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Special Report

FEAD-Fund for European Aid to the Most Deprived: Valuable support but its contribution to reducing poverty is not yet established

(pursuant to Article 287(4), second subparagraph, TFEU)

EUROPEAN
COURT
OF AUDITORS

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Executive summary

I The Fund for European Aid to the Most Deprived (FEAD) is the successor programme to the former European programme for the most deprived persons (MDP). It provides €3.8 billion of EU funding for the programme period 2014-2020 and it is implemented at national level through operational programmes.

II Compared to the MDP, FEAD has brought two important changes to the fight against poverty. First, it offers both material assistance and social inclusion measures, in addition to food aid. Second, the management of the Fund within the European Commission moved from the Directorate-General for Agriculture and Rural Development to the Directorate-General of Employment and Social Affairs. This organisational change towards social policy was also followed by most Member States' authorities.

III However, despite these changes, we found that FEAD remains essentially a food support programme, as 83 % of the Fund is devoted to food support. This was made possible by the basic FEAD Regulation, which allows Member States to finance food support very much as under the former MDP. Only four Member States opted to concentrate their programmes on specific social inclusion measures, which represent 2.5 % of the Fund.

IV "Most deprived" remains a generic term, therefore it is up to Member States to define those most exposed to poverty to whom FEAD support should be targeted through their national operational programmes. Half of the Member States we assessed do not target the aid to any specific vulnerable group or poverty situation. However, if FEAD is to provide EU added value alongside other support schemes, it needs to be targeted at those most in need, or the most extreme forms of poverty.

V Member States had to adopt a variety of social inclusion measures to complement material support, and we found a wide range of such measures from the distribution of information leaflets to customised individual support. Only a few Member States monitor the results achieved by these measures. Consequently, their contribution towards alleviating the worst forms of poverty could not be established.

VI The four Member States which concentrated their programmes upon specific social inclusion measures rather than food or material assistance, carried out more detailed monitoring because of the better targeting required by the basic FEAD

Regulation. However, there is not enough evidence that these measures complemented similar ones supported by the European Social Fund (ESF).

VII For the next programme period after 2020, the Commission has proposed to integrate FEAD into the new ESF +, this containing specific objectives to the fight against material deprivation.

VIII Overall, we consider FEAD as a relevant instrument that has ensured the provision of food and material support to those most in need, complementing Member States' and private, but not necessarily other EU, initiatives. FEAD is also welcome by those dealing with the most deprived. However, its contribution to alleviating poverty has not been established. We make recommendations that take into account the Commission's proposals for the 2021-2027 programme period, addressing:

(a) Better targeting of aid

(b) Safeguarding social inclusion measures for recipients of basic material assistance

(c) Improving the assessment of the social inclusion of FEAD end recipients.

Introduction

01 In spite of the overall wealth of the European Union (EU), poverty is still at a high level in the EU. The Europe 2020 strategy is the EU's agenda for growth and jobs for the current decade. Poverty reduction is a key policy component of the Europe 2020 strategy: it sets the target of 'lifting at least 20 million people out of the risk of poverty or social exclusion' by 2020 compared to the year 2008. In 2017, 113 million people, that is 22.5 % of the EU's population, were still at risk of poverty or social exclusion[1]. There was 116 million people at risk in 2008, when the EU defined its headline target. The risk is highest for specific groups such as children and elderly people.

02 Since the 1980s, the EU has established schemes aimed at supporting the most deprived, firstly the European programme for the Most Deprived (MDP) and since 2014 the Fund for European Aid to the Most Deprived (FEAD), which is the subject of this audit report.

The MDP - the predecessor programme

03 In 1987, the Council set up the MDP, releasing public intervention stocks of agricultural products to Member States wishing to use them as food aid for the most deprived persons within their populations. The MDP, managed by the Directorate-General for Agriculture and Rural Development of the European Commission (DG AGRI), became an important source of support for organisations providing food to deprived persons. In 2010, over 18 million people in the EU benefited from the scheme. However, the scheme became a subject of legal disputes between Member States.

04 The MDP had progressively evolved into a financial support scheme for buying and delivering food to the most deprived. Germany challenged the Commission in 2008, arguing that the MDP no longer derived from the Common Agricultural Policy but addressed social policies, which falls under the competences of Member States. Sweden supported the German position in this claim but France, Italy, Spain and Poland supported the Commission. Following political negotiations at the Council, Member States found a compromise by creating a new fund, FEAD, outside of the Common Agriculture Policy, replacing the MDP for the succeeding programme period.

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[1] According to DG ESTAT.

The MDP programme continued for a transitional period ending on 31 December 2013 (to allow charity organisations in Member States to adapt to the new situation).

05 We audited the MDP in 2008[2]. We recommended that, amongst other things:

- the programme should be set in the social policy framework of Member States;
- specific, measurable, achievable, relevant and time-bound objectives should be developed as well relevant performance indicators set to monitor the achievement of the programme's objectives.

FEAD - A new approach for supporting the most deprived

06 In 2014, FEAD replaced the MDP scheme. It sought to bring a new approach to the aid offered to deprived persons and to address our recommendations. As such, it aimed to be not solely a food aid scheme, but also to offer material assistance combined with tailored social inclusion measures to get people out of poverty or the risk of poverty. This is reflected in FEAD's objectives (see ***Box 1***):

[2] See Special Report No 6/2009.

Box 1

FEAD's objectives

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**.

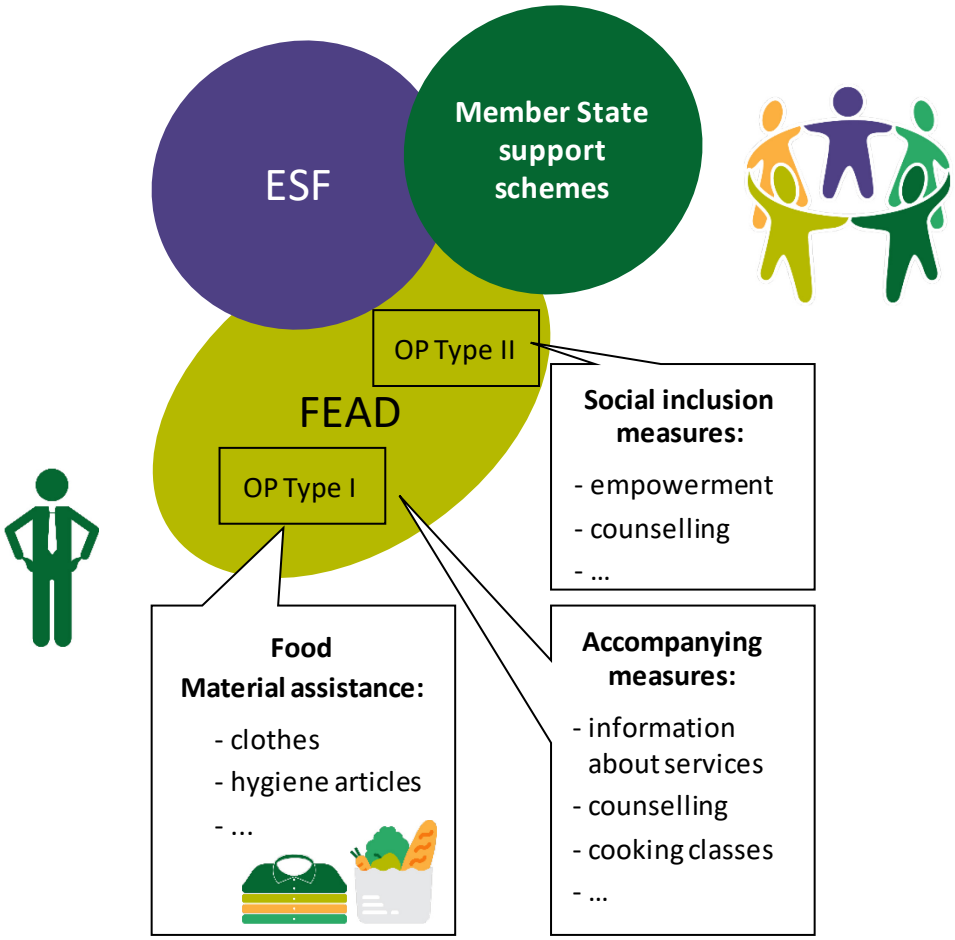
The Fund shall complement sustainable national poverty eradication and social inclusion.

Source: Basic FEAD Regulation[3]; Article 3.

07 The Fund was set up not just to provide food and basic material assistance to the most deprived people and to direct material support in the most needed situations, but to lift them – where possible – out of poverty and guide them towards other EU or national support schemes, see ***Figure 1***.

[3] 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.

Figure 1 – FEAD – basic assistance and possibilities towards social inclusion



Source: ECA.

08 As part of this new approach, the Directorate-General of Employment, Social Affairs & Inclusion (DG EMPL) took over management of FEAD. The EU funding is €3.8 billion complemented by Member States contributions for a total funding of €4.5 billion, for the 2014-2020 programme period.

Two types of OP for implementing FEAD

09 To implement FEAD, Member States could choose between two distinct types of operational programme or choose to have both types of programme:

