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**REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN
PARLIAMENT**

**Summary of the annual implementation reports for the operational programmes co-
financed by the Fund for European Aid to the Most Deprived in 2015**

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I. Introduction

The Fund for European Aid to the Most Deprived (FEAD) was set up under Regulation (EU) No 223/2014.¹ Its aim is to help alleviate the worst forms of poverty in the EU, such as homelessness, child poverty and food deprivation. Under the terms of the Regulation, the FEAD can support the most disadvantaged groups in society by providing food and basic consumer items such as clothing, footwear and toiletries, or by organising social inclusion activities. In this way its added value is that it provides dedicated support to a group of people who may not be in a position to directly access and benefit from other EU funding instruments, such as the European Structural and Investment Funds (ESI Funds).

The **total available amount of FEAD funds is EUR 3 813 million at current prices**. All Member States implement the fund at national level through operational programmes. During the programming phase Member States could choose to develop a food and/or basic material assistance operational programme (OP I) and/or a social inclusion of the most deprived persons operational programme (OP II).² They also have the freedom to determine the target groups, the specific types of support provided and the geographic coverage of their programmes.

While **social inclusion of the most deprived** is central to OP II, it is also an essential part of OP I. Material assistance must be complemented by **accompanying measures** designed to promote the social inclusion of the end recipients (e.g. referring them to the appropriate services, offering guidance on a balanced diet and providing advice on budget management). In this way OP I meets the basic material needs of the most disadvantaged and helps them take a step towards reintegration into society.

Member States cooperate with **partner organisations** to implement FEAD programmes. These organisations, which can be public bodies or non-profit organisations, provide the material assistance (OP I) or set up and run the social inclusion activities (OP II), as described in the programmes. In this way the fund also supports social policy capacity building within the partner organisations.

The monitoring arrangements for the fund specify that Member States must send a **report** on the implementation of their programmes to the Commission each year, by 30 June of the following calendar year.³ The Commission assesses the implementation reports and if necessary, asks the Member State concerned to make changes.⁴ The Commission is also required to present a **summary** of the reports submitted by Member States to the European Parliament and the Council.⁵

¹ Regulation (EU) No 223/2014 of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid to the Most Deprived (OJ L 72, 12.3.2014, p. 1).

² Regulation (EU) No 223/2014 gives Member States the possibility to implement both types of programmes simultaneously, but all Member States preferred to develop only one of the two.

³ Article 13(1) of Regulation (EU) No 223/2014.

⁴ On 3 February 2017 the Commission was able to accept the last of the 2015 reports submitted by Member States. This governed the timing of the adoption of this Commission Report.

⁵ Article 13(9) of Regulation (EU) No 223/2014.

The Regulation also stipulates that at least once a year, the Commission consult the **organisations that represent the partner organisations at EU level** on the implementation of support from the fund, and report back to the European Parliament and the Council.

This summary is based on the information contained in the implementation reports for 2015, as accepted by the Commission. The UK has not submitted an implementation report because no activities were carried out in 2015. The summary gives a general overview of EU developments relating to the FEAD and presents the information provided by Member States, following the structure of the reports. It also gives an overview of the consultations on the implementation of the FEAD which took place in 2015 with the EU representatives of the partner organisations. The values reported for the common indicators can be found in the Annex.

To take account of the time lag between implementation and the time of reporting, the report also contains information about developments after 2015 if this information is available.

II. General developments

The programming of FEAD resources was completed in 2015, with the last three remaining programmes (DE, SE, UK) approved by the Commission in early 2015. Two Member States also submitted the first amendment requests. RO proposed a modification to its programme to make it easier to identify the end recipients. CZ proposed to extend the scope of its programme to support the provision of free meals to disadvantaged school students. Four other amendment requests were submitted in 2016.

Throughout the year, progress was made in developing the FEAD secondary legislative framework. By the end of 2015 the Commission had adopted and published three delegated and five implementing acts⁶, an 80 % completion rate. By November 2016 it had adopted and published all implementing and delegated acts.

