FEAD
FUND FOR EUROPEAN AID TO THE MOST DEPRIVED

What is FEAD?
The Fund for European Aid to the Most Deprived (FEAD) supports EU Member States’ actions to provide assistance to the most deprived. This includes food, clothing and other essential items for personal use, such as shoes, soap and shampoo. Material assistance needs to go hand in hand with social inclusion measures, such as guidance and support to help people out of poverty. National authorities may also support stand-alone social inclusion measures that help the most deprived people integrate better into society.

Why is it necessary?
The Europe 2020 strategy for smart, sustainable and inclusive growth encompasses a balanced vision of economic growth and social progress based on ambitious targets for employment, education and poverty reduction. Poverty and social exclusion are major obstacles to the achievement of the Europe 2020 objectives.

FEAD complements existing cohesion policy instruments, in particular the European Social Fund, by providing assistance to those who are too far from the labour market to benefit from the activation measures of the European Social Fund.

By addressing basic needs, the instrument helps moderate the effects of poverty and social exclusion for people who find themselves in situations of severe deprivation. By enabling the most deprived members of society to maintain their dignity and human capital, the fund contributes to strengthening social capital and social cohesion within their communities.

The results of the midterm evaluation of FEAD show that there are clear effects in a number of Member States where the fund fills a gap in national coverage. In several Member States, FEAD is the only source of publicly financed food aid. Even in Member States with established channels for food aid, FEAD is an additional source of funding and can bring additional products, cover new target groups and activities and increase territorial coverage. Moreover, there is evidence of process effects in improved partnerships between non-governmental organisations and central administrations in the delivery of food and material aid. The additional volume of food to be distributed also means that partner organisations have expanded their capacity and increased their range of skills to include accompanying measures.

Outlook for the 2021–2027 period
The Commission’s 2018 proposal for the 2021–2027 multiannual financial framework was amended in 2020 in order to address the long-term challenges brought about by the COVID-19 pandemic.

In the new programming period, the European Social Fund+ will integrate the current European Social Fund, the Youth Employment Initiative, FEAD and the EU programme for employment and social innovation.

In the 2014-2020 multiannual financial framework the above programmes addressed similar policy objectives, but were implemented independently according to different sets of rules, making it difficult to establish synergies. In the 2021-2027 multiannual financial framework these funds are merged into a single programme, so as to pool available resources to support integrated investments in people and avoid overlaps. Specific rules will apply to the support for material deprivation to keep it as streamlined as possible.

Budget implementation (in million EUR)

<table>
<thead>
<tr>
<th>EXECUTED COMMITMENTS</th>
<th>EXECUTED PAYMENTS</th>
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<tbody>
<tr>
<td>555.3</td>
<td>352.2</td>
</tr>
<tr>
<td>566.4</td>
<td>502.3</td>
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<tr>
<td>577.7</td>
<td>521.2</td>
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</table>
Key performance indicators

<table>
<thead>
<tr>
<th>Persons receiving assistance from the FEAD</th>
<th>PROGRESS TO TARGET</th>
<th>Target</th>
<th>Results</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100%</td>
<td>12.7 m</td>
<td>12.7 million out of 12.7 million</td>
<td>On track</td>
</tr>
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Where are we in the implementation?

- In the 2014-2020 period, 23 Member States distributed food and/or basic material assistance and provided accompanying measures. Four Member States ran social inclusion programmes. In 2019, an estimated 12.2 million people benefited from FEAD food assistance (with almost 350 000 tonnes of food having been distributed), over 800 000 received material assistance and around 30 000 benefited from social inclusion support. FEAD’s annual reach of around 12.5 million people is stable and, given its budget, substantial. The fund is on track as regards physical and financial implementation.

- Regarding financial implementation, the total committed eligible public expenditure in 2019 was EUR 608 million, remaining stable overall. At the end of 2019, the cumulative funds committed from 2014 to 2019 amounted to nearly EUR 3.5 billion, or 74% of the total resources of the programmes. The EUR 478.5 million that was paid to beneficiaries in 2019 is comparable to previous years. The overall profile of target groups remained stable. The above data refer to the pre-COVID-19 situation.

- In 2020, the COVID-19 crisis temporarily resulted in lower Member State expenditure declarations. Such expenditure declarations in the second quarter of 2020 (EUR 51 million) represented less than half of the corresponding amount from 2019 (EUR 128 million). However, the situation improved in the second half of the year. Eventually, the total FEAD amount declared during 2020 was even slightly higher than the amount declared during 2019 (EUR 587 million eventually declared in comparison to EUR 573 million during 2019). The extent of COVID-19’s impact will be known in the coming year, once the Member States submit their annual implementation reports.

