



# Fund for European Aid to the Most Deprived

Background paper on 'Different Approaches to FEAD Delivery'

15<sup>th</sup> FEAD Network Meeting

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## 1. Introduction

Despite the limited size of its budget, FEAD supported on average 12.7 million people a year over the 2014-2017 period, based on estimations by partner organisations. The majority of support is delivered as food aid or basic material assistance. Food is delivered to the most remote areas, from the Mediterranean islands to the Arctic Circle. Ensuring that the right type of food gets to the right people is a strategic and logistical challenge. Managing Authorities and partner organisations are dealing with it in different ways, all with the single aim to best support the most deprived. Great effort and plenty of creativity is put into this initiative. After several years of FEAD assistance, it is time to take a look at the back office and share our experience on how the people involved in FEAD make this complex operation possible. This is all the more important now that a new programming period (2021- 2027) approaches, giving the opportunity to make improvements where needed.

Helping the poor by providing food aid and basic material assistance is a well-established approach, and has evolved over time. Compared to its predecessor programme MDP, it is clearly embedded in a social inclusion approach. Nevertheless, new approaches are emerging involving cutting edge information and communication technology. It is therefore important that, while reviewing its own practices, the FEAD network also strives to learn from EU and international practices on aid targeting, procurement and delivery modes, in order to take inspiration for their own operations.

## 2. Down the delivery chain: FEAD practices in EU Member States

Before we illustrate some examples of current FEAD practices related to the delivery chain, it is important to remember that different Member States have different approaches to providing food and basic material assistance. The nature of the actors involved, the sources, the profile of the end-recipients and the scale of initiatives vary significantly from one country to another. FEAD has purposely been made flexible, to support Members States to deliver food aid in the way that works best in relation to their national governance and social context, thus complementing the national social policies. In the following sections, we provide some examples of interesting FEAD practices in relation to the various steps of the delivery chain: the identification of end recipients, procurement and distribution of food.

### Identification of eligible end recipients

According to the FEAD Regulation, Member States identify the ‘most deprived’ through a needs assessment, based on objective criteria, in consultation with relevant stakeholders. They have chosen different targeting approaches to identify the most deprived. Several Members States have adopted an approach whereby the targeting takes local needs into account and where adjustments of target groups can take place over the programming period. Typically, in these cases, end recipients are not identified and there is no registration upon collection. In other cases, eligible end recipients are identified and registered in a database, e.g. according to income criteria. Some Members States have opted for their FEAD funds to target specific population groups at Operational Programme level. For example, in Latvia,

FEAD funding is used to support individuals or families with or without children, with a per capita income of less than €128.06 per month, and/or individuals or families with or without children in a crisis situation (e.g. affected by a natural disaster); to be eligible to receive food parcels, individuals and families must be registered as a resident of the local community with the Latvian social services. In the Czech Republic, authorities identify the target group when they register at job centres, and parents are able to opt into a programme where their children receive free school meals. FEAD funds are provided directly to the schools, avoiding the need for those children that are receiving the meals to be openly identified.

## Procurement of food and basic goods

Procurement of food and basic goods is sometimes centralised by Managing Authorities as public body, while in other cases it is carried out by the partner organisations themselves. Several Managing Authorities are using procurement as an instrument whereby not only the required quantity of food can be purchased at the most convenient price, but the **quality, variety, nutritional value and appeal** of the food for the end recipient is ensured. In Greece for instance, this translates into the possibility of distributing fresh food instead of canned or dry food. In Belgium, specific adjustments to procurement were made to ensure better quality of goods and also improve the attractiveness of its packaging. Due attention is also paid to sustainability considerations and the reduction of food waste.