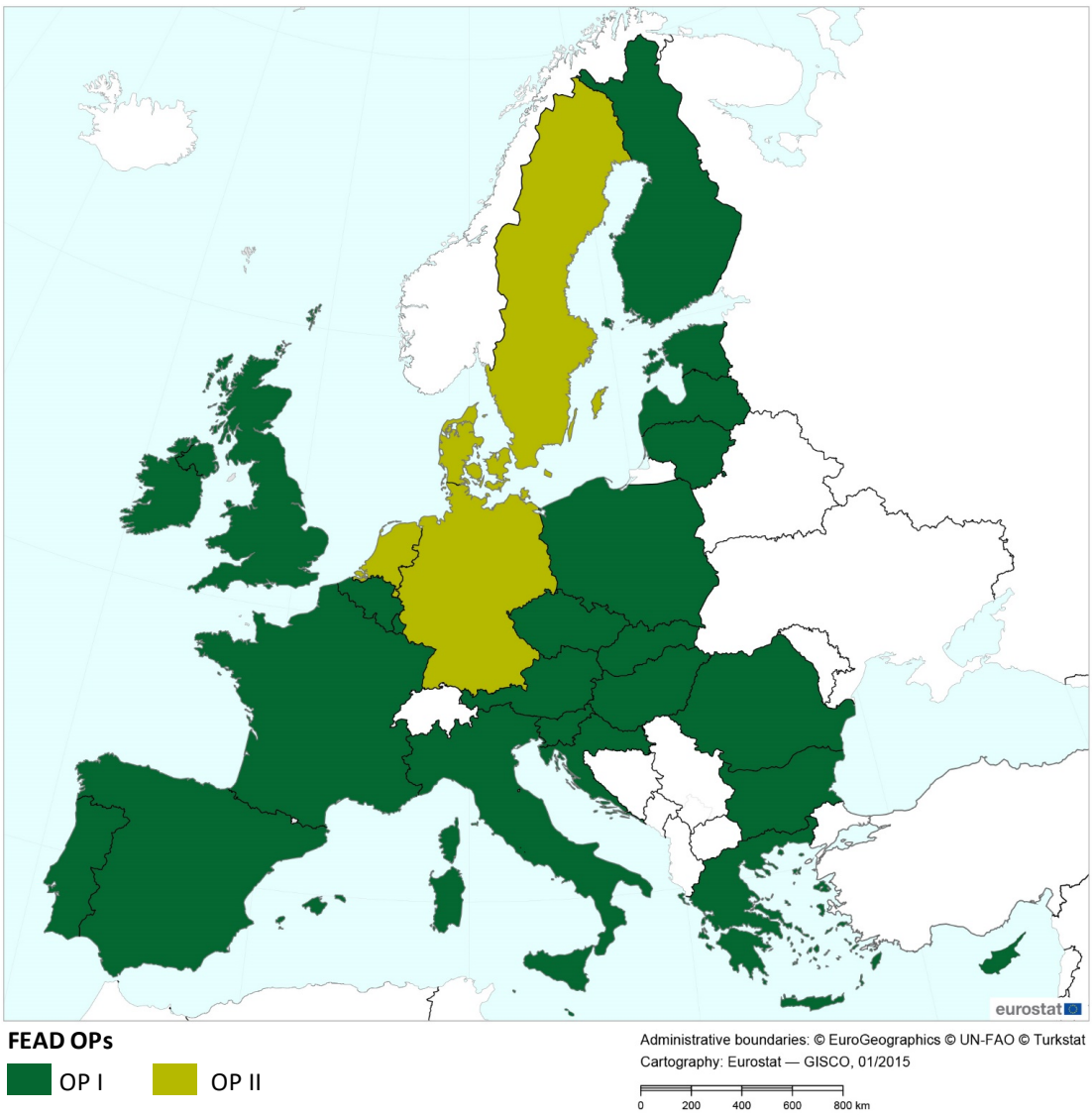
- "Type I" operational programmes offer food aid and material support, such as the distribution of food packages; supporting organisations offering hot meals for the homeless, distributing sleeping bags and hygiene kits; or by supporting school lunches for children in poverty or giving their families support.

In addition, these programmes should offer accompanying measures aimed at *alleviating the social exclusion of the most deprived persons*. These can involve measures such as counselling on personal hygiene or cooking classes, but could also be the provision of information on available national social support schemes.

- "Type II" operational programmes do not provide any food aid or material support. They provide measures aimed at the social inclusion of clearly defined populations amongst the most deprived. Such measures should be clearly linked to national social inclusion policies and can range from advisory activities similar to those available in the accompanying measures under type I OPs, but also to social inclusion activities similar to measures available under the ESF.

Twenty-four Member States selected type I operational programmes, while four opted for type II programmes. No Member State has availed itself of the possibility to have both types (see ***Figure 2***).

Figure 2 – OP I and OP II Member States



Source: ECA, created with mapchart.net.

Similar programming to the ESI funds

10 FEAD is implemented on a multiannual basis, with the current multi-annual financial framework running from 2014 to 2020. Similar to European Structural and Investment (ESI) Funds such as the ESF, the operational programmes (OP) submitted by the Member States need to be approved by the Commission.

11 Member States designate a managing authority, which is responsible for the management of the programme, both in terms of sound financial management and compliance with the basic FEAD Regulation. The managing authority further designates one or more partner organisations, either public bodies or non-profit organisations

delivering food and/or basic material assistance. The partner organisations work closely with FEAD beneficiaries, e.g. charity organisations running a social kitchen or providing hot meals to homeless people.

ESF + a new direction for FEAD

12 On 30 May 2018, the European Commission published a proposal for a regulation on the European Social Fund Plus (ESF +) which should facilitate the transition from social inclusion activities supported through the FEAD to active measures. For the next multiannual financial framework (MFF), the Commission proposes to merge FEAD into ESF +.

13 Under this proposal, there will be two ESF + specific objectives relating to the fight against material deprivation: (i) a specific objective on the promotion of the social integration of people at risk of poverty or social exclusion, including the most deprived and children and (ii) a specific objective on addressing material deprivation through food and/or basic material assistance to the most deprived, including accompanying measures. It is also proposed that those accompanying measures will no longer be compulsory, unlike under the current FEAD.

Audit scope and approach

14 The Court decided to carry out this audit in time for the discussions on the regulation which will replace the current FEAD by the proposed ESF + regulation and will be in place for the 2021-2027 programme period.

15 We assessed whether FEAD was designed to be an **effective tool for alleviating poverty and contributing towards social inclusion** of the most deprived. To answer this overall audit question, we examined whether:

- FEAD design was substantially different to the former MDP in terms of alleviating poverty and contributing to the social inclusion of the most deprived;
- FEAD programming in Member States targeted the aid to make it an effective tool;
- the contribution of social inclusion measures, the innovative element of FEAD, could be measured.

16 The audit approach covered the analysis of policy and programming documentation at both the Commission and Member State levels. For Member States, we reviewed nine FEAD operational programmes[4] and supporting documentation. We selected Member States based on the financial allocations, on having operational programmes of both types I and II and on striking a balance in terms of geographical coverage across the EU (see ***Figure 3***). We did not audit the fund's implementation in the Member States.

17 We assessed the monitoring and evaluation framework in place at the Commission through a desk review of the relevant documentation, and drew upon the Mid-term evaluation on the implementation of the Fund (MTE)[5].

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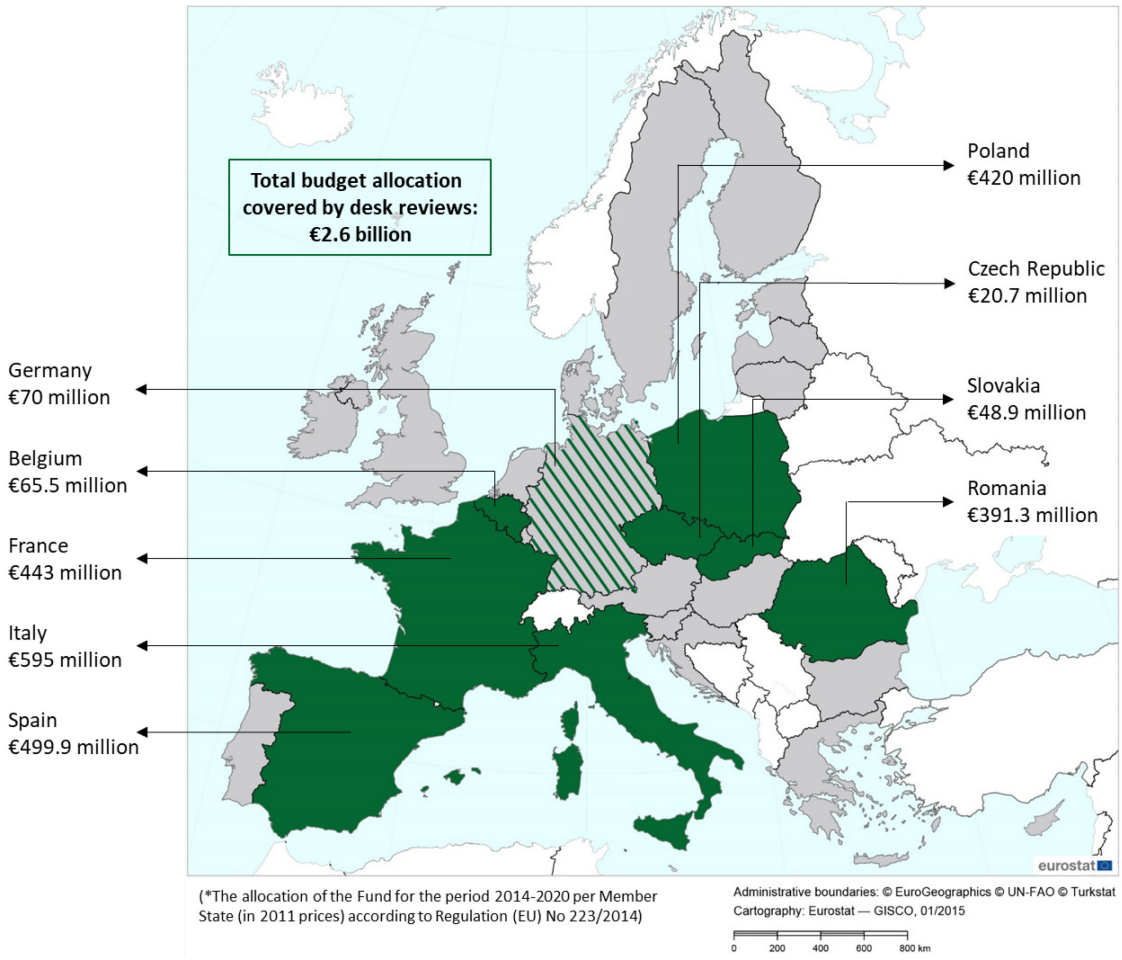
[4] For OP I: Belgium, the Czech Republic, Spain, France, Italy, Poland, Romania, Slovakia; for OP II: Germany.

[5] At the time of drafting this report, the Mid-term evaluation on the implementation of FEAD was due to be published by the Commission.

Figure 3 – Member States covered by our review



Source: ECA, created with mapchart.net.

18 We carried out a survey of the 28 managing authorities in charge of FEAD, to which 27 replied[6]. The survey sought information regarding: the choice of operational programme; the approach to targeting of the population addressed through the OP; the number, type and selection process of partner organisations; and the monitoring arrangements established for the OP (for the detailed results of the survey, see ***Annex I***).

[6] The United-Kingdom, which has not implemented its original FEAD programme, did not reply.

