I)
  - Purchase and distribution of food
  - ❖ Purchase and distribution of basic material assistance (clothes, sleeping bags, school supplies, etc.)
  - ❖ Collection and distribution of food donations
  - ❖ Accompanying measures
  
- ❖ Social Inclusion of the Most Deprived (OP II)
  - ❖ Non-material social inclusion activities outside active LM measures



# Most deprived persons

- Article 2(2) of FEAD Regulation
- Persons whose need for assistance is established according to a set of objective criteria
- Defined at national level (in the OP or later)
- Examples:
  - people covered by minimum income scheme
  - homeless persons
  - disadvantaged children
  - migrants, marginalized communities



# Partner Organisations

- Article 2(3) of FEAD Regulation
- public bodies or non profit organizations
- For OP I:
  - Deliver material assistance directly or indirectly (multiple levels possible)
  - Provide accompanying measures
  - May also purchase assistance
- For OP II: undertake social inclusion activities for the most deprived

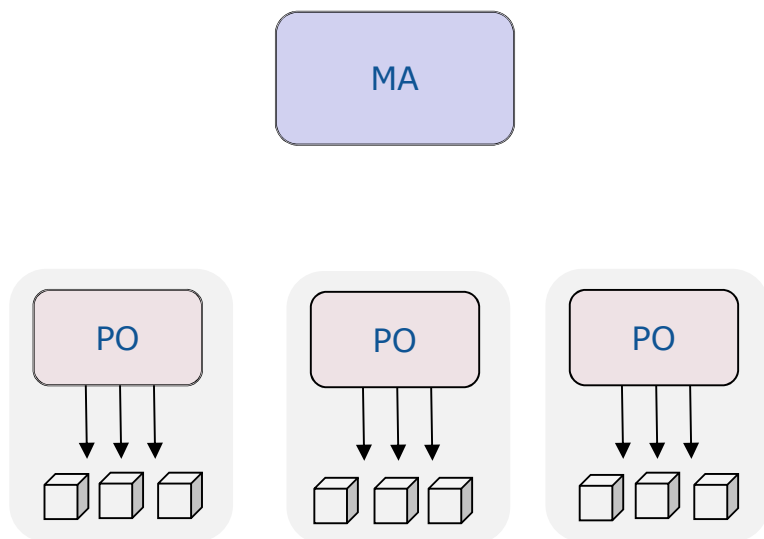


# OP I Models of implementation





# FEAD OP I Implementation model (1)



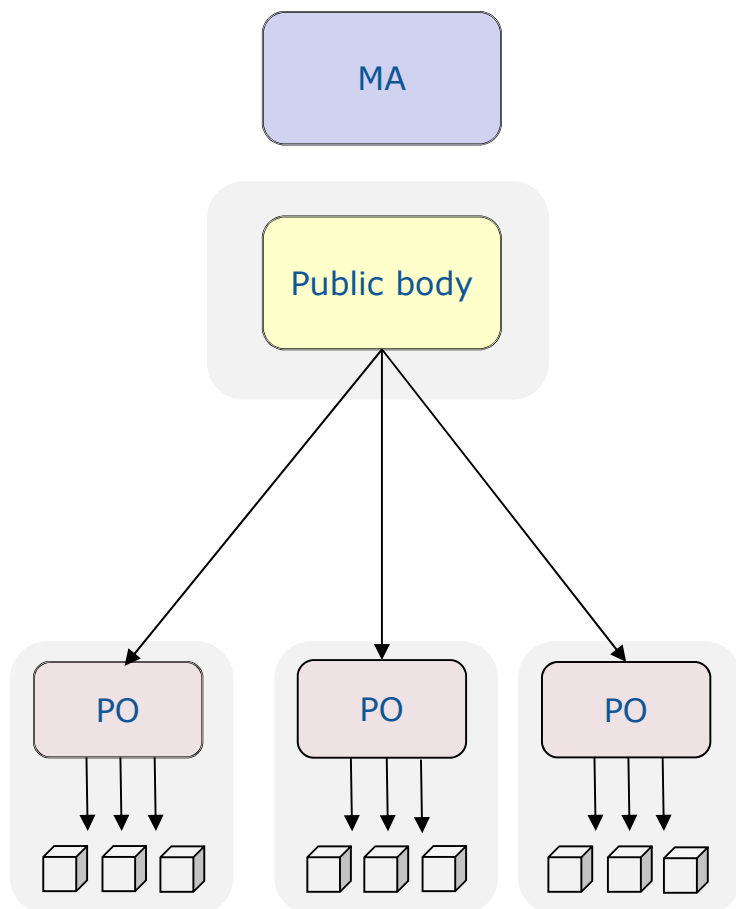
POs in charge of  
purchase and distribution

