

Fund for European Aid to the Most Deprived (FEAD) 2014-2020

2012/0295(COD) - 11/03/2014 - Final act

PURPOSE: the creation of a European Fund for the most deprived.

LEGISLATIVE ACT: Regulation (EU) No 223/2014 of the European Parliament and of the Council on the Fund for European Aid to the Most Deprived

BACKGROUND: the number of persons suffering from material, or even severe material, deprivation in the Union is increasing and in 2011 nearly 8.8 % of Union citizens lived in conditions of severe material deprivation. Accordingly, it is necessary to create a Fund in order to strengthen social cohesion by contributing to the reduction of poverty, and ultimately the eradication of the worst forms of poverty, in the Union by supporting national schemes that provide non-financial assistance to alleviate food and severe material deprivation and/or contribute to the social inclusion of the most deprived persons.

CONTENT: this Regulation establishes the Fund for European Aid to the Most Deprived, taking over from the [EU's Food Distribution programme](#) for the Most Deprived.

Objective of the Fund: the Fund shall promote social cohesion, enhance social inclusion and therefore ultimately contribute to the objective of **eradicating poverty in the Union** by contributing to achieving the poverty reduction target of at least 20 million of the number of persons at risk of poverty and social exclusion in accordance with the Europe 2020 strategy, whilst complementing the Structural Funds.

The Fund shall contribute to achieving the specific objective of alleviating the worst forms of poverty, by providing non-financial assistance to the most deprived persons **by food and/or basic material assistance**, and social inclusion activities aiming at the **social integration of the most deprived persons**.

The Fund shall complement sustainable national poverty eradication and social inclusion policies, which remain the responsibility of Member States.

Scope of support: the Fund shall support national schemes whereby food and/or basic material assistance, are distributed to the most deprived persons through partner organisations selected by Member States. With the view to augmenting and diversifying the supply of food for the most deprived persons, as well as reducing and preventing food wastage, the Fund may support activities related to the **collection, transport, storage and distribution of food donations**. It may also support accompanying measures, complementing the provision of food and/or basic material assistance.

Implementation: support from the Fund shall be implemented in close co-operation between the Commission and the Member States in accordance with the principle of **subsidiarity**. Member States and the bodies designated by them for that purpose, shall be responsible for implementing the operational programmes and carrying out their tasks under the Regulation.

N.B.: the Fund is not meant to replace public policies undertaken by the Member States to fight poverty and social exclusion, in particular policies that are necessary to prevent the marginalisation of vulnerable and low-income groups.

In accordance with their respective responsibilities, and to **prevent double funding**, the Commission and the Member States shall ensure coordination with the ESF, and with other relevant Union policies,

strategies and instruments, in particular Union initiatives in the field of public health and **against food waste**.

Principles to be taken into account during implementation: implementing actions within the framework of the Fund must take into account certain factors such as:

- **gender equality;**
- **respect for the dignity** of the most deprived persons;
- choosing the food and/or the basic material assistance on the basis of **objective criteria** related to the needs of the most deprived persons (taking account of climatic and environmental aspects, in particular with a view to reduction of food waste).

Financial envelope: the resources for the Fund available for budgetary commitment for the period 2014 - 2020 shall be **EUR 3 395 684880** in 2011 prices, in accordance with the annual breakdown set out in Annex II.

The allocation of the Fund for every Member State takes into account in equal measure certain indicators assessed on the basis of the population suffering from severe material deprivation and the population living in households with very low work intensity. Furthermore, the allocation also takes into account the different ways of assisting the most deprived persons in the Member States. However, each Member State should be allocated the minimum amount of EUR 3 500 000 for the 2014-2020 programming period in order to set an operational programme with a meaningful level of resources.

The Member State's allocation for the Fund should be deducted from the Member State Structural Funds allocation.

Operational programmes (OP): each Member State shall submit to the Commission, within six months of the entry into force of the Regulation, an OP I and/or an OP II, covering the period from 1 January 2014 to 31 December 2020. The contents of the POs are set out in the Regulation and in an Annex.

