









Procedure file

Basic information	
<p>COD - Ordinary legislative procedure (ex-codecision procedure) Regulation 2020/0105(COD)</p>	Awaiting Parliament's position in 1st reading
<p>Fund for European Aid to the Most Deprived (FEAD) 2014-2020: specific measures for addressing the COVID-19 crisis</p> <p>Amending Regulation 2014/223 2012/0295(COD)</p> <p>Subject 4.10.15 European Social Fund (ESF), Fund for European Aid to the Most Deprived (FEAD) 4.20 Public health 4.20.01 Medicine, diseases</p> <p>Legislative priorities The EU's response to the Covid-19 pandemic</p>	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Employment and Social Affairs	 ĐURIŠ NICHOLSONOVÁ Lucia Shadow rapporteur  CASA David  BENIFEI Brando  PÍSLARU Drago  REIL Guido  LANGENSIEPEN Katrin  RAFALSKA Elżbieta	25/06/2020
Council of the European Union European Commission	Commission DG	Commissioner	
European Economic and Social Committee European Committee of the Regions	Employment, Social Affairs and Inclusion	SCHMIT Nicolas	

Key events			
28/05/2020	Legislative proposal published	COM(2020)0223	Summary
17/06/2020	Committee referral announced in Parliament, 1st reading/single reading		

01/10/2020	Vote in committee, 1st reading/single reading		
01/10/2020	Committee decision to open interinstitutional negotiations with report adopted in committee		
02/10/2020	Committee report tabled for plenary, 1st reading/single reading	A9-0174/2020	Summary
05/10/2020	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 71)		
07/10/2020	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 71)		
14/01/2021	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE663.018 GEDA/A/(2020)007664	

Forecasts

18/01/2021	Indicative plenary sitting date, 1st reading/single reading
------------	---

Technical information

Procedure reference	2020/0105(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation 2014/223 2012/0295(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 175-p3
Other legal basis	Rules of Procedure EP 159
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Awaiting Parliament's position in 1st reading
Committee dossier	EMPL/9/03108

Documentation gateway

Legislative proposal	COM(2020)0223	28/05/2020	EC	Summary
Economic and Social Committee: opinion, report	CES2583/2020	10/06/2020	ESC	
Committee draft report	PE655.741	30/07/2020	EP	
Amendments tabled in committee	PE657.167	03/09/2020	EP	
Committee report tabled for plenary, 1st reading/single reading	A9-0174/2020	02/10/2020	EP	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2020)007664	18/12/2020	CSL	

PURPOSE: to strengthen the Fund for European Aid to the Most Deprived (FEAD) in order to deal with the COVID-19 crisis.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure on an equal footing with the Council.

BACKGROUND: the current situation caused by the COVID-19 pandemic is unprecedented and requires exceptional measures to be taken with regard to aid provided to the most deprived under the Fund for European Aid to the Most Deprived (FEAD).

The first Coronavirus Response Investment Initiative ([CRII](#)), a package of measures which entered into force on 1 April 2020, introduced a number of important changes to the legislative framework applicable to the European Structural and Investment Funds that allow for a more effective response in the current situation. Complementary measures were adopted under the Coronavirus Response Investment Initiative Plus ([CRII Plus](#)).

This package also included amendments to Regulation (EU) No 223/2014 (FEAD Regulation), through [Regulation \(EU\) 2020/559](#) of the European Parliament and of the Council introducing specific measures of additional flexibility and liquidity for Member States to address the COVID-19 pandemic under the FEAD.

The direct and indirect effects of the crisis have already taken their toll in many sectors. The process of recovery shall take time and the need for further lockdown measures cannot be excluded. In this context, there is a serious risk that the number of people suffering from food and material deprivation shall increase and therefore further action is required in order to respond to the social consequences of the COVID-19 pandemic to ensure a socially fair recovery in line with the European Pillar of Social Rights.

The Commission therefore proposes a further amendment to the Regulation laying down common provisions for the European Structural and Investment Funds ([REACT-EU](#)) and the FEAD Regulation in order to provide additional resources to these Funds until 2022.

CONTENT: the Commission proposes to amend Regulation (EU) No 223/2014 so that Member States can provide additional resources to the FEAD until 2022.

This shall make additional resources available for basic food and material and accompanying measures, as well as for specific social inclusion measures. The financing of the main post-crisis recovery measures and support for the most deprived may therefore continue uninterrupted.

Voluntary increase of resources in response to the COVID-19 outbreak

It is proposed that Member States may voluntarily increase the overall resources provided for in the FEAD Regulation to deal with the COVID-19 pandemic. Member States should consider this possibility taking into account the increase in the number of the most deprived since the emergence of the pandemic. The increase in resources may have an impact on the budgetary commitments for 2020, 2021 and 2022.