Purchase and distribution  
= 1 operation

POs = beneficiary



## FEAD OP I Implementation model (2)



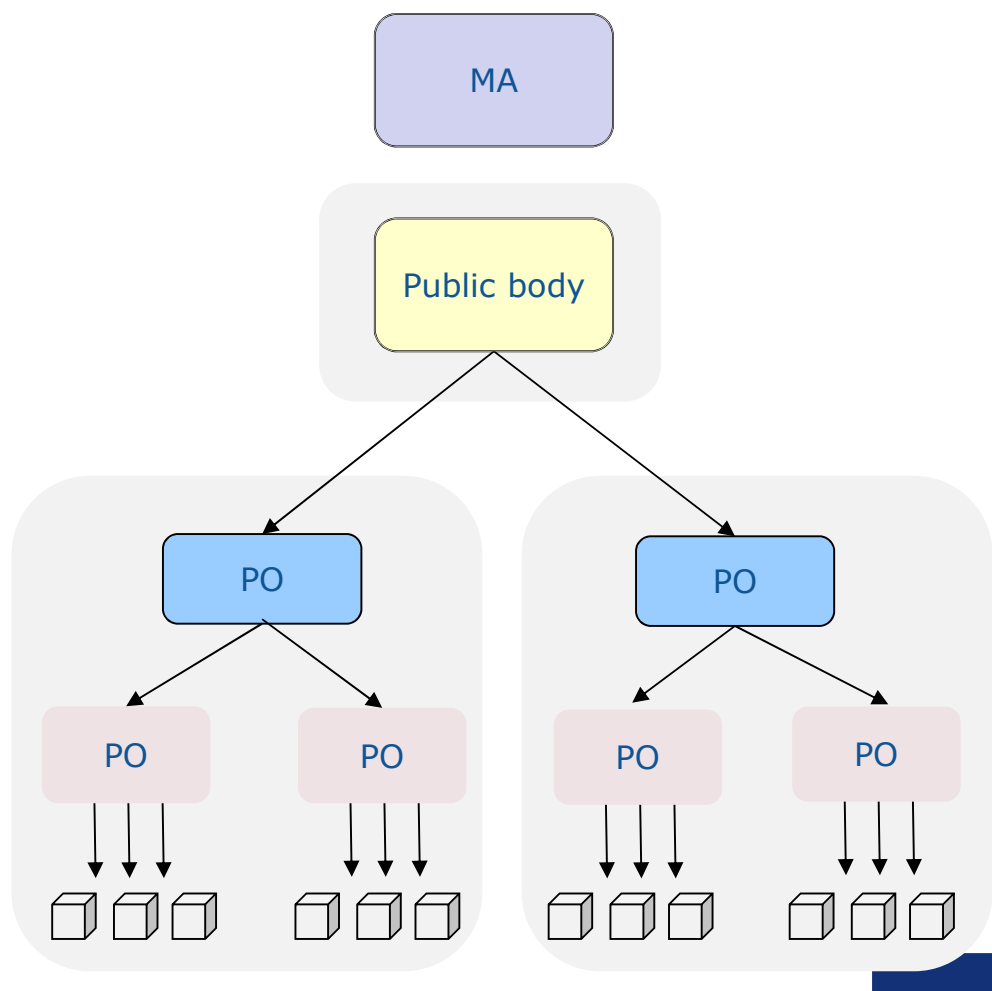
Public body -> purchase

POs -> distribution

Purchase and distribution  
= different operations

Public body and POs =  
beneficiaries

# FEAD OP I Implementation model (3)



Public body in charge of purchase

'Transport' POs

'Distributing' POs

Purchase/ transport and distribution = different operations

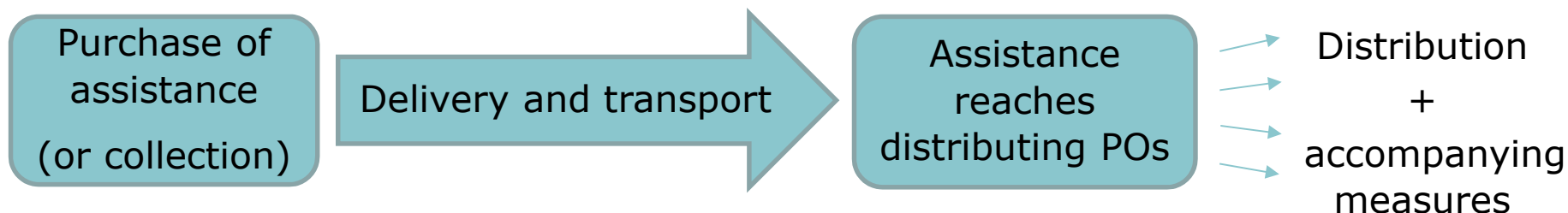


# Eligibility of expenditure



# FEAD implementation stages

## OP I:



OP II: Similar to ESF operations

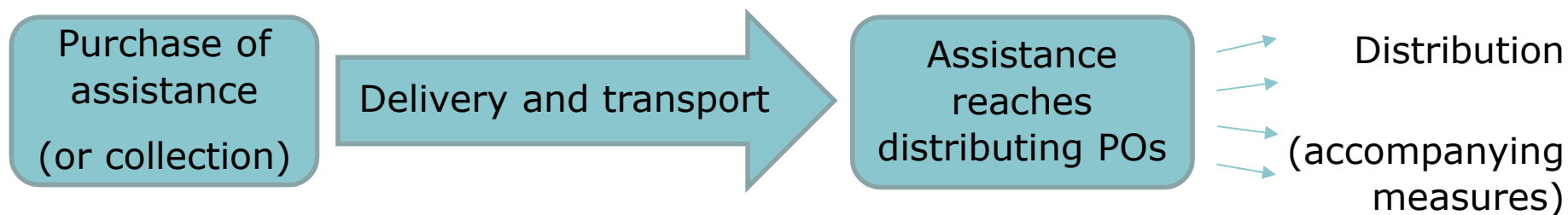


# Eligible expenditure

- National eligibility rules, except where rules are laid down in Regulation
- For OP I (Article 26(2)):
  - Costs of **purchase of food/goods** (26(2)(a))
  - 1% **flat rate** for costs of **transport to PO** (26(2)(b))
  - 5% **flat rate administrative, transport, and storage costs** for PO (26(2)(c))
  - 5% **flat rate** for **accompanying measures** (26(2)(e))
  - Transport and distribution of **food donations** (26(2)(d))
- Technical Assistance



# FEAD OP I implementation stages



26(2)(a)	
	26(2)(b)
	26(2)(c)
	26(2)(e)
26(2)(d)	





# OP I flat rates - general

## How are the amounts under the OP I flat rates calculated?

- On the basis of the expenditure incurred and paid for purchasing the assistance under Article 26(2)(a).

## When can the amounts, calculated as flat rates under Articles 26(2)(b), 26(2)(c), and 26(2)(e) be declared to the Commission?

- After activities financed have taken place:
  - **Article 26(2)(b)**: after the assistance has been delivered from the public body to the partner organisations
  - **Article 26(2)(c) and (e)**: after the assistance has been distributed (based on the presumption that the accompanying measures are undertaken with the distribution of the assistance)





## OP I flat rates - general (2)

**What happens to the amounts calculated under a flat rate when a financial correction is applied to the purchasing costs?**

