



## BRIEFING ON THE FUND FOR EUROPEAN AID FOR THE MOST DEPRIVED (“FEAD”)

August 2014

### INTRODUCTION

The European Union has set up a new fund, the Fund for European Aid for the Most Deprived (“FEAD”). It will replace the former EU food aid programme (the European food aid programme for the most deprived persons (PEAD), which has been running since 1987, relying on Common Agricultural Policy funds.

For the last 24 months Eurodiaconia has been working together with other NGOs and the European institutions for this fund to exist and we are delighted that there is finally a new programme members can use to run food banks or provide other social inclusion measures for the most deprived. This briefing provides general information on this new fund.

### THE FUND FOR EUROPEAN AID FOR THE MOST DEPRIVED... WHAT IS IT?

#### Why this fund?

The Fund’s objective is to enhance social cohesion and therefore ultimately contribute to reaching the “Europe 2020” poverty reduction target. The Fund aims to alleviate the worst forms of poverty, by providing non-financial assistance to the most-deprived persons: food and/or basic material assistance and social inclusion activities aiming at the social integration of the most deprived persons.

#### What you need to know about the FEAD?

- ✓ There is one new fund for all 28 Member States. Amounts available vary significantly from one country to the other (please see annex 1).
- ✓ Member States will be able to receive funding for: 1) food aid and fight material deprivation (Operational Programme I) or/and 2) social inclusion measures (Operational Programme II)
- ✓ The fund makes it possible to finance measures of social inclusion either as “accompanying measures” if the Operational Program focuses on food and material assistance (OP I), or as the main priority if your Member State opts for the social inclusion Operational Program (OP II).
- ✓ The budget will be based on EU funding as well as National co-funding and a yearly 2% increase based on inflation. In real terms, over €3.8 billion will be allocated to this Fund over the 2014-2020 period. In addition, the Member States will have to contribute a minimum of 15% national co-financing.
- ✓ The partner organisations will be public bodies or non-governmental organisations selected by Member States on the basis of objective and transparent criteria defined by the respective Member States.
- ✓ The national government relevant department will generally not be linked to agricultural affairs anymore but to social affairs, and often to the European Social Fund managing authority.
- ✓ The fund makes it possible to finance the purchase of food and material assistance for the most deprived people, as well as storage, transport, and other logistics related costs.
- ✓ There are “hooks” your organisation should be aware of in order to be more likely to be selected. These include references to food waste, prioritization of the local economy, healthy diet, etc.
- ✓ All Operational Programmes should be ready in September 2014. They will explain the criterion for NGOs to apply to this funding. **Now is really the time to look at this potential source of funding as the NGOs selected now will benefit the funding for the 2014-2020 timeframe.**



## Timeframe

The fund is set up for **2014-2020**. It has been adopted (published in the Official Journal of the European Union) on 11 March 2014. However, it includes a “retroactivity provision” providing eligibility of expenditure as of 1 December 2013 (and until 31 December 2023)<sup>1</sup>. It means that action engaged from this date will be able to be financed. However, operations that have been fully completed or implemented before the application for funding cannot be covered by the operational program. For instance, a food distribution initiative started in December 2013 and completed in February 2014 will not be able to be funded under the FEAD.