In 2015 the EU experienced a major inflow of migrants, including many asylum-seekers. This gave rise to many concerns, including on how to provide them with the necessary material aid. The Directorate-General for Employment, Social Policy and Inclusion drew up a note⁷ about the support the European Social Fund (ESF) and the FEAD may give asylum-seekers. Asylum-seekers' eligibility for FEAD assistance depends on how Member States define who may benefit from the fund. The note was presented to and discussed with the Member States at a special meeting on 25 September 2015.

In 2016 the Commission took a decisive step towards building the capacity of FEAD stakeholders, with the launch of the FEAD Network to exchange experience and good practices. Following a launch conference in June 2016, which brought together 200 stakeholders from all 28 Member States, by the end of the year three FEAD Network meetings had taken place. The meetings focused on the different aspects of FEAD that aim to contribute to the social inclusion of the most deprived people. Participants

⁶ Commission Delegated Regulation (EU) No 532/2014 of 13 March 2014 (OJ L 148, 20.5.2014 p.54), Commission Delegated Regulation (EU) No 1255/2014 of 17 July 2014 (OJ L 337, 25.11.2014, p. 46), Commission Delegated Regulation (EU) 2015/1972 of 8 July 2015 (OJ L 293, 10.11.2015, p. 11), Commission Implementing Regulation (EU) No 463/2014 of 5 May 2014 (OJ L 134, 7.5.2014, p. 32), Commission Implementing Regulation (EU) 2015/212 of 11 February 2015 (OJ L 36, 12.2.2015, p.1) Commission Implementing Regulation (EU) 2015/341 of 20 February 2015 (OJ L 60, 4.3.2015, p.1), Commission Implementing Regulation (EU) 2015/1386 of 12 August 2015 (OJ L 214, 13.8.2015, p. 9) Commission Implementing Regulation (EU) 2015/1976 of 8 July 2015 (OJ L 293, 10.11.2015, p. 26).

⁷ <http://ec.europa.eu/esf/main.jsp?catId=67&langId=en&newsId=2336>

presented case studies and shared challenges and solutions regarding issues of common interest in relation to the carrying out of FEAD programmes. Five meetings with the stakeholders have been planned for 2017.

In 2016 the Commission also began the FEAD mid-term evaluation to assess the achievements of FEAD programmes. As part of this evaluation, an open public consultation has been launched, aimed at all FEAD stakeholders and the general public. The interim report will be ready in the summer of 2017. The final version will be presented to the European Parliament and to the Council by 31 December 2018.

The initial experience gained from the implementation of programmes on the ground and the feedback received from different stakeholders showed that the FEAD rules could be improved. In September 2016 the Commission adopted a proposal for a revision of the Financial Regulation accompanied by proposed amendments to a range of sectoral legislation.⁸ The proposal contains several amendments to Regulation (EU) No 223/2014 that aim to further simplify the management of the fund.

III. Level of implementation of the operational programmes

Financial implementation

The financial implementation of FEAD programmes was accelerated in 2015. EUR 419.3 million was committed to FEAD operations in 21 Member States, up from EUR 333.5 million in 2014. This gives a total of EUR 752.7 million of committed expenditure for 2014-15, or 17 % of the total resources of programmes (EU and national co-financing). The acceleration was even more pronounced in terms of payments to beneficiaries: EUR 388 million was paid in 2015, a four-fold increase on EUR 96.3 million in 2014. Most payments went to food support operations (97.7 %).

Payment applications were submitted to the Commission for the first time in 2015. Three Member States (EE, FR and LV) declared EUR 46.3 million of eligible public expenditure. By 31 December 2016 the Commission had made payments to the tune of EUR 732.3 million, EUR 312.8 million of which were interim payments.

Physical implementation (OP I)

The accelerated financial implementation in 2015 was a result of further progress made in physically implementing FEAD programmes. By the end of the year assistance had been provided in 16 out of the 24 Member States with OP I. A total of **408 770 tonnes of food were distributed in 2015**, with IT accounting for the largest proportion of that, at 21.4 %. Five countries (ES, FR, IT, PL, RO) provided over 93 % of the total quantity of food support. Food was distributed in the form of packages in 14 Member States.

The number of countries distributing meals increased from two in 2014 to seven in 2015 (BE, BG, ES, FI, IT, LV, PL). It is estimated that in 2015 the FEAD partially or fully contributed to **the provision of 47 million meals**.