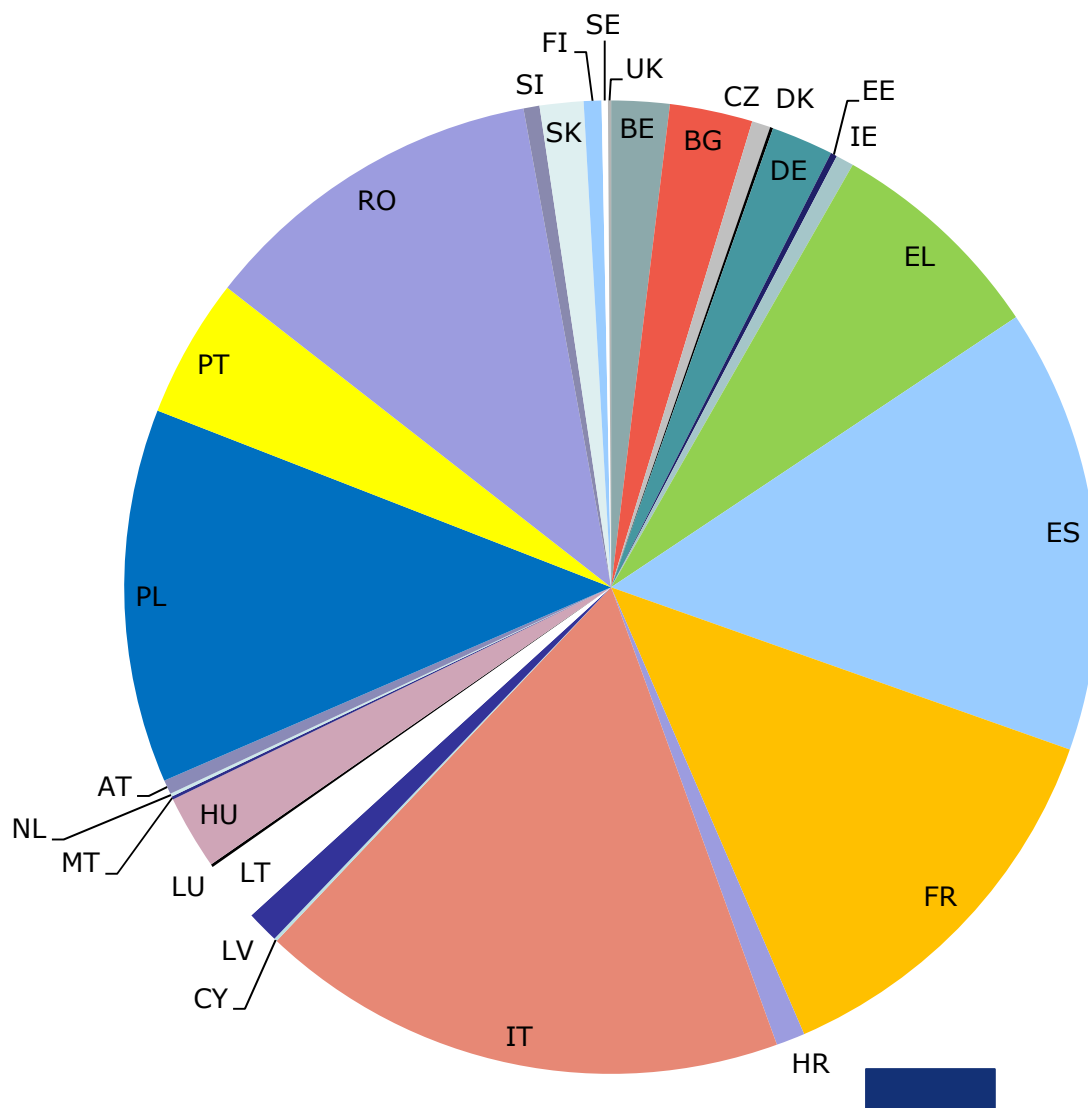
- **Current version of Article 26:** A financial correction to the purchasing costs will automatically lead to a reduction of the eligible costs calculated on the basis of a flat rate as well
- **Omnibus Regulation:** proposal to break the automatic link between the purchasing costs and the corresponding flat rates when the operations are implemented by different beneficiaries.
- Amendment has been proposed to apply retroactively.