### **Case study example: The procurement of fresh foods National Institute of Labour and Human Resources (Greece)**

While dry foods and canned goods are generally easier to distribute, the Greek Managing Authority has opted to distribute fresh foods as well. The food distribution includes fresh products that are common to Greek cuisine and food culture. These include poultry, beef, pork, lamb, turkey slices, fresh vegetables and fruit, (e.g. apples, oranges, cabbage, grapes, tangerines, aubergines, potatoes, tomatoes, carrots, onions, and cucumbers), cheese (feta cheese and yellow cheese), eggs, etc. All the products are packed in specific quantities by the suppliers, in line with hygiene and food safety requirements, and distributed according to the rules set down by the contracting authorities, which can be national or local. For centralised supplies, public procurement is conducted by the General Secretariat of Commerce and Consumer's Protection and the execution of the contracts by the National Institute of Labour and Human Resources, which is the Managing Authority of FEAD. For decentralised supplies, both the procurement and the implementation of the contracts are conducted by FEAD's 57 partner organisations in Greece (a municipality or a region, which works in collaboration with NGOs and other organisations). In both cases, for each product, technical specifications are annexed to the text of the public procurement call, defining the rules for the distribution of food and for the completion of the necessary quality controls.

Source: [FEAD \(2017\), Diverse approaches to supporting Europe's most deprived: FEAD case studies 2017. European Union.](#)

### **Case study example: Taste tests to improve the public procurement of FEAD pre-prepared food (Belgium).**

In Belgium, multiple partner organisations reported complaints from end recipients about the taste of the food, particularly when it contained meat. Following a consultation with the stakeholders, taste and laboratory tests were added to the procurement procedures to ensure the quality of the proposed food products. In previous procurement rounds, price was the only selection criterion and tenderers could be less motivated to invest in the taste, quality or appearance of the product. Procurement selection now includes a point-based system with two selection criteria: 60 % of the total score is based on price, while the other 40 % is based on taste tests and visual presentation of the proposed products. For the taste tests, tenderers are asked to submit at least 10 samples of their proposed products along with their offer. Likewise, it was noted that the distributed food products were not always



ecological or sustainable. In 2013, for instance, the product list contained two items with tuna, a fish that is considered an over-exploited species.

Source: [FEAD \(2016\). Reducing deprivation, supporting inclusion: FEAD case studies 2016. European Union.](#)

Procurement of food and basic goods can also take into account the variety of FEAD **target groups**. This is also a way to increase responsiveness to needs and reduce potential food waste from inadequate supply. The Managing Authority in the Czech Republic has established different combinations of food and hygiene products to accommodate the needs of families with children, homeless people, etc.

**Case study example: Procuring tailored food and material assistance for the most deprived  
Ministry of Labour and Social Affairs (Czech Republic)**

The Ministry of Labour and Social Affairs (MoLSA) has developed a procurement procedure to ensure that suppliers respect minimum requirements in terms of product quality and quantity. These requirements guarantee that the products delivered have high nutritional value, and take into account the needs of the target population. For instance, canned foods need to have an easy-open device, as many end recipients such as homeless people are unlikely to have a tin opener at hand. To ensure both quality and value for money, MoLSA selects suppliers whose products are the cheapest, but still adhere to the minimum requirements. The composition and distribution of food packages is organised according to the needs of different target groups. In particular, families with children who own a kitchen to cook their meals receive a package with 17 different food products and 10 hygiene products. Homeless and isolated people receive packages with 8 different food products and 9 hygiene products. Finally, a hygiene package of 6 products is distributed to families with small children. 5 different combinations of products are available, including different sizes of nappies, depending on the age of the children.

Source: [FEAD \(2018\). Diverse approaches to supporting Europe's most deprived: FEAD case studies 2018. European Union.](#)

Requirements regarding **packaging** can be included in procurement. In Belgium, some issues were experienced with the packaging of the food parcels, as certain items were unattractively packaged (large white packages with big blue letters and a European flag). This packaging could be considered as stigmatising FEAD end recipients. Since 2015, all contractors are obliged to deliver products in packages that are visually similar to products available in supermarkets. Moreover, the Managing Authority validates all of the packaging before printing.

It is worth noting that to facilitate the inclusion of environmental requirements in public tender documents, the European Commission has developed a series of 'EU Green Public Procurement criteria'. Procuring authorities may choose, according to their needs and ambition level, to include all or some of these requirements in their tender documentation, including in relation to food<sup>1</sup>. The European Commission has also developed a handbook on green public procurement, to help public authorities buy goods and services with a lower environmental impact<sup>2</sup>.