Observations

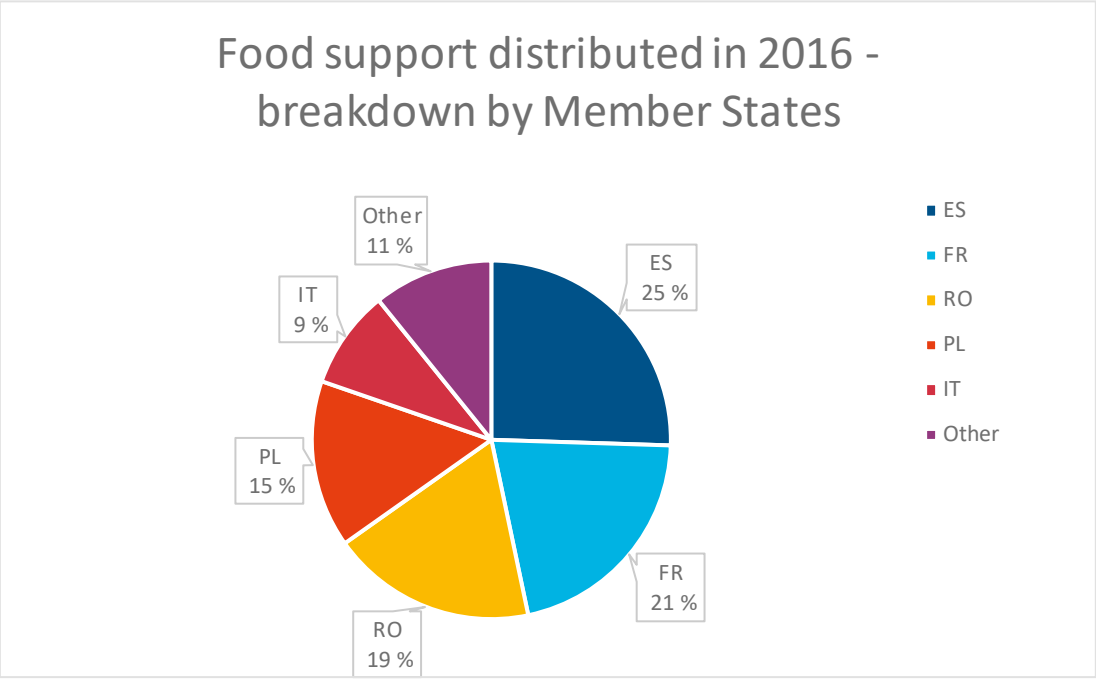
FEAD - a welcome policy instrument to tackle poverty

Like the former MDP, FEAD funds mainly food support

19 Of the 24 Member States that chose the type I form of OP, ten solely provide food aid and one provides material support only. The other Member States provide both food and material assistance.

20 Overall, type I OPs represent 97.5 % of the total FEAD budget. Food support only accounts for 83.5 % of the total FEAD budget and 90 % of that food aid was distributed in five Member States: France, Italy, Poland, Romania and Spain (see ***Figure 4***).

Figure 4 – Quantity of FEAD food supported distributed in 2016

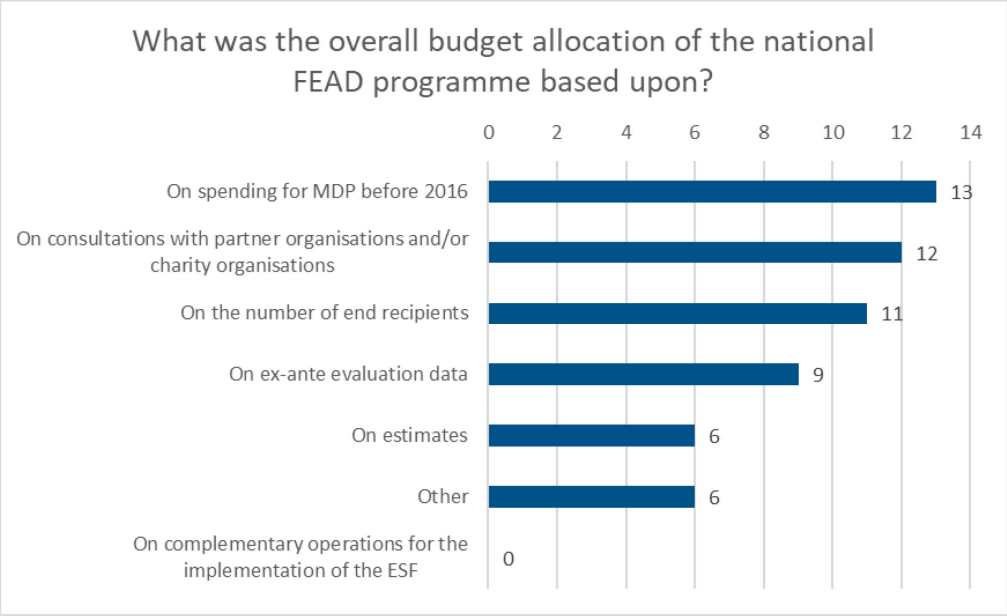


Source: ECA, based on the Mid-term Evaluation (MTE).

21 Support in the form of material aid accounts for 14 % of the total FEAD budget. This is mainly used in Greece, Cyprus, Luxembourg and Austria. Such material assistance is mainly directed at households with dependent children in poverty and includes items such as baby clothes and personal hygiene products.

22 Our survey confirmed the continued emphasis on food support. When we asked Member States on which basis their budgets were established in the FEAD Regulation, 13 responded that their budgets were directly based on the volume of spending within the former MDP. For a further 11 their budgets were based on the number of (expected) end recipients, and 12 Member States relied on consultations with partner organisations. No Member State replied that they had budgeted FEAD with a view to complementing ESF programmes, the EU's most important driver for social inclusion (see ***Figure 5***).

Figure 5 – Rationale of FEAD budgeting *(multiple answers were possible)*

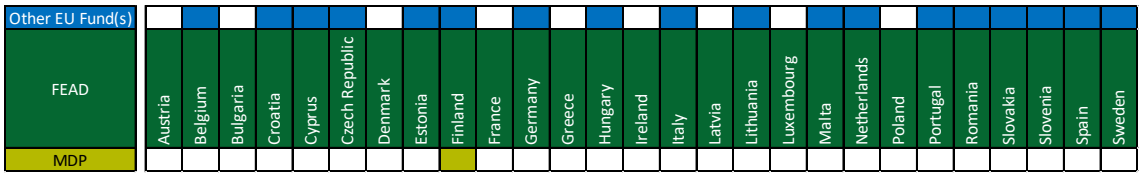


Source: Replies to question 6 of ECA survey addressed to managing authorities.

FEAD addressed a previous Court recommendation regarding social policy

23 Since 2014, DG EMPL has been responsible for implementing FEAD. Unlike with the MDP, managing authorities in Member States are mostly national administrations responsible for social inclusion policies. Only one FEAD managing authority had been responsible for implementing the former MDP programme, whereas 17 managing authorities out of 27 are institutions which also implement the ESF (see ***Figure 6***). The shift towards social inclusion bodies addressed a recommendation the Court made following its audit of the MDP in 2008.

Figure 6 - The governance of FEAD in Member States; a clear move towards social inclusion actors

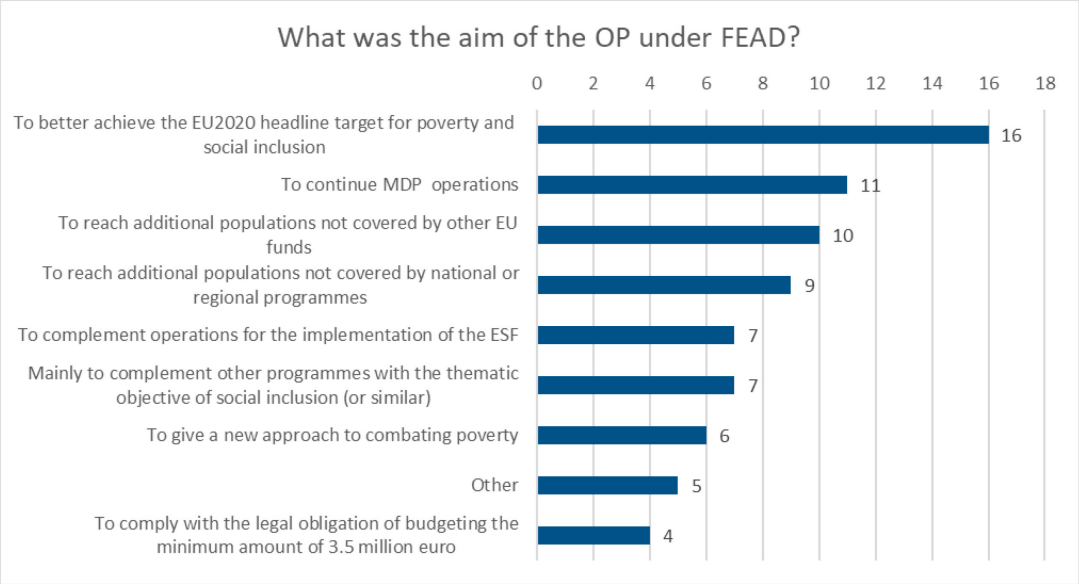


Source: Replies to question 1 of ECA survey addressed to managing authorities.

FEAD is welcomed by those dealing with the most deprived

24 In reply to our survey, 11 managing authorities stated that the aim of their operational programme was the continuation of MDP operations and 16 managing authorities see FEAD as a tool to give a new approach in supporting deprived people. Two thirds responded that the FEAD programme aimed at reaching populations not covered by national or regional programmes, nor by other EU funds (see ***Figure 7***).

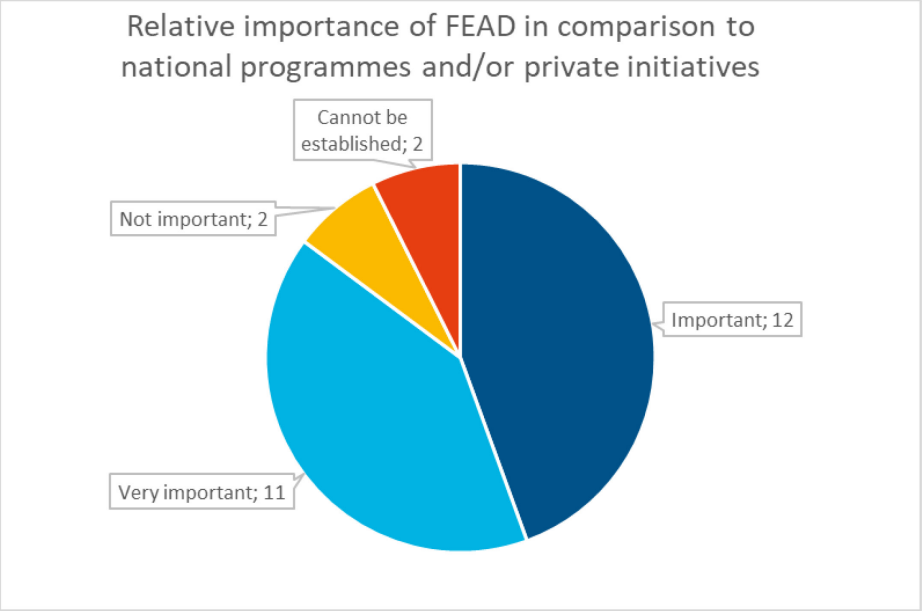
Figure 7 - Rationale for programming FEAD



Source: Replies to question 3 of ECA survey addressed to managing authorities.

25 In addition, our survey confirmed that 23 of 27 managing authorities consider that FEAD was either very important or important in assisting the most deprived people compared to other national programmes or private initiatives existing in their countries. Only two authorities consider FEAD as not being important (see ***Figure 8***).

Figure 8 - The importance of FEAD



Source: Replies to question 35 of ECA survey addressed to managing authorities.

FEAD's relative importance is not known

26 The Commission does not have data which demonstrates the relative importance of FEAD in overall support to deprived people in the EU. Cross country comparable data on overall support for deprived people do not exist at EU level. Most Member States we surveyed were not able to provide the share that FEAD funding represents of total support, which includes donations of funds and materials and the financial equivalent of volunteer work input. ***Table 1*** shows data from the six Member States which were able to provide an indication of FEAD's relative importance.