# FEAD in the Member States

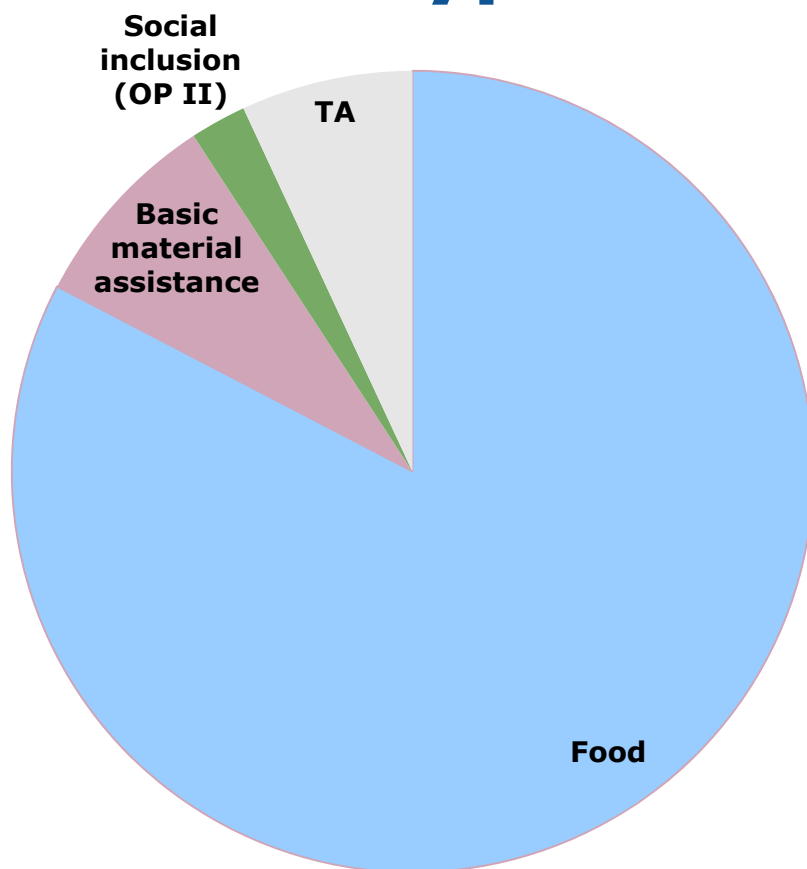


# FEAD Budget



- EUR 3,8 billion for 2014-2020
- 85% co-financing
- 6 MS above 250 000 000 (IT, ES, FR, PL, RO, EL)
- 6 MS at minimum (DK, CY, LU, MT, NL, UK)

## FEAD – types of assistance



OP I: 24 Member States  
23 MS – food support  
(approx. 86% of budget)  
15 MS – basic material  
assistance  
(approx. 8.5% of budget)

OP II: 4 Member States  
(DE, DK, NL, and SE)  
(approx. 2.5% of budget)



## Progress 2014-2016 (draft)

Committed expenditure	EUR 1.3 billion (29.5%)
Payments to beneficiaries	EUR 0.9 billion (20.2%)
Payments by COM (FEAD only)	EUR 0.7 billion (19%)
Quantity of food distributed	0.9 million tons
Persons benefiting from food support	15 million (2016 <u>est.</u> )
Persons benefiting from BMA	0.6 million (2016 <u>est.</u> )
Persons benefiting from social inclusion	22 951 (2016)





# **Recurring issues, simplification and future of FEAD**





# Recurring issues

- How do the flat rates work?
- Access to the fund and identification of the most deprived
- Complementarity with the ESF
- (Take up of) accompanying measures
- Use of vouchers
- Levels of flat rates





# "Omnibus" Regulation

- Extended use of SCOs:
  - SCOs based on Union policies (similar beneficiary and operation)
  - SCOs possible for food donations
- Safeguard for grants to partner organisations in case of a reduction of the eligible costs for the purchase of assistance (retroactive effect)
- Simplification of OP amendment
- Alignment with CPR (integrated operations)







# Future of FEAD

- New MFF post2020 debate (reflection paper of 28 June 2017) -> reduction of budget?
- FEAD Midterm evaluation
- Possible issues to consider:
  - **FEAD as part of 'ESF Plus'**
  - **Scope of support**
  - **Mandatory coverage**
  - **Programming options**





# Sources of information





# External sources

- **Legislative framework**
- **Summaries of FEAD AIRs**
- **FEAD Expert Group (CIRCABC)**
  - Financial management guidance
  - Audit of end recipients guidance
  - Flat rate guidance (draft)
  - Use of intervention stocks (draft)
  - Q&A table
- **FEAD Evaluation Partnership (CIRCABC)**
- **FEAD Network** – meetings, Yammer, case studies





# Internal sources: EMPL FEAD portal

- **Monitoring vade mecum** – integrated in RDIS
- **Q&As**
- **OP amendment roadmap** – integrated in RDIS
- (Eligibility guidance/audit trail LTT)
  
- [EMPL-FEAD-QA@ec.europa.eu](mailto:EMPL-FEAD-QA@ec.europa.eu)
- *F1: FEAD legislation, Network*
- *F2: financial management issues*
- *G2/G3: audit*
- *G4: evaluation*





Thank you for your attention!