Beyond environmental concerns, the European Commission has launched a number of support initiatives aimed at helping National Authorities to set green, social and innovative public procurement policies and practices<sup>3</sup>, and has developed a one-stop-shop gateway to

<sup>1</sup> [http://ec.europa.eu/environment/gpp/eu\\_gpp\\_criteria\\_en.htm](http://ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm)

<sup>2</sup> [http://ec.europa.eu/environment/gpp/buying\\_handbook\\_en.htm](http://ec.europa.eu/environment/gpp/buying_handbook_en.htm)

<sup>3</sup> <https://ec.europa.eu/docsroom/documents/25984>

tools on public procurement<sup>4</sup>. The practice of the Swedish National Agency for Public Procurement is also worth mentioning: the Agency has developed sustainability criteria for key products, including food items, allowing for different level of ambition<sup>5</sup>.

## Food distribution: the human network, the help of IT, e-vouchers and the supermarket/grocery solution

Distributing the food to end recipients is a huge logistical challenge that FEAD Managing Authorities and implementing partners address in different ways. Distribution is most often done at collection points, which might be on the premises of the partner organisations, or even some kinds of social groceries and supermarkets. However, in certain cases home delivery is made available (e.g. in certain remote areas of Finland or in Slovakia – see boxes below). Before speaking of technical solutions, one needs to mention the human **network of volunteers** and local organisations that are mobilised, a veritable asset for the FEAD initiative. In Portugal, for example, 135 civil society organisations are engaged in the delivery of food. In Finland, volunteers bring parcels to vulnerable people living in **remote areas**.

### Case study example: Delivering food aid in remote rural areas

#### Kainuu Citizens' Centre (Finland)

In one of the poorest regions of Finland, the region of Kuhmo, around 1 000 families depend on food aid (400 families with children, 300 elderly people living alone and 300 adults living with alcohol addictions and mental illness). When end recipients cannot come to town to collect food, it is delivered to their homes by a team of volunteers. Transport presents a logistical challenge because of long travel distances in the Kuhmo area (individuals must travel up to 100 kilometres in often unfavourable weather conditions). However, this is overcome thanks to the enthusiasm and good organisation of the volunteers, who are members of the partner organisations. Around 50 volunteers from the partner organisations assist with food distribution. The municipality offers the distribution centre free of charge and gives the owner of the tractor transporting the food a loan when the cargo remains unloaded. The President of the Hanka-Martat organisation, Eine Lundberg, is the lead organiser. She makes rosters and distributes tasks to volunteers when food-aid arrives. Volunteers often live in remote areas themselves. Some of them are elderly or suffer from sicknesses but work to help and pick the bags of food for their fellow village members. Volunteers receive coffee and sandwiches during the packaging and distribution days. They use their own cars for transporting food and pay for the fuel.

Source: [FEAD \(2016\), Reducing deprivation, supporting inclusion: FEAD case studies 2016. European Union.](#)

Sometimes, the targeted recipients belong to vulnerable groups that have **limited mobility**. In this case, some countries such as Slovakia have organised to deliver FEAD assistance directly to their doorstep.

### Case study example: delivering food to the doorstep (Slovakia)

In Slovakia, parts of the population live in extremely deprived conditions and lack the material and social assistance that would help them improve their quality of life

<sup>4</sup> [https://ec.europa.eu/info/policies/public-procurement/support-tools-public-buyers\\_en](https://ec.europa.eu/info/policies/public-procurement/support-tools-public-buyers_en)

<sup>5</sup> <https://www.upphandlingsmyndigheten.se/en/sustainable-public-procurement/sustainable-procurement-criteria/>

and get on a sustainable path out of poverty. Particularly vulnerable groups include families with dependent children, the elderly, the disabled and unemployed people. Not only do these groups lack social and material assistance per se, but more critically, they cannot take advantage of existing aid opportunities because their mobility is restricted, and they cannot always afford to travel. Acknowledging this difficulty, the project has set up a system to distribute food and toiletry parcels directly to the villages of the end recipients. This spares the target group the efforts of having to travel long distances to get aid. The elimination of travel costs for vulnerable people has significantly improved their participation in the project compared to previous years. To provide support as close as possible to the target group, FEAD aid in Slovakia is delivered directly in 2 554 municipalities (out of the 2 933 Slovakian municipalities), which are spread across 79 districts. The project would not be able to cover the territory so extensively without the effective collaboration of partner organisations and local organisations. The ministry works closely together with the Red Cross, Caritas and the Charity of St. Alžbeta (St Elisabeth), which in turn can choose to work with affiliates, namely local associations.