⁸ COM(2016) 605 final.

Dairy products, followed by starchy foods, account for the highest proportion of the total quantity of food support provided – over half of the total quantity. At just over 10 % of the total quantity, fruit and vegetables account for the third highest proportion. The Commission would be keen to see a steady increase in the quantity of distributed fruit and vegetables, as this is the best guarantee to promote healthy diets in low socio-economic groups.

Example: Food products distributed in FR

Frozen butter, sunflower oil, fresh butter; flour, couscous, pasta (macaroni), long-grain rice; semi-skimmed milk, condensed milk, sugar, sugar cubes; garden beans, garden peas/carrots, potato purée flakes, lentils (cooked onions, carrots, etc.), vegetable cassoulet, peeled tomatoes, ratatouille; couscous with chicken, frozen leek tart, white fish and rice à la provençale, shepherd's pie; emmental cheese, processed cheese; chocolate custard, cream topping caramel cake, rice pudding, milk chocolate, chocolate biscuits, apple sauce with no added sugar, peaches, light pineapple syrup; rice and whole grain cereal, ground coffee, jam; frozen turkey escalope, frozen beefburgers, chicken leg, frozen white fish fillet, whole skipjack tuna in brine, sardines in brine.

In addition to the food purchased with FEAD funds, in 2015 the fund also contributed to reducing food waste by financing food donations. In LU 51 % of the food distributed was donated food, for which the FEAD covered only the transport and distribution costs of the partner organisations. LU also carried out awareness-raising activities⁹ to encourage potential donors to donate food.

In 2015 basic material assistance was also provided for the first time in three Member States. AT distributed school supplies to 33 493 students from disadvantaged families. LU combined the distribution of food with that of basic hygiene items, such as shampoo and toothpaste, to 9 243 people. Similar hygiene items were also distributed in LV, together with other items, such as laundry detergent and dishwasher liquid to 25 675 end recipients.

Over 14 million people, 47.2 % (6.7 million) of whom are women, are estimated to have benefited from FEAD food assistance in 2015. Approximately 30 % of the end recipients (4.1 million) are estimated to be children aged 15 or under and 10 % (1.4 million) people aged 65 or over. Among the end recipients, there are also an estimated 5.5 % (0.8 million) people with disabilities, almost 14 % (2 million) migrants, people with a foreign background (including refugees and other beneficiaries of international protection) and minorities, and 8.5 % (1.2 million) homeless people.

When looking at the aggregate values for the common indicators one has to take into account that the indicators for the number of people who benefited from FEAD OP I are based on estimations made by the partner organisations, in order to limit the administrative burden on them and on end recipients. The estimations can be based on sampling approaches (e.g. counting recipients on certain days or in certain weeks of the year and extrapolating) or other methods. It is possible that in some cases end recipients are counted more than once for the purpose of establishing the estimations of the partner organisations. In addition, the end recipients who benefited from food may also have benefited from material assistance. As a consequence of this approach **the values reported have to be taken as a rough estimate of the**

⁹ These activities were not financed by the FEAD.

number of *cases of participation*, rather than of individual participants, in FEAD operations, or the number of *times* that FEAD assistance was provided to disadvantaged people.

The end recipients vary between the Member States, because every country has a national definition of the most deprived persons. Most often the target group is determined on the basis of economic criteria, in which case national authorities prepare lists of the people who are eligible for FEAD support. In some countries there are other, more flexible ways of determining the eligibility of end recipients. In some cases the partner organisations can determine themselves "on the spot" if a person is eligible on the basis of the information that person provides about their situation. Sometimes support is provided to homeless people on the street or in a social canteen, without the need to formally identify the people in question or request information. In such cases the values reported for the FEAD result indicators can only estimate the number of times FEAD assistance was provided, rather than the actual number of disadvantaged people that received support.