Table 1 – FEAD share of the total social support activities for the deprived

Luxembourg	5 - 10 %
Hungary	10 %
France	30 %
Belgium	50 %
Italy	ca. 60 %
Poland	67 %

Source: Replies to question 36 of ECA survey addressed to managing authorities.

27 To provide an indication of its relative importance, we asked the European Food Banks Federation (FEBA). In 12 Member States, FEBA members provide food to charities also with FEAD financing. Based on figures received, we estimate that FEAD

finances a third of the food provided by those food banks. The FEBA pointed out that FEAD allows them to plan the redistribution of specific foods, such as baby milk. In this way, they are less dependent on the irregular flow of donations (for more data on FEBA in FEAD, please refer to ***Annex II***).

Targeting of FEAD support is essential but not always set at programme level

The FEAD framework provides flexibility to Member States in defining the "most deprived"

28 The basic FEAD Regulation states that Member States or partner organisations may define who is considered as being "most deprived" (see ***Box 2***).

Box 2

"Most deprived" defined by Member States

Most deprived are: "natural persons, whether individuals, families or households or groups composed of such persons, whose need for assistance has been established according to objective criteria set by the national competent authorities in consultation with the relevant stakeholders, while avoiding conflict of interests, or defined by the partner organisations and which are approved by those national authorities and which may include elements that allow the targeting of the most deprived persons in certain geographical areas".

Source: Basic FEAD Regulation, Article 2.2.

Targeting is essential given the limited budgetary resources

29 If FEAD was the only source of funds addressing poverty in the EU, the resources would be very limited (see ***Box 3***).

Box 3

FEAD - limited financial means imply the need for targeting their intervention

If FEAD would solely target this population, …	… it would make available the following amount from the EU funding, per year / per person
People in the EU at risk of poverty or social inclusion - 113 million	**€5**
Children at risk of poverty or social exclusion - 25 million	**€25**
Homeless in the EU - some 4 million	**€160**

Source: ECA, based on DG ESTAT data.

30 However, FEAD is not expected to eliminate EU poverty on its own. It should complement national and regional support schemes, private initiatives and other EU funds, such as the ESF. If FEAD is to provide more added value alongside the other support schemes, it needs to be targeted to the people most in need, or the most extreme forms of poverty.

31 Managing authorities have to rely on a multitude of actors to provide support to the most deprived. Ensuring this can be difficult given the large number of organisations involved. While the existence of large networks of partner organisations may ensure better responses to local needs, it is also making coordination more challenging. Data from our survey indicates that some 5 700 partner organisations are involved in organising the aid and a further 14 000 beneficiaries deliver the aid (see ***Annex I***). Facing such a situation, Member States can either target at the level of the operational programmes, or leave targeting of those most in need to the discretion of the partner organisations. In both, ensuring targeting to those most in need is essential to ensure the fund's effectiveness.

Only half of Member States examined target the aid at operational programme level

32 We have identified through our review of eight type I operational programmes, that four do target specific populations. One Member State not only set a target population but also defined the measures and types of food support for that specific

population (see ***Box 4***). This approach supports good use of the limited funding from FEAD and ensures delivering the aid to those most in need.

Box 4

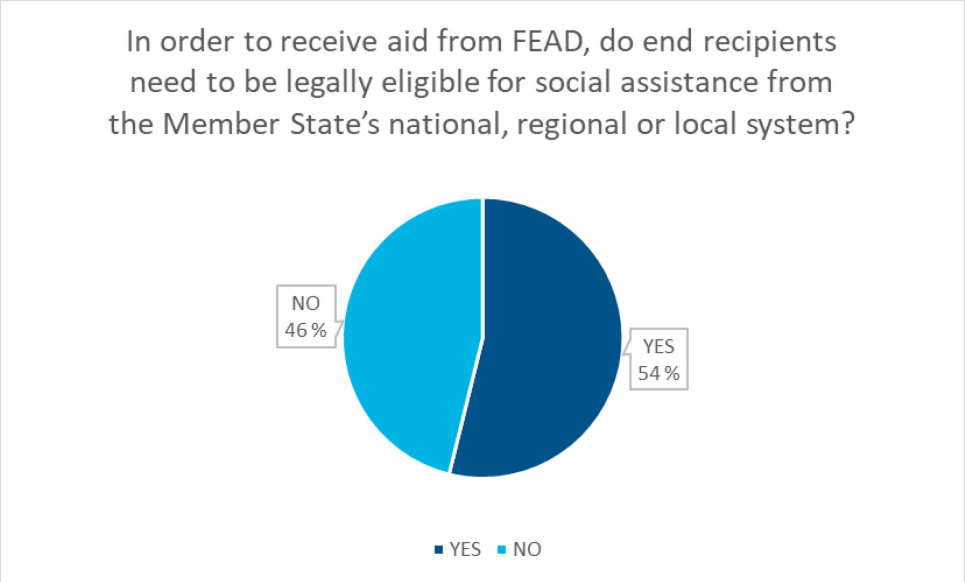
Slovakia – strong targeting both through defining the population and the means to address it

The Slovak operational programme defines three target populations: homeless persons; recipients of social assistance in material needs registered by labour, social affairs and family offices; and people covered by registered providers of social services (such as retirement homes and orphanages).

The programme also defines the means to address these defined populations: homeless people are to receive hot meals, recipients of social assistance get either food or hygiene boxes, and people covered by registered providers are given donated foodstuff. These separate measures are also reflected in the national FEAD budget.

33 From our survey, we also see that more than half of Member States link the receipt of FEAD aid to being eligible for various forms of social assistance (see ***Figure 9***). This implies that the funding from FEAD will be concentrated on defined groups of people, therefore a form of targeting which potentially increases its impact and makes monitoring easier.

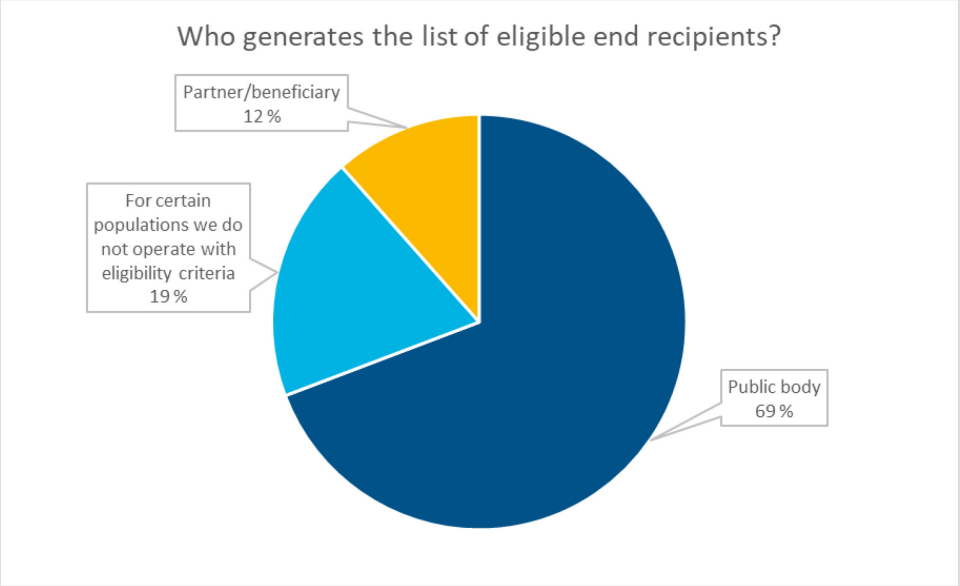
Figure 9 - Defining stricter rules for eligibility of end recipients



Source: Replies to question 21 of ECA survey addressed to managing authorities.

34 Where Member States define stricter access rules, eligibility lists are mostly defined by public bodies (national, regional or local bodies), and to a lesser extent by partner organisations and beneficiaries (see ***Figure 10***).

Figure 10 – Who defines eligibility criteria?



Source: Replies to question 22 of ECA survey addressed to managing authorities.

35 We also found that some Member States define the *most deprived* in very broad terms in their operational programmes. As a result, FEAD support becomes accessible to a wide range of end recipients. This is most prevalent in Member States which address food support through FEAD as a continuation of the MDP (Belgium, Spain, France and Poland).

36 These four Member States do not target specific population groups in their operational programmes, even though their programmes contain a good analysis of the national poverty situation. This means that it is sometimes left to partner organisations or beneficiaries providing the support to choose the end recipients with a risk that those most in need are not receiving the aid.

The Commission does not know if accompanying measures under OP I have been effective or complementary

Accompanying measures under OP I are compulsory, but vaguely defined

37 Accompanying measures constitute the main innovative element of FEAD in comparison with the former MDP, in line with the objective of addressing social exclusion. They aim at supporting the social integration of end recipients of FEAD and are obligatory under type I programmes. They are provided in addition to the distribution of food and/or basic material assistance with an aim of alleviating social exclusion and/or tackling social emergencies in a more empowering and sustainable way, for example guidance on a balanced diet and household budget-management advice.

38 We identified that accompanying measures are often only vaguely defined in OPs. In five of the eight cases we reviewed, it was neither possible to identify the number of the different measures to be carried-out, nor the number of end recipients[7] from the annual implementation reports. In addition, in four cases the nature of the accompanying measures was not clearly set out[8] in the OP. This was particularly true for two programmes we reviewed where the accompanying measures were not financed from FEAD[9] but from national funding, an option provided by the basic FEAD Regulation. In these cases the level of information contained in the programme was even more limited[10].

39 We asked in our survey what kind of accompanying measures Member States were carrying out (see ***Figure 11***). Most Member States use FEAD to redirect end recipients towards assistance from their national social services, or to provide food and nutrition related measures.

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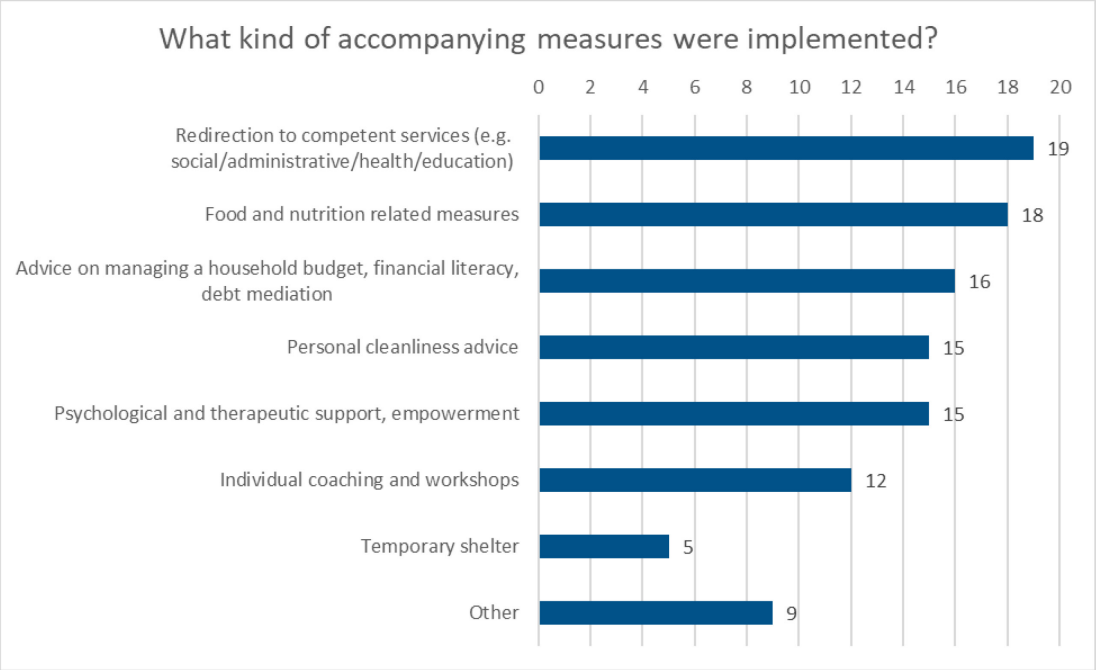
[7] Belgium, the Czech Republic, France, Italy, Slovakia.

