

Fund for European Aid to the Most Deprived: detailed minimum requirements for audit purposes and the data to be recorded and stored

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The Council took stock of progress on the Fund for European Aid to the Most Deprived Regulation. In February 2013, the European Council confirmed that the support for aid for most deprived people will be EUR 2.5 billion for the period 2014-2020 and will be taken from the ESF allocation.

Substantial progress has been achieved under the Irish Presidency on many parts of the text. More particularly, the discussions in the working party have shown **broad support** to the objectives of the Fund, with a majority of delegations also supporting the instrument itself; however, at the same time, some delegations have reservations as to whether a new EU-level Fund, covering all Member States, would be the most appropriate way of assisting the most deprived persons, and what form such a fund should take.

Based on guidance from the Coreper and taking into consideration legal concerns, the Presidency has suggested a series of **compromise proposals** based on certain principles:

- participation in the FEAD would be **voluntary**;
- the **overall level of Structural Funds of a Member State would remain unaffected** and, in particular, funding for FEAD would be earmarked from a Member States' Structural Funds allocation;
- a Member State could **opt in/out** at the Programme review stage (in the middle of the programming cycle in 2016) without impacting on the allocation or programming of other Member States;
- the allocations would be **indicatively calculated on the basis of the indicators** set out in Article 6 (i.e. average population suffering from severe material deprivation and changes in the population living in households with very low work intensity);
- to ensure that a Member State would not be allocated disproportionately large FEAD funding, the Member State would have the **flexibility** to state, within a context of discussions with the Commission, the desired level of funding allocated to it;
- to compensate for expected low allocations to FEAD for the **smallest Member States**, a **minimum level of funding** to be allocated for them would be set.

The Presidency concludes that **securing agreement on the proposal would only be possible if based on such a voluntary approach**, providing Member States with flexibility with respect to the allocation of resources from their Structural Funds. In particular, the option for Member States to participate should not affect the programming of other Member States.

The Council's working party will further examine the text, including the EP's opinion. The vote of the European Parliament on its mandate to enter informal trilogues (with a view to a possible first reading agreement) took place on 12 June 2013.

The **Czech Republic, Germany, Denmark, the Netherlands, Sweden and the UK** have maintained reservations on the proposal. In addition, the **UK has maintained its parliamentary scrutiny reservation** while a number of national parliaments have issued opinions on the proposal.

Estonia, Greece, France, Cyprus and Slovakia have maintained linguistic scrutiny reservations on the proposal, as has Finland, on Title V.