One important feature of the FEAD is that it aims to go beyond the provision of material support by promoting the social inclusion of the most deprived persons. That is why assistance was provided together with a range of accompanying measures. The most common measure remains the provision of information and referral to competent social services. Member States also often report on providing guidance for a balanced diet, organising cooking workshops on how to prevent food waste and giving advice on managing the household budget. In some cases psychological support and assistance with overcoming difficulties is also provided (LU, LV), as are advice on raising children (LV), advice on ways of dealing with emergencies (BG), assistance aimed at improving the social skills of end recipients, free legal aid (SI), information about available housing and activities to improve literacy (FR). The accompanying measures in FI also included different actions to improve the level of the physical activity and promote a healthy lifestyle among the end recipients, as well as the distribution of recipe booklets.

Accompanying measures are an integral part of the implementation of OP I, since they aim to foster the social inclusion of the end recipients. It is compulsory to offer accompanying measures to end recipients, but Member States may choose whether to finance them through the FEAD or not. The 2015 reports show different results in terms of the take-up of accompanying measures. While in some countries end recipients appear more open to these supplementary activities, in others interest in them is rather low. In some cases the inexperience of the end recipients with the social inclusion activities makes them reluctant to take part. Increasing the involvement of end recipients in accompanying measures is one of the challenges for partner organisations in the course of programme implementation. This is particularly important since these measures are designed to promote the social inclusion of the end recipients and can serve as a link with the ESF.

Physical implementation (OP II)

In 2015 social inclusion programmes were dedicated to preparatory activities, including setting up monitoring committees and selecting partner organisations.

The DE OP II aims to improve the social inclusion of the most deprived EU immigrants and their children, as well as the social inclusion of homeless people or people at risk of homelessness. Following its adoption in the beginning of 2015, a monitoring committee was set up. It held its first preliminary meeting in January and another meeting took place in March. In June 2015, the MA launched a call for

proposals for a first round covering 2016 to 2018. A total of 191 project proposals were collected for this first round. The call incorporated the use of flat rates, designed at national level, as a simplification measure.

In DK, where the FEAD is used to tackle poverty and homelessness and aims to strengthen social inclusion among the most socially vulnerable, there was a change in the management of the programme, with a new managing authority appointed in August 2015. DK initiated a programme amendment to update the information in the programme and was able to launch a call for applications in April 2016.

In NL, where the OP II aims to reduce the social exclusion of elderly people with a low disposable income, a beneficiary was selected to carry out the social inclusion activities in four Dutch cities, starting in 2016: Amsterdam, Rotterdam, the Hague and Utrecht.

The SE OP II, which aims to support vulnerable EU/EEA citizens in their interaction with Swedish society, was launched with an information event in March 2015. The monitoring committee was set up the following month. A call for proposals was launched in June 2015 and five projects were granted funding. SE also set up a FEAD researcher group, which met for the first time in November 2015.

Management and control systems

In 2015 Member States allocated significant resources to fulfilling the requirements of the procedure for the designation of authorities, set out in the FEAD legislative framework¹⁰. This included developing proper procedures at national level, drawing up the description of the management and control systems, developing the IT system and conducting initial audits by audit authorities. By the end of 2015 six Member States (LV, EE, LT, FR, BG and HU) had completed the designation procedure, giving them the possibility to submit interim payment applications to the Commission.

By December 2016 25 Member States had completed the designation procedure.

Migration crisis

Several Member States made use of the FEAD to deal with the consequences of the migration crisis. In BE there were partner organisations that specialised in supporting asylum-seekers and refugees. LT and CZ extended the scope of their target groups to asylum-seekers. MT and FI reinforced the coordination between authorities at national level to ensure complementarity between the support provided by the ESF, the FEAD and the Asylum, Migration and Integration Fund (AMIF). In order to inform better the vulnerable groups of population on the possibility to be supported the FEAD, the LT MA undertook an information campaign which also included anti-discrimination elements addressing concerns expressed by the public. It is expected that in NL the project participants will have predominantly a migrant background and the MA has adapted the actions accordingly to include language classes.

Problems encountered

A number of FEAD programmes were not yet fully operational during the year. In most cases, the reason for this delay was that it took longer than originally thought necessary for the transition from the rules of the former AGRI instrument to the rules for managing the FEAD. Several Member States preferred to

¹⁰ Article 35 of Regulation (EU) No 223/2014.

finalise the set-up of the management and control systems before selecting operations. In other Member States initial implementation took place, for example the selection of partner organisations was finalised, yet the actual activities started in 2016.