Source: [FEAD \(2018\), Diverse approaches to supporting Europe's most deprived: FEAD case studies 2018. European Union.](#)

However, food distribution centres **in large urban areas** also face challenges when it comes to delivering food in an efficient way, without duplicating the services of other providers. This is even more of an issue if the centres are spread out geographically and lack a coherent coordination system. A particular challenge for organisations distributing food is tracking the time of the reception, the origin of the delivery and the name of the organisation receiving the products. Catalan food distribution centres (like Red Cross and Caritas) have therefore introduced eQuàliment.

**Case study example: eQuàliment, a system to manage the distribution of food in an efficient, equitable and transparent manner**

**Red Cross Catalonia (Spain)**

eQuàliment is an online platform that helps manage the distribution of food in large urban areas. The platform supports all elements of the food distribution process, from managing the list of eligible beneficiaries, to tracking the food distribution. It also helps to prevent the duplication of beneficiaries' data; to optimise resources, to provide better and more equitable assistance, to promote voluntary services, and to increase planning capacity and transparency, as well as rigorous statistical information. eQuàliment was created by an IT consulting firm and a corporate social responsibility consulting firm, in collaboration with the Open University of Catalonia. Although the platform is not financed through FEAD as such, it has proven popular among FEAD partner organisations in Catalonia.

Source: [FEAD \(2018\), Diverse approaches to supporting Europe's most deprived: FEAD case studies 2018. European Union.](#)

In countries where there are many local partner organisations implementing food assistance, FEAD **reporting procedures** can easily become cumbersome and time consuming. Yet it is crucial to ensure that such administrative requirements do not hamper the efficient implementation of food aid. IT applications have been developed in order to serve this purpose, for instance in Poland.

**Case study example: 'Little Helper': Using IT to facilitate food aid reporting**

### **Federation of Polish Food Banks (Poland)**

The Federation of Polish Food Banks has developed 'Little Helper', an IT software that supports the overall monitoring of the food distribution chain, and in particular helps to keep track of the number of food parcels received by each local partner organisation and, subsequently, the number of food parcels received by end recipients. Little Helper facilitates the transfer and aggregation of data, since all information is contained in a single online spreadsheet, and no longer on paper. The software also cuts down the time needed for the calculation and validation of data, and enhances the accuracy of the reporting, as it reduces the occurrence of errors during the monitoring process. Little Helper has been set up through collaboration between the employees of the Federation of the Polish Food Banks and the Krakow Food Bank. Little Helper has proven to be highly popular, with more than half of the 1 330 local organisations cooperating with the food banks deciding to adopt this tool within the first year of its application (2017–2018). The use of this system has increased the willingness of local partner organisations to engage in FEAD delivery, as it reduces their administrative and monitoring burden. Moreover, within the first year of its implementation, Little Helper has significantly reduced the number and impact of errors along the reporting process.

Source: [FEAD \(2018\), Diverse approaches to supporting Europe's most deprived: FEAD case studies 2018. European Union.](#)

Regardless of the implementation context, a primary concern for FEAD is that the distribution of food happens in a dignified manner. It is important that end recipients can maintain some degree of choice over which food they bring home, like other consumers. This is why, in certain countries, FEAD food is distributed at “social **groceries**”, or “solidarity **supermarkets**”. These also often become socialisation spaces where accompanying measures can be delivered.

### **Case study example: Distributing aid in social groceries where end recipients can choose food items**

#### **Caritas and Red Cross (Luxembourg)**

In Luxembourg, food is distributed at “social groceries”, also known as “buttek”. To have access to a buttek, customers are required to register with social services and subsequently receive a personal customer number. Depending on the personal situation of the individual (such as the number of adults and children in the household), the social worker determines the monthly maximum amount that an individual is entitled to spend in the social supermarket. Again, the household is used to set quantities defined within the FEAD programme. Using the individual customer number, the system subsequently recognises the amount of FEAD products that an individual is entitled to. The receipt will indicate how many items customers are still able to receive at a later date. Once the monthly maximum has been reached, the individual needs to wait until the following month before they can get new items. The maximum duration of food support is six months.