[8] Belgium, the Czech Republic, France, Slovakia.

[9] Up to 5 % of the costs of purchasing food and/or basic material assistance in each national OP can be used to finance such measures.

[10] Belgium and France.

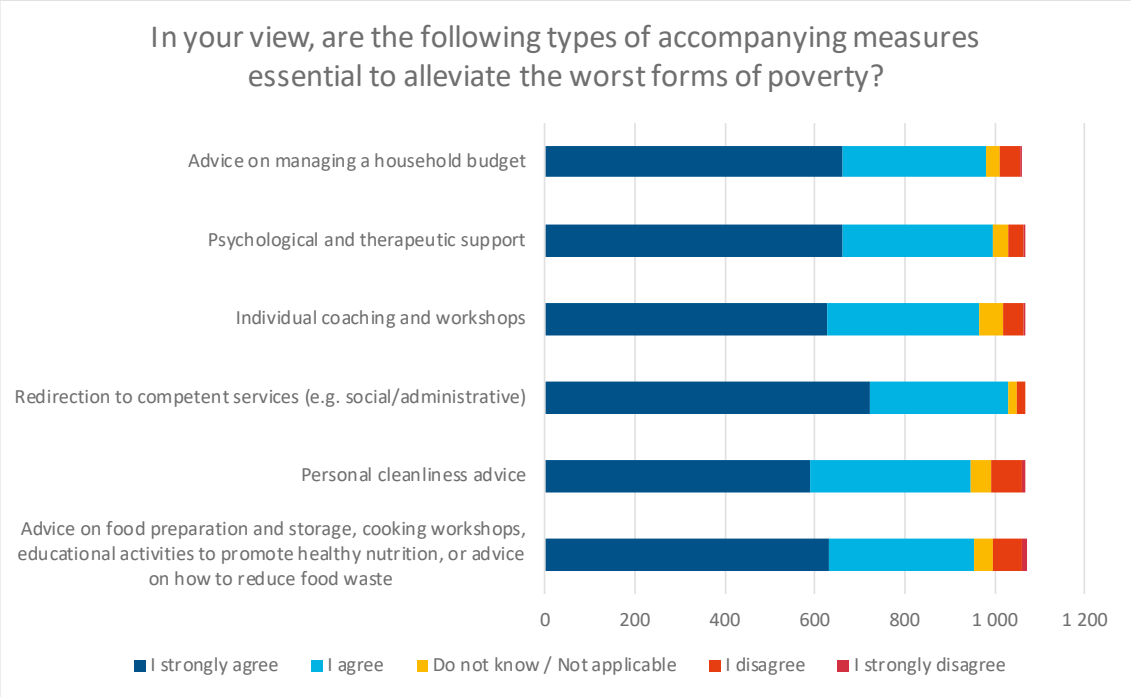
Figure 11 - ECA survey: Types of accompanying measures



Source: Replies to question 11 of ECA survey addressed to managing authorities.

40 According to the MTE, accompanying measures were found to be highly relevant as food or material support alone does not address the underlying causes of poverty (see ***Figure 12***). Their provision is what makes FEAD a "people programme" as opposed to a "food programme".

Figure 12 - Accompanying measures essential for FEAD



Source: ECA, based on OPC results.

41 In addition, the MTE shows a clear correlation between the provision of accompanying measures and overall satisfaction with the programme by end recipients. It concludes that "in those Member States where accompanying measures are provided less extensively, the overall satisfaction with FEAD support is somewhat lower, which, in turn, suggests a non-negligible role of accompanying measures when it comes to the effectiveness of the FEAD".

42 Despite being the innovative element of FEAD, the accompanying measures in the Member States cannot be compared, because of their diversity. That is why, the Commission has not defined any common indicators on the provision of accompanying measures, nor indicators measuring their result.

43 However, there are individual examples of the implementation of accompanying measures being assessed in more detail in the Annual Implementation Report, as in Spain or Poland (see ***Box 5***). In cases such as Slovakia, the managing authority carried out unannounced visits to check the provision of such measures, but this is not mentioned in the annual implementation reports sent to the Commission.

Box 5

Monitoring the implementation of accompanying measures

In **Poland**, the annual implementation reports provide information on the measures carried out by each partner organisation, including information on participants, broken down by target group.

In **Spain**, the managing authority has set out targets on the number of end recipients that need to be informed and provided with accompanying measures and it monitors their implementation, which is a requisite before payment.

Complementarity with ESF – further efforts needed

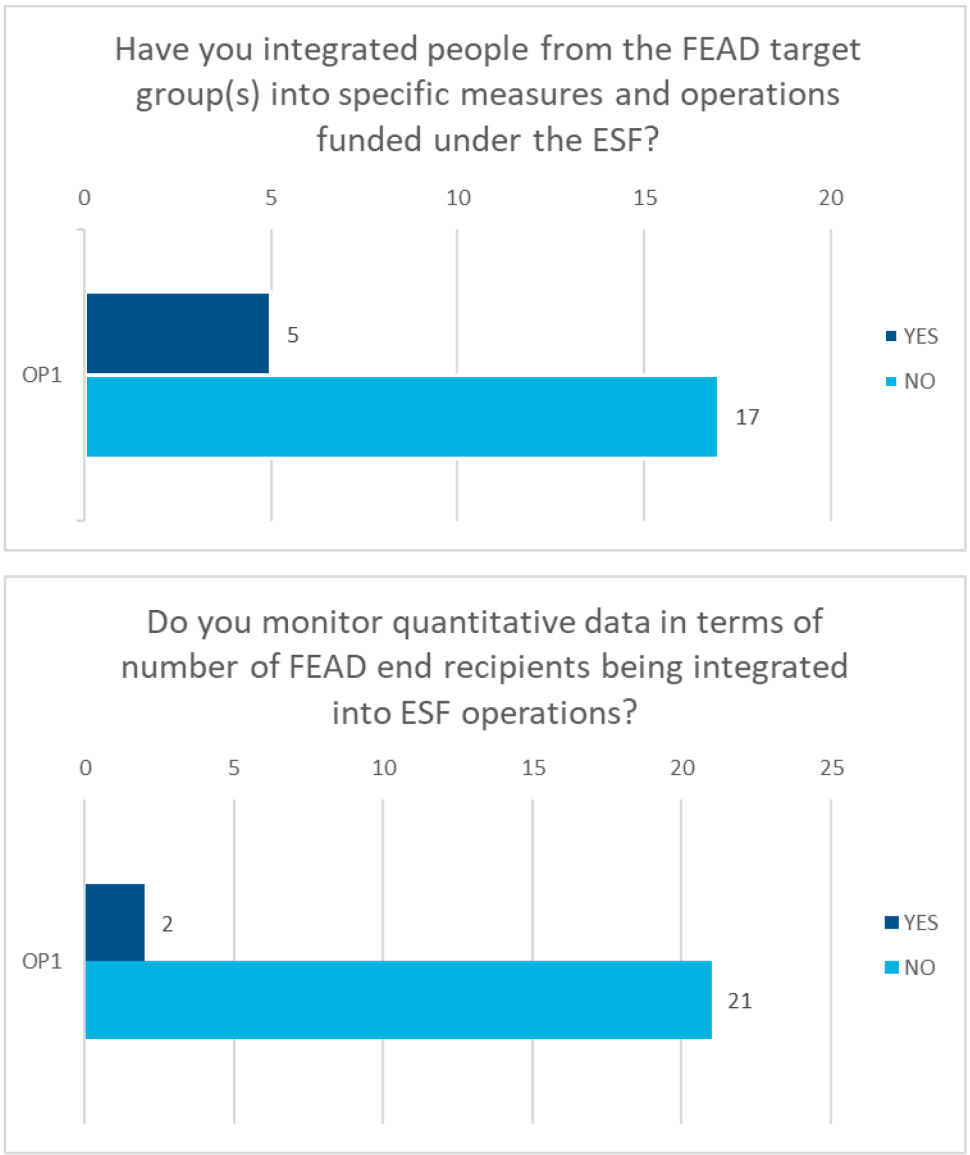
44 FEAD provides basic needs and social inclusion support to the most deprived. According to the MTE, FEAD reaches out to target groups that would not otherwise be covered by national or local measures and provides assistance that would not otherwise be provided.

45 The ESF focuses on groups which are closer to the labour market and provides more targeted support for active socio-economic inclusion. The MTE underlines the need to further improve synergies between FEAD and the ESF, "with a view to helping end recipients, especially those of working age, to reduce the distance to the labour market".

46 We could not identify how well FEAD and other support schemes, whether national or the ESF, complemented each other. For example, in the case of France, the ex-ante evaluation criticised the lack of information on the interaction of FEAD and ESF measures[11]. Our survey results also indicate limited complementarity between FEAD and ESF measures, as few Member States declared that they had integrated people from FEAD to ESF actions (see ***Figure 13***). The figures are even lower when it comes to monitoring, where 21 respondents stated they do not monitor such complementarity.

[11] Ex-ante evaluation of the French operational programme 2014-2020 for the implementation of FEAD (Évaluation ex ante du Programme Opérationnel 2014-2020 pour la mise en œuvre du Fonds européen d'aide aux plus démunis (FEAD)).

