

Procedure file

Basic information	
<p>COD - Ordinary legislative procedure (ex-codecision procedure) 2020/0105(COD) Regulation</p>	<p>Procedure completed</p>
<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
	<p>EMPL Employment and Social Affairs</p>	<p> ĐURIŠ NICHOLSONOVÁ Lucia</p> <p>Shadow rapporteur</p> <p> CASA David</p> <p> BENIFEI Brando</p> <p> PÎSLARU Dragoș</p> <p> LANGENSIEPEN Katrin</p> <p> REIL Guido</p> <p> RAFALSKA Elżbieta</p>	<p>25/06/2020</p>
Council of the European Union	Commission DG	Commissioner	
European Commission	Employment, Social Affairs and Inclusion	SCHMIT Nicolas	
European Economic and Social Committee			
European Committee of the Regions			

Key events			
28/05/2020	Legislative proposal published	COM(2020)0223	Summary
17/06/2020	Committee referral announced in Parliament, 1st reading		
01/10/2020	Vote in committee, 1st 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	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	
20/01/2021	Results of vote in Parliament		
20/01/2021	Debate in Parliament		
21/01/2021	Decision by Parliament, 1st reading	T9-0015/2021	Summary
02/02/2021	Act adopted by Council after Parliament's 1st reading		
10/02/2021	Final act signed		
10/02/2021	End of procedure in Parliament		
16/02/2021	Final act published in Official Journal		

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	Procedure completed
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	
Text agreed during interinstitutional negotiations		PE663.018	18/12/2020	EP	
Text adopted by Parliament, 1st reading/single reading		T9-0015/2021	21/01/2021	EP	Summary
Draft final act		00051/2020/LEX	10/02/2021	CSL	
Commission response to text adopted in plenary		SP(2021)89	02/03/2021	EC	

Final act

[Regulation 2021/177](#)
[OJ L 053 16.02.2021, p. 0001](#)

Fund for European Aid to the Most Deprived (FEAD) 2014-2020: specific measures for addressing the COVID-19 crisis

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.

Fund for European Aid to the Most Deprived (FEAD) 2014-2020: specific measures for addressing the COVID-19 crisis

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.

Fund for European Aid to the Most Deprived (FEAD) 2014-2020: specific measures for addressing the COVID-19 crisis

The European Parliament adopted 649 votes to 7, with 31 abstentions, a legislative resolution 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 COVID19 crisis.

Parliament adopted its position at first reading in accordance with the ordinary legislative procedure by amending the Commission proposal as follows:

Coping with the impact of COVID-19 on the poorest people

The amendment to Regulation (EU) No 223/2014 on the Fund for European Aid to the Most Deprived (FEAD) aims to address the impact of the spread of COVID-19 and its socio-economic repercussions on the most deprived persons.

The adapted regulation would allow Member States to continue to use the additional funds made available for post-COVID-19 recovery under the REACT-EU initiative in 2021 and 2022. Member States could choose to increase the resources provided for in the FEAD Regulation for food aid and other basic aid for the most deprived persons.

The amended text recalls that since its establishment in 2014, the Fund has been able to benefit 13 million people a year, including approximately 4 million children. However, it underlines that the COVID-19 crisis has led to severe economic and social consequences and has exacerbated the situation of more than 20 % of the EU population who are at risk of poverty or social exclusion, has deepened social divides, and has increased job losses, unemployment rates and inequalities.

Co-financing rates

With a view to alleviating the burden on public budgets regarding crisis repair actions in the context of the outbreak of COVID-19 and preparing a social, resilient and sustainable recovery of the economy and society, the amended Regulation provides that it is appropriate that Member States be given the exceptional possibility to request a co-financing rate of up to 100 % to be applied to support from the additional resources.