Source: [FEAD \(2016\), Reducing deprivation, supporting inclusion: FEAD case studies 2016. European Union.](#)

The FEAD Regulation establishes a delivery model to provide the assistance directly to end beneficiaries, following purchases and delivery through partner organisations, in combination with ‘accompanying measures’. Looking beyond FEAD, we can identify various alternative practices of delivery, e.g. through “vouchers”.



The “purchase” of products at supermarkets and/or restaurants is sometimes done through a national or local system of **vouchers**. This reflects the general diffusion trend of meal and service vouchers in Member States. Such vouchers, either in paper or digital format, are accessible within a dedicated network of providers typically through a contract based relationship with each provider and a company issuing the voucher.<sup>6</sup> The use of electronic or paper vouchers is now extending itself to the delivery of allowances and benefits by public authorities in the context of social policies (so called “social vouchers”)<sup>7</sup>.

**Case study examples: Cards (Spain) and municipal support scheme (Estonia) to dignify and simplify food distribution**

The Spanish Red Cross in 2012 signed a contract with a large supermarket chain and started providing recipients of food aid with purchase cards. The amount and duration of the aid that can be purchased is established through an assessment of the social situation of the household. Recipients sign a receipt detailing the number of cards received and their value. They are also informed about the type of products that cannot be purchased with these cards. After the use of the card, the end beneficiary has to submit to the Red Cross the receipts of the purchase, with details concerning all the products purchased and the numbering of the cards used. In the case of loss of receipt by the recipient, the supermarket is able to provide a copy of it from its system.

In the Märjamaa municipality in Estonia, in the case of an urgent need for help, a resident can buy goods and products he/she needs to remedy the situation within the limits agreed upon by the local government in the local shops and pharmacy. There is a support person in stores as well as in the pharmacy who can advise people on making the best choices if necessary. The local government issues a **letter of guarantee** to the citizen based on which the goods are delivered. The measure is financed by the local government as an additional measure to the FEAD food aid.

Sources:

FEAD Spain and Estonia presentation abstracts for 15th FEAD Network Meeting

Some vouchers schemes have been introduced to cater for the **specific needs of certain target groups**, such as pregnant women and children, as in the following UK example.

**Case study example: UK Healthy Start vouchers**

The UK Healthy Start is a means-tested scheme which provides vouchers to spend with local retailers. Pregnant women and children over one and under four years old can get one £3.10 (around €3.60) voucher per week. Children under one year old can get two £3.10 vouchers (around €7.20) per week. The vouchers can be spent on:

- Plain cow's milk – whole, semi-skimmed or skimmed, pasteurised, sterilised, long life or UHT;
- Plain fresh or frozen fruit and veg (fruit and vegetables with no added ingredients) – whole or chopped, packaged or loose;

<sup>6</sup> <https://www.euractiv.com/section/economy-jobs/interview/social-voucher-solutions-create-jobs-and-combat-black-economy/>

<sup>7</sup> <https://association-svia.org/social-vouchers-efficient-tools-to-support-social-policies/>

- Infant formula milk that says it can be used from birth and is based on cow's milk.

Healthy Start vouchers can be spent in any shop that is registered to take part in the scheme.

Source: <https://www.healthystart.nhs.uk/healthy-start-vouchers/>

### 3. Down the delivery chain: other international experiences

Goal 2 of the UN's Sustainable Development Goals, "zero hunger", unites all the countries in the world in the fight against food insecurity. International and humanitarian agencies have a longstanding experience of delivering food aid. Although they do it in a context which is most often quite different from that of FEAD, some of their solutions in dealing with targeting and logistical challenges may be of interest. Likewise, it might be worth looking at the experience of well-established food assistance programmes in non-EU countries, such as the United States.