In order to ensure that Member States have sufficient financial means to prepare for the economic recovery, the proposal provides for a higher level of pre-financing for the rapid implementation of the actions supported by the additional resources. In addition to the pre-financing provided for in the Regulation, the Commission shall pay a pre-financing amount of 50% of the additional resources allocated for the year 2020 following the Commission decision approving the amendment to a programme for the allocation of the additional resources.

In order to alleviate the burden on public budgets to repair the damage caused by the crisis, it is foreseen that the additional resources shall not be co-financed.

Scope of technical assistance

The proposal specifies that at the initiative of the Member States, and subject to a ceiling of 5% of the Fund's allocation at the time of adoption of the operational programme and 5% of the additional resources, the operational programme may finance:

- preparatory, management, monitoring, administrative and technical assistance, audit, information, control and evaluation measures necessary for the implementation of the Fund, including the preparation and operating costs of voucher systems if these costs are borne by the managing authority or another public body which is not a partner organisation;
- technical assistance measures to partner organisations and any other actor associated with the implementation of the Fund, as well as capacity building measures for partner organisations and any other actor associated with the implementation of the Fund, including measures to stimulate crisis response capacities in the context of the COVID-19 pandemic.

These actions may concern the subsequent programming period, including to ensure the continuation of the support by this Fund through other Funds.

Budgetary implications

The proposal will lead to:

- additional commitments in the year 2020, financed from an increase of the ceiling of the 2014-2020 Multiannual Financial Framework;
- additional commitments for the years 2021 and 2022, financed from external assigned revenues.

The proposal shall trigger additional payments in the years 2020 to 2025.

2020/0105(COD) - 02/10/2020 Committee report tabled for plenary, 1st reading/single reading

The Committee on Employment and Social Affairs adopted the report by Lucia ?URI NICHOLSONOVÁ (ECR, SK) on the proposal for a regulation of the European Parliament and of the Council

amending Regulation (EU) No 223/2014 as regards the introduction of specific measures for addressing the COVID-19 crisis.

As a reminder, the Commission proposal aims to amend Regulation (EU) No 223/2014 so that Member States may provide additional resources to the Fund for European Aid to the Most Deprived (FEAD) until 2022. The financing of the main post-crisis recovery measures and

support for the most deprived may therefore continue uninterrupted.

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission's proposal as follows.

Increased resources in response to COVID-19

While the Commission proposes that Member States may voluntarily increase the overall resources provided for in the FEAD Regulation to deal with the COVID-19 pandemic, Members proposed that Member States

shall be increased by Member States in response to the COVID-19 pandemic by a minimum share amounting to at least 3% of the additional resources, in accordance with Regulation (EU) No 1303/2013. The increase may affect the budgetary commitments for 2020, 2021 and 2022.

In order to provide for an effective response to the social impact of the COVID-19 outbreak on the most deprived persons, and by way of derogation from Article 92(7) of Regulation (EU) No 1303/2013, Members considered that a share of the additional resources should also be allocated by Member States to the FEAD (before or at the same time as the allocation to the ERDF and the ESF).

In order to ensure immediate relief for beneficiaries, Member States shall commit to taking all necessary steps to launch advance payments as quickly as possible.

Financial transfers

Possibilities for financial transfers under the Investment for Growth and Jobs goal between ERDF, ESF and FEAD shall also be introduced for additional resources.

Considering the vital role of the ESF in eradicating poverty and fighting social exclusion, the ESF share shall not be decreased below the current legal obligation of 23.1% at Union level.

Breakdown of resources

The Commission shall define the breakdown of the additional resources for each Member State on the basis of an allocation method based on the most recent objective statistical data available on the relative prosperity of Member States, including equality data, paying particular attention to groups such as homeless people and people living in institutions, which are not usually the subject of data from the statistical offices of the Member States.

The Commission shall set out the breakdown of the additional resources for each Member State on the basis of an allocation method based on the latest available objective statistical data concerning Member States relative prosperity and statistical data, including equality data, on the extent of the effect of the current crisis on their economies and societies, with special focus on the most deprived, such as homeless people and people living in segregated institutions, who are traditionally not reached by Member State statistical offices.

To that end, relevant and comparable data shall be collected with the involvement of non-governmental organisations and local authorities working in the field of poverty and social exclusion and in the provision of services to the most deprived persons.

Implementation

The report stressed that the mode of delivery of FEAD shall not be modified as a consequence of this Regulation and FEAD shall remain under shared management.

In addition, gender aspects shall be considered throughout the preparation, implementation, monitoring and evaluation of the Fund, in accordance with Article 21 of the Charter of Fundamental Rights of the European Union.