Of the Member States that achieved some results in 2015, the information about difficulties encountered varies among the reports. This is partly due to the light reporting requirements. In the majority of cases each challenge was addressed through a specific measure. The main challenges are listed below.

- Uneven coverage of the territory or imbalanced allocation of assistance: this appeared to be a problem in different Member States and while in some cases there were additional partner organisations selected in order to provide the remaining assistance, in others assistance was transferred between partner organisations to be provided (LV, PL).
- Problems identifying the end recipients: in one case this was addressed through an amendment to the operational programme (RO).
- Delays in the provision of assistance due to appeals against the results of the procurement process, the withdrawal of successful tenderers or non-compliant bids. These were primarily addressed by extending the provision period and where appropriate, relaunching the tenders (BE, BG, MT).
- Problems with the quality of purchased food: this necessitated the replacement of the items unfit for distribution by the contractor, with efforts made by the MA to speed up the process (FR).
- In some cases the reporting requirements for the partner organisations were regarded as too complex and the MA took the necessary steps to simplify them (PL).

IV. Horizontal principles

- Coordination with the ESF and other relevant EU policies¹¹

There are two main aspects of the coordination between the FEAD and the ESF: preventing double funding and achieving complementarity between the two funds. Member States have put in place a variety of measures to prevent double financing, including through the exchange of information between relevant authorities, the use of a single monitoring system, or ensuring that there are no overlaps at the programming stage by determining different target groups or financed activities.

In 2015 some initial steps were taken towards achieving complementarity between the ESF and the FEAD. This was usually achieved through the accompanying measures under OP I whereby partner organisations inform end recipients about the possibilities of taking part in ESF operations. In PL the MA introduced a requirement for regional and local partner organisations to provide information about available ESF measures to FEAD end recipients and help them take part. In LT it is possible for ESF participants eligible under the FEAD to receive complementary support from both funds simultaneously. Other FEAD end recipients are encouraged to take part in ESF operations as well. FR reports of cases in which some partner organisations are also beneficiaries of ESF operations. This makes it easier for FEAD end recipients to subsequently access ESF support.

¹¹ Article 5(6) of Regulation (EU) No 223/2014.

Creating links between FEAD and ESF support can increase the overall effect of FEAD operations in going beyond contributing to alleviating the worst forms of poverty. That is why the possibilities for achieving complementarity between the two funds in the form of pathways and complementary measures have to be explored as a matter of priority when planning operations at national level.

- Gender equality, integrating the gender perspective and preventing discrimination¹²

In the majority of cases, the most deprived individuals are identified on the basis of economic criteria. This prevents discrimination in giving access to aid based on gender, origin, religion or belief, disability or sexual orientation. In some Member States partner organisations can provide assistance at the place of residence if the end recipient is unable to go to the distribution point. CZ has identified single mothers or women with children in shelters as being among the most vulnerable people and distributes a special hygiene package for their needs. SK has adapted the weight of packages so they can be carried by both men and women. LV has taken a number of steps to ensure that anti-discrimination principles are applied. These include making the distribution centres accessible to people with disabilities, allowing flexible opening hours and providing childcare services for parents who are receiving aid or benefiting from accompanying measures.

- Climate and environmental aspects, with a view to reducing food waste¹³

The criteria used by Member States to select food products include that they are durable, easy to store and have a long shelf-life, the aim being to reduce food waste. LU also finances the collection and distribution of donated food. In BG uncollected packages are redistributed to other end recipients, while in LV end recipients are encouraged to leave any products they do not intend to use at a designated place in distribution centres. Accompanying measures are also a way of raising awareness: one of the basic workshops offered in PL is devoted to preventing food waste.

- Contributing to the balanced diet of the most deprived people¹⁴

Member States have incorporated nutritional and food safety requirements into the specifications for the purchase of food. They consult partner organisations, social partners, competent authorities and experts on the selection of food products, which would contribute to a balanced diet. The list of food products also takes account of how the target group perceived products in the past.

BE updated its list of products in 2015 by giving priority to unprocessed and less processed products, which fit readily into the food dishes of all cultures and encourage the end recipients to cook. The number of products was increased to provide greater variety and it was decided to supply more vegetable proteins, for example in the form of lentils. It was also decided to prioritise animal proteins from fish, typically more easily accepted by the end recipients.