#### Distribution and targeting: general discussions and optimisation tools

The advantages and disadvantages of various targeting methods have been debated for a long time in the humanitarian and development field. The Food and Agriculture Organisation (FAO) conducted a review of targeting methods and their advantages and disadvantages.<sup>8</sup> The main distinction is between administrative targeting, involving the selection of specific regions, areas or communities (geographic targeting), or of specific households or individuals, by programme management, and self-targeting, which relies on programme incentives to induce maximum participation by members of a target group. When programme incentives are introduced through changes in market forces, they are referred to as market-based targeting. Likewise, self-targeting can also be done by the community, whereby they identify who is the most in need. This is however less applicable in European context.

In **administratively targeted schemes**, decisions on the eligibility of individuals or groups (including regions) are determined by programme staff based on whether or not candidates meet defined eligibility criteria. These are based on one or more indicators that have been previously defined for the purpose of targeting. Administrative targeting may also be based on a so-called "means test", i.e. in order to qualify for participation in the programme, the household or individual must not have the means, or a minimum set of assets, to obtain an adequate level of food intake (this can be decided in terms of, for example, per capita income, amount of land under cultivation or herd size). Means tests may be established based on targeting indicators, but such tests are usually more costly to apply and administer. The advantage of administrative targeting is that it is a fairly unbiased and impartial tool for determining eligibility that is applicable in a fairly standardised way. The disadvantage is that indicators can be biased or lack the necessary understanding of the target group, or the necessary flexibility to understand deprivation in diverse contexts. Moreover, the administrative costs associated with identifying beneficiaries, screening programme

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<sup>8</sup> <http://www.fao.org/3/y1329e/y1329e02.htm#TopOfPage>

applicants, monitoring eligibility, preventing participation by the non-eligible and correctly applying exit criteria are high.

The central aspect of **self-targeting mechanisms** is that the decision of individuals or households on whether or not to participate in a given programme is the main determinant of who receives programme benefits. Such a decision is influenced by the cost of participation, including social stigma, the quantity and quality of goods and services obtained and the value that participants place on those benefits. A key to successful self-targeting is the clear definition of the target population during the programme development stage, such that the offered benefits are likely to be demanded only by that target population at a price that only the target population is willing to pay. This is done by identifying major differences in the preferences and market behaviour of various groups, so that differences in the type, quality and cost of the food item(s) offered lead to self-selection by the intended target population. The main advantages of self-targeting are the lower administrative costs, the ease of implementation and the fact that individuals can decide themselves whether to participate or not, and their privacy and self-esteem are protected. As there are no administrative decisions, there is also less room for corruption. The disadvantages are that it is difficult to know exactly who benefits from the programme, and that the poor often face significant access difficulties, which may be an obstacle for participation.

In order to increase their knowledge of and control over the ability of food programmes to reach the most vulnerable, some international non-governmental organisations have developed **IT solutions to better target food aid**.

#### **Last Mile Mobile Solutions: a tool for targeting food aid (World Vision)**

Since 2008, World Vision has been implementing the Last Mile Mobile Solutions in 27 countries, reaching 9 million beneficiaries. The tool is focused on the last mile, defined as the transition areas between the agency and beneficiaries. It seeks to address some key last mile problems such as, (a) the ability to measure reach, impact, and accountability, (b) the question of did the right aid get to the right person and the right time, and (c) if aid provided made a difference.

Source: USAID (2017), [Maximizing Food Aid Supply Chain Cost Effectiveness, A Report from the Food Aid Quality Review Workshop at the 2017 Health and Humanitarian Logistics Conference](#).

### **Procurement: optimisation tools**

In the humanitarian context, tools have also been developed to support food procurement to ensure that the maximum nutritional value is acquired through food purchases. For example, the **USAID Food Aid Quality Review project** has developed an interactive decision support tool that informs the selection of more cost-effective specialised nutritious food aid products that range from Fortified Blended Foods and micronutrient powders to ready-to-use foods and high-energy biscuits. The tool is targeted to food aid programme officers tasked with the selection of specialised nutritious food aid products for nutrition programming purposes. The USAID delivery chain is further supported by a commodity supply chain optimisation model and tool. The aim of the tool is to aid stakeholders to make decisions that deliver the right commodity with the right volume to the right place at the right time in a cost-effective way, by

identifying the right procurement and transportation strategies, transfer modality ratios and prepositioning options for all operations.