Figure 13 - Integration of FEAD population into ESF measures under OP I: few achieve that, even fewer monitor

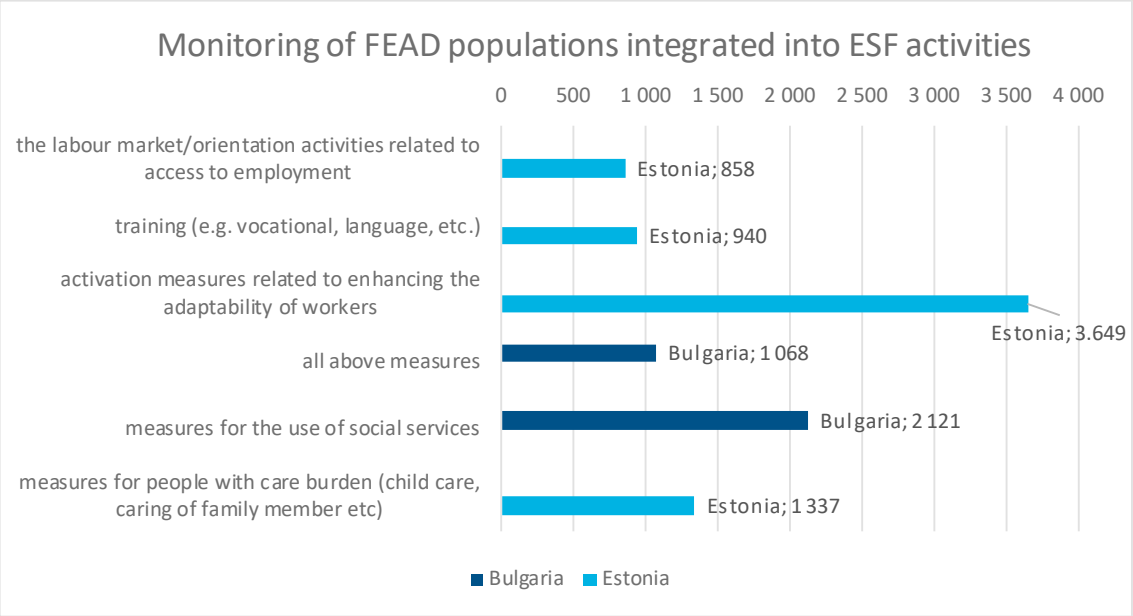


Source: Replies to questions 23 and 24 of ECA survey addressed to managing authorities.

47 The two Member States which replied that they were monitoring quantified data in terms of the number of FEAD end recipients being integrated into ESF operations in our survey were Estonia and Bulgaria. Both declared that they had integrated FEAD end recipients into ESF measures (see ***Box 6***).

Box 6

Good practice in Estonia and Bulgaria - example of data available in regard to ESF activities



Source: Replies to question 26 of ECA survey addressed to managing authorities.

Improved reporting on accompanying measures, but their contribution to alleviating poverty has not been established

48 The Commission has improved its knowledge sharing regarding social inclusion measures, in particular on accompanying measures for type I OPs. An example of this is its organisation of FEAD Network meetings, one of which having specifically tackled accompanying measures. Such seminars provide managing authorities and organisations involved in the implementation of the fund with the opportunity to exchange experiences and good practice. Similarly, the Commission holds regular FEAD seminars, where different matters are discussed with managing authorities.

49 In addition, following an audit by the Commission's internal audit service of FEAD, the Commission has also introduced improvements in the reporting of accompanying measures in the national annual implementation reports. However, such information is usually descriptive and cannot be aggregated.

50 Despite these efforts to improve reporting, the situation regarding accompanying measures remains uneven across Member States. As long as baselines or target values

do not need to be defined and information, if available, remains essentially qualitative, monitoring their impact in alleviating poverty is not possible.

51 In its assessment of the effectiveness of the Fund, the MTE considered the provision and monitoring of accompanying measures as an area where the potential of FEAD could be further exploited. The need to strengthen accompanying measures has also been raised by a report issued by a Spanish partner organisation, based on research done together with end recipients and public authorities[12].

OP II - a more targeted approach to social inclusion, but its bridging function towards ESF not always established

Type II OPs require the establishment of precise targets

52 Type II operational programmes follow a substantially different approach to type I. They aim directly at the social inclusion of the most deprived. The four Member States having opted for that type of programme are Denmark, Germany, the Netherlands and Sweden. Together, they have allocated 2.5 % of total FEAD budgeting, with 80 % of that going to Germany. Type II programmes are required to set out specific objectives and identify the section of the deprived population to be targeted (see ***Box 7***).

[12] Impact assessment of FEAD in Spain, from the point of view of end recipients as well as management organisations and staff, Spanish Red Cross, 2018 (Valoración del impacto del Fondo de Ayuda Europea para las personas más desfavorecidas (FEAD) en España, a través de la percepción de las personas beneficiarias, Organizaciones y personal de gestión, Cruz roja española, 2018).

Box 7

The Netherlands - targeting one specific population group

The **overarching objective** of the programme is to reduce the social exclusion of elderly people in the Netherlands with a low disposable income.

The following **three specific objectives** have been identified:

(1) To make the target group aware of the range of local support and social inclusion activities on offer, and bring them (on a continuous basis) to the attention of aid organisations and/or local authorities;

(2) To strengthen the target group's social network; and

(3) To strengthen the capabilities of the target group.

Source: Replies to question 12 of ECA survey addressed to managing authorities.

53 When programming type II OPs, Member States are required by the basic FEAD Regulation to set out the expected results for the specific objectives, indicating output and results indicators with baselines and target values. Because of this more stringent monitoring set-up, measuring the results of FEAD is easier than with type I programmes (see ***Box 8***).

Box 8

Germany – an example of quantified targeting

Germany has defined two target groups: (a) deprived EU migrants and their children, (b) the homeless and people at risk of becoming homeless.

The output targets Germany defines in relation to those people are:

- EU adult migrants having received advice: 18 044;
- EU migrants, parents of children, having received counselling support: 19 700;
- Children at Kindergarten age of EU migrants having received pedagogical support: 19 700; and
- Homeless, or people threatened by homelessness, having received advice and social support: 21 450.

54 In Germany, FEAD can be used to stabilise the most deprived groups of persons who cannot be reached by the aid offered by the social services at the local level. The

FEAD operates in the area of easily accessible offers of assistance to the target groups. In this respect, the FEAD can in specific cases open up for other support from existing standard measures. The overall aim is to use FEAD support as a "bridge" into other support schemes.

55 According to the MTE, FEAD reached approximately 23 000 individuals in 2016, the first year of implementation, under type II OPs (21 660 in Germany). FEAD was "generally on track" to achieve the targets on specific output indicators. Furthermore, the social inclusion programmes were considered as being very important as food and material aid is not enough to effectively combat poverty in the long-term.

Targeting more precise, synergy with the ESF not always established

56 In our survey, we asked Member States having opted for type II programmes whether they had integrated people from FEAD into measures under their specific ESF programmes, considering the so-called "bridging function" FEAD should have towards these ESF measures. Two responded that they have achieved that[13]. Nevertheless, when we further asked if they were also monitoring quantitative data on that "bridging" function, only one[14] responded positively.

Conclusions and recommendations

57 We assessed with this audit if FEAD has been designed to be an effective tool in alleviating poverty and contributing towards the social inclusion of the most deprived in the EU. We conclude that in addition to alleviating poverty through food aid, the innovative social policy elements of FEAD offer possibilities to Member States to foster social inclusion. However, due to limitations in its monitoring, its contribution to reducing poverty has not been established.

58 We found that despite its overall objective of the social inclusion of the most deprived, FEAD remains essentially a food support scheme: 83 % of FEAD budget is devoted to food support. That is because FEAD design permits Member States to continue offering food support where they find it appropriate, as they did under the MDP. Nevertheless, FEAD is highly appreciated by stakeholders dealing with the most deprived people (see ***paragraphs 19 to 27***).

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[13] Germany and the Netherlands.

[14] The Netherlands.

59 FEAD is in financial terms a relatively small fund. Aid is provided to end recipients by a multitude of different players. We found that the programming of FEAD in Member States varies substantially with regard to targeting. Half of the Member States we reviewed have followed a strong targeting approach at programme level focusing on the worst forms of poverty, which should allow a more effective use of the Fund. The other half opted not to specifically target in operational programmes. Targeting aid to any given vulnerable group is left to the discretion of the partner organisations, with the associated risk of a scattering effect of the limited funding (see ***paragraphs 28 to 36***).

60 The new element that FEAD brings, for both types of programmes, is an emphasis on the social inclusion of the most deprived, which was not part of the former MDP. Where those measures were properly used, the overall satisfaction level with the fund was found to be greater. However, monitoring the success of social inclusion measures is not possible due to a lack of quantitative data and therefore the Fund's contribution to the social inclusion of the most deprived cannot be measured. Furthermore, few Member States follow up the complementarity between FEAD and ESF measures (see ***paragraphs 37 to 56***).

61 For the next Multiannual Financial Framework in 2021 – 2027, the Commission has proposed to merge FEAD into a new ESF +. The Court has taken into account this Commission proposal when making the following recommendations.

Recommendation 1 - Better targeting of aid

When approving operational programmes under the new ESF +, the Commission should require Member States to target basic food and material assistance to those most in need by:

(a) clearly describing the national poverty situation;

(b) defining the specific population(s) to be targeted and the means to be used;

(c) setting out the intervention logic and in particular the expected results, identifying reference values (baselines) and setting quantified targets.

Timeframe: By time of the approval of the ESF + programmes

Recommendation 2 - Safeguarding social inclusion measures for recipients of basic material assistance

(a) Those Member States that will use the ESF + to address material deprivation through food and/or basic material assistance to the most deprived should either:

(i) include accompanying measures in their OPs to complement food and basic material support; or

(ii) clearly define in their OPs which social inclusion measures under the broader ESF + will explicitly target recipients of food and/or material assistance support.

(b) The Commission should, when approving these programmes, ensure that recommendations 2(a)(i) or 2(a)(ii) are addressed effectively.

Timeframe: By the time of the approval of the ESF + programmes

Recommendation 3 - Improving the assessment of the social inclusion of FEAD end recipients

The Commission and Member States should develop a methodology to assess how many end recipients of food and material assistance could improve their personal situation through FEAD and other social inclusion schemes, either in Member States or through the ESF +.

Timeframe: By the end of June 2023

This Report was adopted by Chamber II, headed by Mrs Iliana Ivanova , Member of the Court of Auditors, in Luxembourg at its meeting of 27 February 2019.

For the Court of Auditors

Klaus-Heiner Lehne
President

Annexes

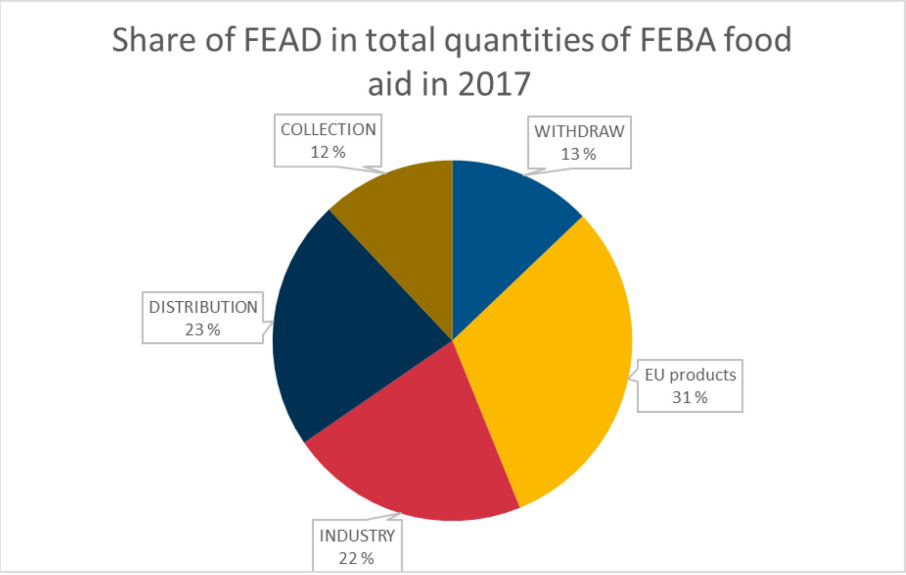
Annex I — Results of ECA survey addressed to managing authorities

List of questions in our survey of managing authorities with a brief indication of the responses to the questions (https://www.eca.europa.eu/Documents/Annex-I-FEAD.pdf).