CZ aimed for a high level of food quality taking into account the key components of a balanced diet: selected products took account of the need for a high meat content, a low proportion of additives, low

¹² Article 5(11) of Regulation (EU) No 223/2014.

¹³ Article 5(13) of Regulation (EU) No 223/2014.

¹⁴ Article 5(13) of Regulation (EU) No 223/2014.

fat, a high proportion of fruit, etc. The minimum required period of remaining life for each product on delivery was also defined, to ensure usability.

In EE nuts, the most common allergens, were excluded from the package, while tinned fish and meat were distributed, as well as highly nutritious cereals. The content of the food package varies with every distribution in order to provide more diversity for end recipients.

ES aimed to satisfy the nutritional requirements of the end recipients by providing basic nutrients (proteins, carbohydrates, fat, fibre, vitamins and minerals). Specific products for children were distributed to ensure their growth and development.

In FI specific quality requirements were stipulated for every product. For example, the pea soup was required to have a meat content of at least 5 %, while the milk powder was required to contain Vitamin D.

V. Consultations with the representatives of the partner organisations at EU level

In 2015 two meetings were held with the representatives of the partner organisations at EU level.

The first meeting took place on 9 March. The Commission presented the basic features of the FEAD and provided an overview of the outcome of the programming of the new resources. The state-of-play with regards to the preparation of the FEAD Network was also discussed. Participants raised a number of issues, in particular with regard to the involvement of the partners in the delivery of FEAD support at national level.

The second meeting took place on 16 November. The Commission presented the draft summary of the FEAD annual implementation reports submitted by the Member States for discussion. This was followed by a discussion on the mobilisation of FEAD (and ESF) resources in response to the migration crisis. The last item on the agenda was the presentation of the key features of the FEAD Network.

VI. Conclusion

The headline target of the Europe 2020 strategy to reduce by at least 20 million the number of people at risk of poverty or social exclusion reflects the importance the EU attaches to fighting poverty. The Commission supports the Member States in their efforts to reduce the number of people at risk of poverty, including with the help of the FEAD. However, since poverty is a complex matter, requiring an integrated approach, complementarity with the ESF and other EU and national instruments and measures is crucial. Given the limited resources of the FEAD, its specific role is to alleviate poverty and promote social inclusion, including by creating links with other available services. In this way the fund may be the first step on a pathway away from poverty.

The new models of FEAD support offer a greater variety of assistance, a prerequisite for a more tailored approach to helping specific target groups. The experience from 2015 shows that asylum seekers and refugees, as well as representatives of marginalised communities, such as the Roma, may

be among the target population. The fund also contributes to reducing food waste, increasing the capacity of the partner organisations and the trust of potential donors of food and material assistance.

The 2015 FEAD reports show encouraging results, which are, however, unevenly distributed. At the end of the year, 12 of the Member States had yet to achieve their initial results. This shows that in some cases the period preceding the implementation of operations on the ground may exceed one year from the date of adoption of the programme in question. For the fund to be able to reach its full potential, it is vital that the 2016 reports show that the vast majority of Member States achieved results.

The 2015 reports showed that soon after the launch of the programmes Member States were confronted with different problems and took specific measures to tackle them. A few modifications of the operational programmes were adopted to ensure good coverage of the Member State and easy access to the fund for the target population. It is vital that problems be addressed efficiently, taking into account that the FEAD has been set up as an instrument under simple management, able to deal with social emergencies. The implementation of the FEAD may be simple in practice only if the simplified requirements of the legislation are applied at the level of individual operations. For this reason it is also important to use all available opportunities to exchange experience and good practices both at the level of programme authorities and of partner organisations through the existing channels: the FEAD Expert Group, the FEAD Network and the regular stakeholder consultations at national and EU level.

For the first time, in the 2016 annual implementation reports the Member States will present an assessment of the contribution of programmes to the specific and global objectives of the FEAD. This information will make it possible to carry out a more detailed assessment of any cumulative results and impacts in relation to the FEAD objectives in the next summary prepared by the Commission.