### **Food distribution: vouchers and e-cards**

The choice between in-kind, cash and vouchers is a dilemma for managers of many food aid programmes. Known as the “food stamps” programme, the **US Supplemental Nutrition Assistance Program (SNAP)** has moved away from giving manual vouchers towards using an electronic card. The Electronic Benefits Transfer (EBT) is an electronic system that allows a recipient to transfer their government benefits directly to a retailer account to pay for the products they receive. EBT is used in all 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam. EBT has been implemented in all States since June of 2004. Transitioning toward an electronic system has helped cut back on fraud because it makes it easier to identify transaction violations. All authorised SNAP retailers must participate in the program by using Electronic Benefits Transfer (EBT) system equipment and transaction services. Most retailers are required to purchase EBT equipment and services. Exceptions include eligible farmers’ markets, direct-marketing farmers, military commissaries, non-profit food buying cooperatives, group living arrangements, treatment centres, and prepared meal services (other than for-profit restaurants participating in State-option restaurant programs)<sup>9</sup>.

Traditionally, the **World Food Programme (WFP)** used to provide food in-kind. However, for about ten years, the agency has also been using cash and vouchers instead of in-kind food delivery. The WFP's Cash for Change unit worked to scale up the use of cash and vouchers in the organisation's food assistance operations, making them an established part of the toolbox. The tendency is, however, of using the two forms of support according to context, not of eliminating one of the two. Some lessons that were drawn from WFP experiences with cash and vouchers are that this delivery mode is appreciated by end recipients and can be more cost-efficient in cases where markets make food (and the required micronutrient contents) available and beneficiaries lack purchasing power. It is, however, important to have a good understanding of how markets are working, otherwise there is a risk of creating inflation or that supply might not be sufficient to meet demand.<sup>10</sup> An overview on WFP approach and a specific example can be found here<sup>11</sup>.

The European Commission, through **DG ECHO**, provides humanitarian assistance, and has built up expertise on cash and voucher-based assistance, working with humanitarian partners. As an example, it has supported the WFP in the use of e-cards to provide cash assistance for supporting the livelihood of refugees in Turkey. An overview of the humanitarian assistance framework and case studies can be found here<sup>12</sup>.

**Emergency Social Safety Net (ESSN) Card: Providing cash to the most vulnerable refugees in Turkey**

<sup>9</sup> <https://www.fns.usda.gov/snap/supplemental-nutrition-assistance-program-snap>

<sup>10</sup> [https://www.wfp.org/sites/default/files/podcast/FFP\\_Episode10\\_AnalisaConte.mp3](https://www.wfp.org/sites/default/files/podcast/FFP_Episode10_AnalisaConte.mp3)  
<https://www.wfp.org/aid-professionals/podcast/cash-vouchers-something-else-toolbox>

<sup>11</sup> <https://www1.wfp.org/cash-transfers>  
<https://www.enonline.net/fex/48/evolution>

<sup>12</sup> [https://ec.europa.eu/echo/sites/echo-site/files/doc\\_eu\\_cash\\_compendium\\_imp\\_hd\\_0.pdf](https://ec.europa.eu/echo/sites/echo-site/files/doc_eu_cash_compendium_imp_hd_0.pdf)  
[https://ec.europa.eu/echo/what/humanitarian-aid/cash-transfers-and-vouchers\\_en](https://ec.europa.eu/echo/what/humanitarian-aid/cash-transfers-and-vouchers_en)

In collaboration with the WFP, the Turkish Red Crescent and Turkish government institutions, the EU launched its biggest humanitarian programme yet: the Emergency Social Safety Net (ESSN), a single card social assistance scheme that will allow up to 1.3 million of the most vulnerable refugees to meet their most pressing basic needs. The ESSN scheme provides refugees with a debit card which gives them access to a fixed amount of money every month. They can use the money to pay for whatever they and their families need the most: food, fuel, rent, medicine and bills. This also promotes social cohesion and creates a positive impact on host communities by allowing the refugees to participate in the daily life of the community and contribute to the local economy. Refugee families currently receive 120 Turkish Liras (about €30) per family member per month, with an additional quarterly top-up depending on the size of the family. The ESSN card can be used in shops, just like a normal debit card. However, it is not just a cash card. It is an acknowledgement that, despite their hardships, refugees should have the dignity to choose how to manage their own lives. The funds supporting the ESSN are part of the “EU Facility for Refugees in Turkey,” created as a response to the EU Member States’ call for significant additional funding to support refugees in Turkey.