## THE FUND FOR EUROPEAN AID FOR THE MOST DEPRIVED... WHAT IS NEW?

### How much is available? Where does the money come from?

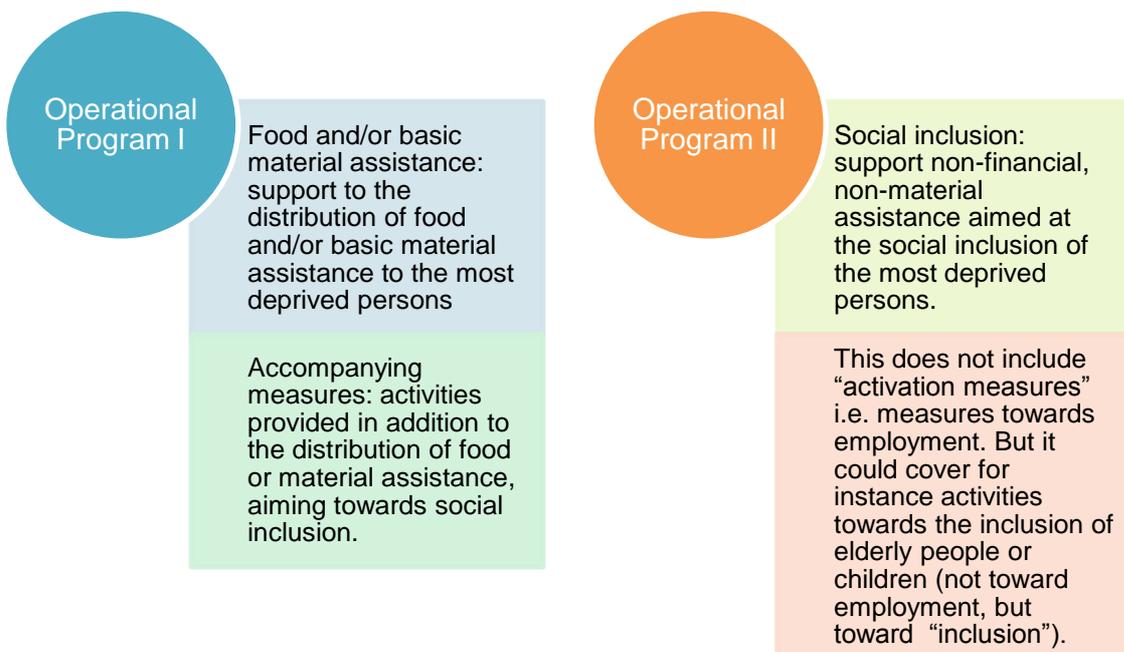
The program will make €3.4 billion (3 395 684 880 EUR) available to Member States over the 2014-2020 period. To this will be added co-funding from Member States at national level amounting to at least 15%. NGOs will not need to bring co-funding.

Every EU Member State will be able to access the fund, but amounts will vary very significantly from country to country. Over the period 2014–2020, the minimum amount is of 3 500 000 EUR for 6 Member States and goes up to a maximum of 499 900 000 EUR for Spain and 595 000 000 EUR for Italy. To see how much money has been requested by your Member State please look at the annex 1. The Member State’s allocation for the fund will be deducted from the Member State Structural Funds allocation. The amount will be indexed at 2% per year.

### What is the scope of the program?

Member States will be able to use the program for: 1) food aid and to fight material deprivation or/and 2) social inclusion measures. The fund will support national schemes implemented at national, regional or local level by public bodies or non-for-profit organisations to either

- distribute food and/or material assistance to the most deprived persons (OP I)
- provide accompanying measures of social inclusion to OP I
- run activities contributing to the social inclusion of the most deprived persons (OP II)



<sup>1</sup> Article 22.2, Regulation on the Fund for European Aid to the Most Deprived



Concretely, it means that Member States will be able to use this program to finance costs such as basic material assistance i.e. basic consumer goods of a limited value such as clothing or school material etc. For Member States opting for the food and material assistance operational program, costs covered may also include financing of activities relating to collection, transport, storage and distribution of food donations.

## How is this program different from the European Social Fund?

The FEAD is complementary to the ESF. Specifically, it targets people furthest away from the labour market. The regulation clearly states that *“It should be ensured that the Fund complements actions that are funded under the ESF as social inclusion activities, while exclusively supporting the most deprived persons.”*<sup>2</sup>

The European Commission and the Member States plan to ensure coordination with the ESF in order to prevent double funding. The European Commission will also ensure that there would not be any overlap with Operational Programs (OP) financed by the ESF.

## THE FUND FOR EUROPEAN AID FOR THE MOST DEPRIVED... HOW DOES IT WORK?

### 1. A flexible national centred approach, through the Operational Programs

Member States can submit one or two OP(s). They should do so within 6 months of the entry into force of the regulation, i.e. before 11<sup>th</sup> September 2014. Through their OP, Member States will be able to choose according to their own situation the type of assistance they wish to provide (food or basic goods or a combination of both), and their preferred model for procuring and distributing the food and goods. They can therefore use the money available to them through one OP, focusing either on food and material assistance (OPI) or social inclusion (OPII); or to divide the money (same amount) between two OPs, covering both food and material assistance as well as wider social inclusion measures.

The Commission will approve the national programmes for 2014-2020 and national authorities will take the individual decisions leading to the delivery of the assistance through partner organisations (often non-governmental).

National authorities can purchase the food and/or goods themselves and then make them available to partner organisations, or provide the funding for partner organisations to make the purchases themselves. Partner organisations purchasing the food or goods themselves can either distribute the material assistance directly, or entrust the distribution to other partner organisations.

France is the first Member State to have its operational programme adopted (on 31<sup>st</sup> July 2014). It will receive 499 million euros in current prices in the period 2014-2020 to support the provision of food aid to those most in need in the country (complemented with €88 million from national resources).