Annex II — Data received from stakeholder European Food Banks Federation

In 12 Member States, food banks of the European Food Banks Federation (FEBA) provide food to charities through FEAD. Food banks depend comprehensively on food donations (surplus food directly from the food supply chain, foodstuffs through food collections and fruit and vegetables from withdraws). Having an access to the financial support from FEAD allows them to redistribute the items they are most in need; it provides them necessary flexibility as donations cannot be programmed. FEAD offers funding for delivering special food (such as baby milk) according to needs analysis in concertation with managing authorities. According to the data received from the FEBA, approximately one third of food supply of food banks participating in FEAD is funded from FEAD (that is in tons).

Figure 1 – Share of FEAD products in food aid made available by FEBA food banks



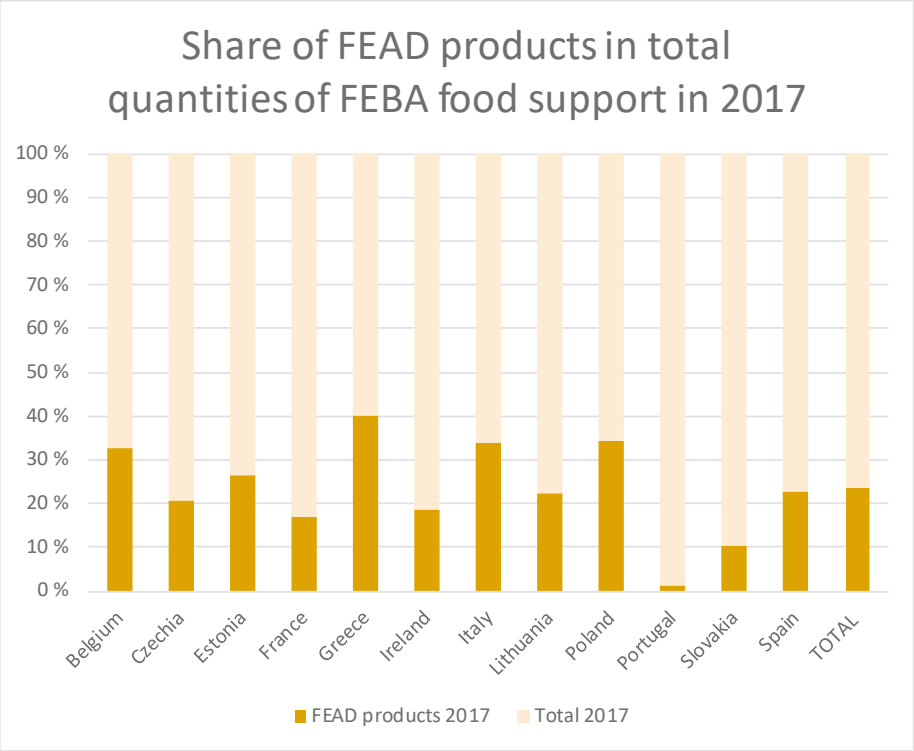
Source: ECA, based on data provided by FEBA[15].

[15] . Withdraw - products - fruit and vegetables - withdrawn from the market, as a part of crisis management and redistributed for free to recognized charitable bodies and foundations, including Food Banks, for use in their work helping the disadvantaged. This measure complies with Article 34, paragraph 4 of Regulation (EU) No 1308/2013.

. EU products - this category refers to the Fund for European Aid to the Most Deprived (FEAD).

In some Member States, the relative importance of FEAD in the FEBA foodbanks supply reaches even up to 40 %.

Figure 2 – Breakdown of FEAD support in FEBA food aid by country



Source: ECA, based on data provided by FEBA.

. Industry - surplus food, i.e. edible food products that for various reasons are not purchased or consumed by customers or people for whom they were produced, processed, distributed, served or purchased, which is recovered from the manufacturing sector - industries, companies, manufacturers, etc. Food Banks receive this surplus food for free and, in return, they redistribute it for free to charitable association that support people in need.

. Distribution - surplus food, i.e. edible food products that for various reasons are not purchased or consumed by customers or people for whom they were produced, processed, distributed, served or purchased, which is recovered from the distribution sector - retails chains, distribution centres, wholesaler, etc. Food Banks receive this surplus food for free and, in return, redistribute it for free to charitable association that support people in need.

. Collection - this is a way to collect food directly from people. At the end of November or beginning of December, some of FEBA members organize food collections: volunteers at the supermarkets ask people who doing their shopping to buy something extra to donate to Food Banks.

Acronyms and abbreviations

DG AGRI: Directorate-General for Agriculture and Rural Development

DG EMPL: Directorate-General of Employment, Social Affairs and Inclusion

EaSI: EU Programme for Employment and Social Innovation

EGF: European Globalisation Adjustment Fund

ESF: European Social Fund

ESF +: European Social Fund Plus (Multiannual Financial Framework 2021-2027)

ESIF: European Structural and Investment Funds

FEAD: The Fund for European Aid to the Most Deprived

FEBA: European Food Banks Federation

MDP: European programme for the most deprived persons

MFF: Multiannual Financial Framework

MTE: Mid-term evaluation commissioned by the Commission

OP: Operational Programme

OPC: Open Public Consultation

PROGRESS: PROGRESS programme (2007-2013)

Glossary

Accompanying measures: Activities provided in addition to the distribution of food and/or basic material assistance with the aim of alleviating social exclusion and/or tackling social emergencies in a more empowering and sustainable way, for example guidance on a balanced diet and budget management advice.

Basic FEAD 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.

Beneficiary: A public or private body responsible for initiating or initiating and implementing operations.

End recipient: The most deprived person or person receiving support.

End recipients' survey: Structured survey on end recipients of food and/or basic material assistance operational programmes (OP I) is one of the instruments to be used to evaluate the Fund for European Aid to the Most Deprived.

European Social Fund: The European Social Fund aims at strengthening economic and social cohesion within the European Union by improving employment and job opportunities (mainly through training measures), encouraging a high level of employment and the creation of more and better jobs.

Ex ante evaluation: An evidence based judgement drafted in order to improve the quality and design of each operational programme, which should be based upon relevant data.

FEAD Network: The FEAD Network is an open membership community for people providing assistance to the most deprived in Europe. This includes national FEAD managing authorities, organisations delivering or interested in FEAD-funded activities, EU level NGOs and EU institutions. The FEAD Network brings together all those who are working to reduce the worst forms of poverty in European countries. It is a space for members to share good practice and encourage new ideas and to discuss how to provide non-financial assistance to the most deprived in Europe.

Managing authority: Is a national, regional or local public authority (or any other public or private body), which has been designated by a Member State to manage an Operational Programme. Its tasks include selecting projects to be funded, monitoring how projects are implemented and reporting to the Commission on financial aspects and results achieved. The managing authority is also the body which imposes financial

corrections on beneficiaries following audits carried out by the Commission, the European Court of Auditors or any authority in the Member State.

Material assistance: Basic consumer goods of a limited value and for the personal use of the most deprived persons for example clothing, footwear, hygiene goods, school material and sleeping bags.

Mid-term evaluation: Report on FEAD commissioned by the Commission (to Metis GmbH in cooperation with Fondazione Giacomo Brodolini and Panteia) to be published by the Commission.

Most deprived persons: Natural persons, whether individuals, families, households or groups composed of such persons, whose need for assistance has been established according to the objective criteria set by the national competent authorities in consultation with relevant stakeholders, while avoiding conflicts of interest, or defined by the partner organisations and which are approved by those national competent authorities and which may include elements that allow the targeting of the most deprived persons in certain geographical areas.

Operation: A project, contract or action selected by the managing authority of the operational programme concerned, or under its responsibility, contributing to the objectives of the operational programme to which it relates.

Operational Programme "Type I": Food and/or basic material assistance operational programme means an operational programme supporting the distribution of food and/or basic material assistance to the most deprived persons, combined where applicable with accompanying measures, aimed at alleviating the social exclusion of most deprived persons.

Operational Programme "Type II": Social inclusion of the most deprived persons operational programme means an operational programme supporting the activities outside active labour market measures, consisting in non-financial, non- material assistance, aimed at the social inclusion of the most deprived persons.

Partner organisation: Public body and/or non- profit organisation that delivers food and/or basic material assistance, where applicable, combined with accompanying measures directly or through other partner organisations, or that undertake activities aiming directly at the social inclusion of the most deprived persons, and whose operations have been selected by the managing authority.

Social support activities for the deprived: All funding by private and public initiatives, organisations and institutions providing aid or support to materially deprived people in a country, covering material donations, financial donations and the financial equivalent of volunteer work input.

REPLIES OF THE COMMISSION TO THE SPECIAL REPORT OF THE EUROPEAN COURT OF AUDITORS

"FEAD-FUND FOR EUROPEAN AID TO THE MOST DEPRIVED: VALUABLE SUPPORT BUT ITS CONTRIBUTION TO REDUCING POVERTY IS NOT YET ESTABLISHED"

EXECUTIVE SUMMARY

III. FEAD is providing much needed food and basic material assistance to a large number of most deprived and is complemented by accompanying measures providing guidance and advice, aiming at their social inclusion. Food aid is thus an important first step in breaking the poverty's cycle by providing immediate material relief to the most deprived people. The Commission considers that a high proportion of aid being delivered as food aid is fully in line with the stated objectives for FEAD.

IV. The Commission agrees with the principle of targeting the aid to those most in need but considers that the variety of approaches in identifying the most deprived is in line with subsidiarity and the FEAD being complementary to different national social contexts. The Commission notes that the identification of the most deprived has been based on a needs assessment established according to objective criteria set by national authorities, and in consultation with stakeholders. This requirement was checked at approval stage of the Operational Programmes. Member States are considered best placed to target the assistance taking local needs into account and should have the flexibility to adjust the target groups to new/changing needs over the programming period.

V. The Member States monitor the accompanying measures in a qualitative way in the Annual Implementation Reports. A quantitative monitoring would not appear to be appropriate and proportionate.

It is too early to assess results and impacts of the fund. They shall be assessed through a FEAD ex-post evaluation at a later stage.