- **An OP I** shall set out an identification of and a justification for selecting the type of material deprivation and a financing plan containing a table specifying, for the whole programming period, the amount of the total financial appropriation in respect of support from the operational programme;
- **An OP II** shall set out a strategy for the programme contribution to the promotion of social cohesion and poverty reduction in accordance with the Europe 2020 strategy, and a financing plan for the whole programming period.

The Commission will evaluate the internal coherence of the proposed operational programme and the contribution of the expected outputs to the objectives of the Fund in an ex ante evaluation.

It must ensure that there is no overlap with any operational programme financed by the ESF in the Member State.

There are specific provisions to ensure the monitoring, evaluation and communication of information relating to OPs as well as provisions on the functions of the **monitoring committees for the OPs**.

Cofinancing rate: the co-financing rate at the level of the operational programme amounts up to 85 % of the eligible public expenditure. It may be increased by 10 percentage points in certain circumstances set out in the Regulation and Member States shall be free to support the Fund's initiatives with additional national resources. The technical assistance measures implemented at the initiative of, or on behalf of, the Commission may be financed at the rate of 100 %.

Eligibility provisions are set out in detail in the Regulation.

Partner organisations: the food and/or basic material assistance for the most deprived persons may be purchased by the partner organisations themselves. Such assistance may also be purchased by a public body and **made available free of charge** to the partner organisations. In that case, the food may be obtained from the use, processing or sale of the products disposed of in accordance with [Regulation \(EU\) No 1308/2013](#), provided that this is economically the most favourable option and does not unduly delay the delivery of the food products to the partner organisations.

Provisions on implementation: the Regulation contains provisions on the forms of support and forms of aid as well as eligibility of expenditure. A Chapter is dedicated to the management and control of aid, including designation of certifying authorities and verifications and audits.

The Regulation also sets out details on financial management including financial corrections where irregularities are discovered.

Also set out are provisions on **communication of information** regarding the Fund, including by the Commission of actions supported, regular consultation of partner organisations, timely information to Parliament and Council, visibility of Funds granted in Member States through a Union emblem.

Report on implementation: from 2015 to 2023, the Member States shall submit to the Commission an annual implementation report for the operational programme implemented in the previous financial year. Member States shall draft the annual implementation report in accordance with a delegated act of the Commission, including the list of **common indicators**, and for the social inclusion operational programmes, of the programme **specific indicators**.

Member States shall consult the relevant stakeholders, while avoiding conflicts of interest, on the implementation reports of OP I. The Commission shall present a summary of the annual implementation reports and the final implementation reports to the European Parliament and to the Council in due course.

Evaluation: the Commission shall present a mid-term evaluation of the Fund to the European Parliament and to the Council by 31 December 2018.

The Regulation sets out the modalities of the evaluations which must be based, inter alia, on the views of stakeholders.

An ex post evaluation will take place in 2024.

Transitional measures: taking into account the date by which invitations to tender have to be issued, the time limits for adoption of the Regulation and the time needed for the preparation of operational programmes, rules are put in place to permit a smooth transition so that there is no interruption in the supply of food aid. To this end, the Regulation allows eligibility of expenditure from 1 December 2013.

ENTRY INTO FORCE: 12.03.2014. The Regulation is applicable from 1 January 2014.

DELEGATED ACTS: the Commission is empowered to adopt delegated acts in respect of the content of the annual and final implementation reports, including the list of common indicators, the criteria for determining the cases of irregularity to be reported, the data to be provided and the recovery of sums unduly paid, the rules specifying the information in relation to the data to be recorded and stored in computerised form within the monitoring systems established by managing authorities, etc. as well as the criteria for determining serious deficiencies in the effective functioning of management and control systems. The European Parliament or the Council may object to a delegated act within two months from the date of notification (which may be extended by two months.) If the European Parliament or Council express objections, the delegated act will not enter into force. There are provisions for urgent measures.