It is believed that most Member States will choose to have one Operational Program focusing on food and material assistance (OP I). It is interesting to note that if a Member State chooses to go for OP I (food and material assistance), it can still finance “accompanying measures” i.e. measures contributing to social inclusion alongside the food and material assistance. The member states may also use some of the funding to facilitate food donations from private sources e.g. from supermarkets.

### 2. Co-financing<sup>3</sup>, eligibility of operations and expenditures<sup>4</sup>

The **co-financing** rate will amount to up to 85% of the eligible expenditure. It means that Member States will have to top up the amount they receive by at least 15%. NGOs will not need to bring co-funding.

Member States can use the money received to finance cost linked to the implementation of the fund such as preparation, monitoring, administrative and technical assistance, audit, information, control and evaluation. This

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<sup>2</sup> Recital 66, [Regulation \(EU\) No 223/2014 of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid to the Most Deprived](#). All articles referred below will refer to this regulation, unless stated otherwise.

<sup>3</sup> Article 20, Regulation on the Fund for European Aid to the Most Deprived

<sup>4</sup> Article 22 to 27 Regulation on the Fund for European Aid to the Most Deprived



may be done up to 0.35% of the annual allocation (when at the initiative of the EC), and up to 5% of the Fund allocation (when at the initiative of the Member State). This technical assistance may be financed at the rate of 100%.

Regarding the **eligibility** of actions, actions to be funded must take place in the territory of the Member State covered by the program. An operation covered by the fund must not receive support from any other European Union program to avoid double funding.

The precise eligibility criterion will be defined by Member States in their Operational Programme, according to national rules and the objectives.

Member States will provide financial support through grants and procurement or a combination of these. Grants may be reimbursement of eligible costs incurred and paid; reimbursement on the basis of unit costs, lump sums not exceeding 100 000 EUR of public support, or flat rate financing.<sup>5</sup>

The food and material assistance may be bought by the NGOs themselves or by a public body. It should be distributed free of charge to the most deprived persons.

The list of expenditures eligible is listed in article 26 of the regulation. It include for instance the cost of purchasing food and/or material assistance, administrative, transport, distribution and storage costs as well as awareness raising activities and accompanying measures. Non-eligible costs are the interest on debt, provision of infrastructure, costs of second hand goods, value added tax except where it is non-recoverable under national VAT legislation.

## What can members do now?

If you are interested by the opportunities brought in by the program, please contact your managing authority or national government department in charge of the program as soon as possible. The national Managing authorities should have issued their Operational Programme by September 2014. If you are not sure who to contact, try to ask your European Social Fund contact ([list by country available here](#))

If you believe that your organisation would not be able to receive such funding alone, you could consider applying to use the fund through cooperation with other organisations such as the Red Cross and Caritas. **Working together to access this funding might enable you to cover some of your already existing activities, or to extend the scope of your service delivery.**

## CONCLUSION

The Fund for European Aid for the Most Deprived provides Member States with new funding opportunities to support food, material assistance and social inclusion activities. Eurodiaconia members could benefit from this opportunity to finance existing or new activities. All Operational Programmes should be ready in September 2014. They will explain the criterion for NGOs to apply to the funding. **Now is really the time to look at this potential source of funding as the NGOs selected now will benefit the funding for the 2014-2020 timeframe.**

## More information

This is an information briefing only. Please check the exact text of the regulation:  
[REGULATION \(EU\) No 223/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 March 2014 on the Fund for European Aid to the Most Deprived](#)

[European Commission FAQ on the new FEAD](#)

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<sup>5</sup> Article 25 Regulation on the Fund for European Aid to the Most Deprived



## ANNEX I - Allocation of the Fund for the period 2014–2020 per Member State (in 2011 prices)

Member States	EUR
Belgium	65 500 000
Bulgaria	93 000 000
Czech Republic	20 700 000
Denmark	3 500 000
Germany	70 000 000
Estonia	7 100 000
Ireland	20 200 000
Greece	249 300 000
Spain	499 900 000
France	443 000 000
Croatia	32 500 000
Italy	595 000 000
Cyprus	3 500 000
Latvia	36 400 000
Lithuania	68 500 000
Luxembourg	3 500 000
Hungary	83 300 000
Malta	3 500 000
Netherlands	3 500 000
Austria	16 000 000
Poland	420 000 000
Portugal	157 000 000
Romania	391 300 000
Slovenia	18 200 000
Slovakia	48 900 000
Finland	20 000 000
Sweden	7 000 000
United Kingdom	3 500 000
<b>Total</b>	<b>3 383 800 000</b>