Source: [https://ec.europa.eu/echo/essn\\_en](https://ec.europa.eu/echo/essn_en)

An interesting aspect of the WFP’s delivery system evolution towards e-vouchers and cash transactions is that it is boosting the introduction of advanced **technological solutions**. For example, blockchain technology is used in order to make transactions secure and traceable in circumstances where banking systems cannot be relied upon.

#### **The WFP Innovation Accelerator: Blockchain technology and smartphone applications for food assistance**

As part of its Building Blocks pilot, the WFP is trialling blockchain as a means of making cash transfers more efficient, transparent and secure. Blockchain is a digital ledger technology used as a trusted way to track the ownership of assets without the need for a central authority, which speeds up the processing and settlement of transactions while lowering the chance of fraud or data mismanagement. Crucially, its peer-to-peer nature removes the need for the involvement of costly intermediaries such as banks or other institutions. By harnessing the power of blockchain, the WFP also aims to better protect beneficiary data, control financial risks, improve the cost efficiency by reducing fees to financial service providers, and set up assistance operations more rapidly in the wake of emergencies.

Dalili – “my guide” in Arabic – is a smartphone app that helps Syrian and Lebanese families make the most of their money. Without leaving their homes, people receiving WFP assistance can browse hundreds of staple items in local stores and easily find the best prices and deals for the products they want to buy. Customers can also use the app to provide anonymous feedback on their shopping experience to the WFP and retailers. Dalili aims to boost market efficiency, improve competition among shops and ultimately reduce prices for the most popular products.

Source: <https://innovation.wfp.org/>



## 4. Challenges in organising the delivery chain and the way forward in relation to FEAD

In the previous sections, we have presented several examples showing that the FEAD community has already found successful solutions to address the various issues related to the delivery chain. However, it cannot be denied that there are still limitations in FEAD's ability to address logistical challenges. These include:

- a lack of procurement skills in some cases;
- a lack of logistical skills and capabilities, in other cases;
- the limited digitalisation of FEAD delivery due to insufficient access to ICT/IT capabilities and skills;
- the impossibility of using vouchers or e-cards within FEAD so far, according to the current regulation; the combination of such solutions with the provision of accompanying measures

## 5. Conclusions

Based on both FEAD experience and relevant EU and international experience, a number of issues related to the delivery of food and basic material assistance come to the forefront. Such issues go from defining the target group and the targeting approach, through arranging procurement in such a way that nutritional value and environmental sustainability are enhanced, to establishing a sufficiently extended distribution network, and finding a delivery mode that is dignified, efficient and effective. For the next programming period, this may include the use of (e-)vouchers and electronic cards. Several solutions have been applied in practice. In general, there is no single best solution that fits all situations; different methods present different advantages and disadvantages, and some work better in certain contexts than others. With a view to improving the FEAD delivery chain, a number of questions arise:

- What are the advantages and disadvantages for FEAD Managing Authorities and their partners of using different targeting approaches?
- How can procurement of food and basic material assistance be used to achieve FEAD's goals in a sustainable and socially responsible way, while complying with EU rules?
- How can delivery be organised in a smoother way to reach out to the most deprived?
- How can information and communication technologies help with all of the above?

The 15th FEAD Network Meeting provides a valuable opportunity to raise awareness and further discuss these issues. By relying on the knowledge and experience of the FEAD community on the subject, it is expected that FEAD will step up its capability to deliver food and material assistance to the right target groups in an efficient and dignified way.

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World Food Programme Innovation Accelerator programme: <https://innovation.wfp.org/>.

## Contact us

Visit our website: <http://ec.europa.eu/feadnetwork>

Or email us with your questions: [FEAD.Network@ecorys.com](mailto:FEAD.Network@ecorys.com)

**We look forward to hearing from you!**

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