VI. The Member States considered complementarity, at design stage when submitting Operational Programmes, and during implementation. The complementarity of FEAD with both national programmes and EU programmes was assessed positively in the mid-term evaluation: FEAD shows important complementarities by targeting different groups or providing complementary measures notably with regard to the target groups supported and the support measures provided. In most of the Member States, FEAD is focused on the most deprived and the ESF on people whose basic needs are met and are closer to the labour market.

VIII. FEAD has reached key target groups most at risk of poverty and has made a difference to their lives. FEAD is coherent and complementary to the national systems for poverty alleviation, as it has widened the number and type of end recipients reached. FEAD is coherent with the Europe 2020 Strategy, as well as with the newly adopted European Pillar of Social Rights. It complements other EU funds, notably the European Social Fund by targeting different groups or providing complementary measures.

(i) The Commission accepts this recommendation and considers that all the conditions for its fulfilment are ensured by the Commission's proposals for the ESF+ and Common Provisions Regulation except the setting of quantified targets.

Setting targets and benchmarks for OP I type of operations is not considered meaningful and proportionate as Member States should have flexibility to address over time different target groups or complement national policies with different instruments.

(ii) The Commission partially accepts this recommendation as Article 17(4) of the proposed ESF + regulation specifies that the delivery of food and/or basic material assistance may be complemented with accompanying measures aiming at the social inclusion of the most deprived persons. Although these accompanying measures are not an obligation for the Member States, the Commission encourages them to fully tap the synergies provided in the ESF+ Regulation proposal to combine different strands of social inclusion support to the most deprived.

(iii) The Commision accepts this recommendation. The Commission notes that for FEAD, proportionate monitoring and evaluation systems have been put in place in line with the requirement to respect the dignity of the most deprived and will be brought forward in ESF+.

OBSERVATIONS

22. The FEAD budgeting inherently included checking against other Structural Funds allocation, and reflects therefore complementarity of funds.

26. It is difficult to establish cross-country comparable data at EU level, as there are a variety of approaches and actors in each Member State on such social policies, not necessarily forming a distinct sector of ecomomic activity. This is also in line with subsidiarity.

35. The Commission notes that the identification of the most deprived has been based on a needs assessment established according to objective criteria set by national authorities, and in consultation with stakeholders. This requirement was checked at approval stage of the Operational Programmes. The Commission considers that in the Member States referred to by the ECA the assistance is well targeted taking local needs into account. This approach is effective and adequate in complementing national social policies.

36. The Commission considers that the Member States approaches, including those referred to by the ECA, are effective and adequate for adjusting the FEAD support to changing social realities on the ground. See also above general reply (paragraph 35).

38. Member States monitor accompanying measures in a qualitative way, and report on them in the Annual Implementation Reports, , including in the Member States referred to by the ECA.

42. Establishing common indicators for accompanying measures would also be contrary to the principle of proportionality that should be applied in FEAD given that accompanying measures are limited to 5% of the support.

45. Further improvement of synergy is ensured by covering FEAD and ESF by one Regulation for the next period through various specific objectives.

46. The Member States considered complementarity at design stage and during implementation when submitting Operational Programmes,.

The complementarity of FEAD with both national programmes and EU has been positively assessed by the mid-term evaluation. FEAD shows important complementarities by targeting different groups or providing complementary measures notably with regard to the target groups supported and the support measures provided. In most of the Member States, FEAD is focused on the most deprived and the ESF on people whose basic needs are met and are closer to the labour market.

Few FEAD end recipients can be considered ready to join ESF measures leading to labour market integration; this is also shown in the annual FEAD Annual Implementation Reports and in the mid-term evaluation. A significant proportion of target groups are children (29%) or persons aged 65 and over (9%) with no link to labour market integration. Further, among the homeless, and people with disabilities, no immediate pathway into labour market measures can be expected.

See also Commission reply to paragraph 55.

49. The Commission has indeed strengthened the reporting of accompanying measures. Whilst being of a qualitative nature, the reporting feeds into a Summary report each year, being sent to the Council and European Parliament.

See also Commission replies to paragraphs 50 and 51.

50. As the type and coverage of accompanying measures are so diverse, there is no scope for defining common indicators. See also Commission reply to paragraph 42.

The impact of FEAD will be assessed through the ex-post evaluation, once the programmes have been completed.

51. The reporting of the accompanying measures in the Annual Implementation Reports has indeed been reinforced. There is now a dedicated section for reporting on accompanying measures by the Member States. Thus, the Commission has an overview of type of activities, reach and funding.

The accompanying measures activities remain quite diverse in the type of the actions and also intensity (see also Commission reply to paragraph 42).

The survey of end recipients carried out twice over the programming period by the Managing Authorities (evaluation) gives important information on the type of accompanying measures in the various Member States and on the usefulness of advice and guidance by Managing Authorities.

53. The Commission notes that this monitoring approach is in line with the FEAD Regulation, that envisages programme specific indicators for OP II type of programmes (but not for the OP I type programmes).

OP II programmes concern by definition very diverse operations targeted to very specific end-recipients.

56. OP II type of programmes concern very diverse operations (see Commission reply to paragaph 53) and not all lend themselves to“bridging” function, for instance when they target children or elderly.

Moreover, the FEAD Regulation does not impose Member States to collect data on FEAD end recipients to transition to ESF measures. Measuring systematically the flow of FEAD recipients may not be proportionate.

CONCLUSIONS AND RECOMMENDATIONS

57. The monitoring of the Europe 2020 poverty targets is done twice during the FEAD implementation, in a qualitative way. This monitoring approach has been chosen on purpose, in view of preserving the dignity of end recipients. Quantitative monitoring on poverty reduction is already done in the European Semester.

The impact of FEAD will be assessed through the ex-post evaluation (in December 2024), once the programmes will have been completed.

59. The Commission agrees with the principle of targeting the aid to those most in need but considers that the variety of approaches in identifying the most deprived is in line with subsidiarity and the FEAD being complementary to different national social contexts. The Commission notes that the identification of the most deprived has been based on a needs assessment established according to objective criteria set by national authorities, and in consultation with stakeholders. This requirement was checked at approval stage of the Operational Programmes.

60. Accompanying measures in OP I are being monitored in the Annual Implementation Reports of Member States, in a dedicated section. In addition, the survey of end recipients carried out twice over the programming period by the Managing Authorities (evaluation) gives important information on the type of accompanying measures in the various Member States and on the usefulness of advice and guidance by Managing Authorities. The survey requirement is kept in the ESF+ Commission proposal for post-2020. See also Commission reply to paragraph 42.

The complementarity of FEAD with both national programmes and EU programmes is positively assessed by the mid-term evaluation: FEAD shows important complementarities by targeting different groups or providing complementary measures notably with regard to the target groups supported and the support measures provided. In most of the Member States, FEAD is focused on the most deprived and the ESF on people whose basic needs are met and are closer to the labour market.

Recommendation 1 Better targeting of aid

(a) The Commission accepts the recommendation 1(a) and considers that all the conditions for its fulfilment are ensured by the Commission's proposals for the ESF+ and Common Provisions Regulation (CPR).

For the 2021-2027 programming period, the Commission proposal for the Common Provision Regulation (which will apply to this type of support currently being funded by the FEAD) requires that each programme shall set out the main challenges, including social challenges. This means that this information will be more developed in programmes**.**

(b) The Commission accepts recommendation 1(b) and considers that all the conditions for its fulfilment are ensured by the Commission's proposals for the ESF+ and Common Provisions Regulation.

The definition of the 'most deprived' in the ESF+, notably Art. 2(13) specifies that the need for assistance is being established according to objective criteria set by national competent authorities in consultation with relevant stakeholders. This is an important provision, since FEAD complements national social policies and the targeting approach should be in line with subsidiarity.

Therefore, the national approaches may still vary taking into account local needs, also depending on the type of the assistance.

(c) The Commission partially accepts recommendation 1(c). The Commission considers that the conditions for its fulfilment are ensured by the Commission's proposals for the ESF+ and Common Provisions Regulation.

The need for the Member States to refer to the intervention logic is implicit in the submission of a programme for financing by the Fund in order to comply with ESF+ on the content of the priority.The need for the Member States to refer to reference values is already covered by ESF+.

The Commission objects to set quantified targets in the programmes because:

setting targets and benchmarks for OP I type of operations is not considered meaningful. National situation/needs evolve over the 7 years period; Member States should have flexibility to address over time different target groups or complement national policies with different instruments.

Moreover, it may also not be proportionate, in view of the efforts needed by beneficiaries working with volunteers, and in order to respect the dignity of end recipients.

Recommendation 2 Safeguarding social inclusion measures for recipients of basic material assistance

The Commission notes that recommendation 2(a) is addressed to Member States.

The Commission partially accepts the recommendation 2(b) as Article 17(4) of the proposed ESF+ regulation specifies that the delivery of food and/or basic material assistance may be complemented with accompanying measures aiming at the social inclusion of the most deprived persons. Although these accompanying measures are not an obligation for the Member States, the Commission encourages them to fully tap the synergies provided in the ESF+ Regulation proposal to combine different strands of social inclusion support to the most deprived.

Recommendation 3 Improving the assessment of the social inclusion of FEAD end recipients

The Commission accepts recommendation 3 insofar as it concerns the Commission.

Audit team

This ECA's special reports set out the results of its audits of EU policies and programmes, or of management-related topics from specific budgetary areas. The ECA selects and designs these audit tasks to be of maximum impact by considering the risks to performance or compliance, the level of income or spending involved, forthcoming developments and political and public interest.

This performance audit was carried out by Audit Chamber II Investment for cohesion, growth and inclusion spending areas, headed by ECA Member Iliana Ivanova. The audit was led by ECA Member George Pufan, supported by Patrick Weldon, Head of Private Office and Mircea Radulescu, Private Office Attaché; Emmanuel Rauch, Principal Manager; Naiara Zabala Eguiraun, Dana Moraru and Carmen Gruber, Auditors.

From left to right: Mircea Radulescu, George Pufan, Carmen Gruber, Patrick Weldon, Emmanuel Rauch

Event	Date
Adoption of Audit Planning Memorandum (APM) / Start of audit	30.5.2018
Official sending of draft report to Commission (or other auditee)	8.1.2019
Adoption of the final report after the adversarial procedure	27.2.2019
Commission's (or other auditee's) official replies received in all languages	15.3.2019

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In spite of the overall wealth of the European Union, almost one in four Europeans is still at risk of poverty or social exclusion. The fight against poverty and social exclusion is at the heart of the Union's "Europe 2020" strategy. The Commission devotes €3.8 billion through the Fund for European Aid to the Most Deprived (FEAD) for the period 2014-2020. The FEAD aim is to alleviate the forms of extreme poverty, with the greatest social exclusion impact, such as homelessness, child poverty and food deprivation. We assessed whether the FEAD was designed to be an effective tool to achieve this goal. We found that the FEAD has been well embedded in the social policy framework. Moreover, it contributes to Member States' approaches in alleviating poverty. It further contains innovative social inclusion measures. However, we found that the Fund remains essentially a food support scheme and does not always target to the most extreme forms of poverty in Member States. Finally, we could not establish its contribution to reducing poverty because of incomplete monitoring.

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