- The FEAD regulation was first amended in April 2020 as part of the coronavirus response investment initiative plus to allow the use of indirect delivery modes, such as vouchers or cards to lower the risk of contamination, and to buy personal protective equipment for organisations delivering FEAD support. The amendments strengthened liquidity in Member States by allowing for a 100% co-financing rate for 1 accounting year. By the end of 2020, 10 FEAD programmes had been amended. Since July 2020, the effects of these amendments and the higher flexibility provided started to impact the financial implementation figures, with declared amounts higher in 2020 than in 2019 (EUR 587 million was eventually declared in comparison to EUR 573 million during 2019). A second amendment was adopted at the end of 2020 as part of the recovery assistance for cohesion and the territories of Europe initiative (REACT EU). It allows Member States to allocate additional funding to FEAD programmes as top-ups to existing support, such as food and/or basic material assistance or social inclusion programmes. They should be in line with each Member State’s specific needs, and should take into account the increased number of the most deprived since the outbreak of the COVID-19 pandemic.

- Preparatory work for REACT EU programming is ongoing, with marked discrepancies between Member States due, for example, to varying timings; the fact that not all Member States will allocate resources from REACT EU to FEAD; the degree to which the COVID-19 crisis has affected the Member State involved; and their administrative capabilities. Estimates from Member States’ managing authorities point to a significant transfer from REACT EU to FEAD.

Performance assessment

- According to the FEAD annual implementation reports covering the period up to the end of 2019, the fund contributed substantially to alleviating the worst forms of poverty in the EU and promoting social inclusion for those on the margins of society. Despite its limited budget, FEAD successfully complements national efforts to address material deprivation and to combat poverty and social exclusion. It notably addressed food deprivation, child poverty and homelessness. FEAD complements other EU funds, notably the European Social Fund and the Asylum, Migration and Integration Fund.

- FEAD frees up the financial resources of end recipients for other goods/services. A notable impact of FEAD in some Member States is the increased capacity and professionalisation of partner organisations and of the organisations involved in the distribution of assistance. The discontinuation of FEAD would have significant consequences in many Member States where FEAD is, in some cases, the main food and material assistance provider.

- FEAD is well on track to reach its objectives. The challenges in implementation related to capacity issues on the part of partner organisations, logistical challenges or legal difficulties. These were tackled, for example, through the flexibility of FEAD’s design and strong cooperation between managing authorities and partner organisations.

- Based on FEAD’s midterm evaluation, stakeholders value FEAD’s flexibility and less-stringent administrative requirements, along with the established networks and operational delivery modes. Low thresholds allow aid to be provided to people not reached by the social services, such as homeless people, and also allow a quick response to emerging needs and crises.

- Aid delivery is mostly based on non-governmental organisations relying on volunteers, and is cost-efficient. Much of the administrative burden stems from Member States’ own requirements, such as narrow definitions on eligibility. Member States have been encouraged to follow the regulation closely to avoid ‘gold plating’, and to share best practices.

- Past evaluations suggest that efficiency could be further improved by building the capacity of programme authorities and partners. To further strengthen performance, 18 FEAD network meetings were held between 2017 and 2019 to address challenges in implementation, including targeted outreach to the most deprived. A dedicated session took place in 2019 on monitoring and evaluating FEAD activities. In 2018 and 2019, the Commission hosted annual EU-level meetings on the transition to a new phase of capacity building, steered by representatives of the partner organisations. Mutual learning activities will replace FEAD network meetings to help discuss the remaining implementation challenges and the opportunities of the upcoming ESF+ more effectively.

- The findings of a 2017 structured survey on the end recipients of the food and/or basic material assistance operational programme, of an external evaluation and of the open public consultation were used for FEAD’s midterm evaluation, and will feed into the negotiations for the 2021-2027 programmes.

- In the new European Social Fund+ regulation, European Social Fund and FEAD objectives are merged in a single integrated list. This is expected to simplify funding and increase synergy and complementarity. Also, specific rules apply to the support for material deprivation to keep it as streamlined as possible. Most Member States have indicated their willingness to have separate European Social Fund+ material deprivation programmes, as allowed by the European Social Fund+ regulation.

Concrete examples of achievements

<table>
<thead>
<tr>
<th>12.2 million</th>
<th>&gt; 800 000</th>
<th>30 000</th>
<th>2.0 million tonnes</th>
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<tbody>
<tr>
<td>people benefited from FEAD food assistance in 2019.</td>
<td>people received material assistance under FEAD in 2019.</td>
<td>people benefited from social inclusion support under FEAD in 2019.</td>
<td>of food was distributed among end recipients between 2014 and 2019, including 345 000 tonnes in 2019.</td>
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