



# **FEAD Community**

## **Thematic Seminar on**

### **“New beneficiaries of FEAD-funded measures and new practices implemented during the Covid-19 crisis”**

**Thematic Background Paper**

**Understanding the opportunities and tackling the challenges ahead in the second year of the Covid-19 crisis**

**2-3 February 2021, online**

**DG Employment, Social Affairs and Inclusion**

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European Commission

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*Please note that the terminology used in this Thematic Seminar is not fully in line with the current FEAD regulation. The term 'beneficiary' is used synonymously with 'end recipient', meaning an individual receiving food aid and other support funded through the Fund for European Aid for the Most Deprived (FEAD). Organisations receiving funding from FEAD to deliver food aid and other supporting measures are termed as partner organisations.*

## **1 Executive Summary**

As the Covid-19 pandemic spread across the European Union, pre-existing structural inequalities were exposed. Those who were already poor or at high risk of poverty faced the health and social crisis from a disadvantaged position due, for example, to factors including poor physical and mental health, a low level of well-being, indebtedness, unsafe housing or homelessness, lack of savings and support networks. New profiles are emerging of individuals and households requiring support through measures funded by the Fund for European Aid to the Most Deprived (FEAD) and the European Social Fund (ESF): for example, people who have lost their jobs or who can no longer earn income in the informal economy, and who are already confronted with (intersectional) discrimination and inequality due to their gender, ethnic origin, nationality, residence status, age, single parenthood or disability.

Covid-19 poses specific risks for those people experiencing poverty and deprivation leading to unparalleled challenges for those tasked with carrying out the activities supported by the FEAD and the ESF. The first challenge is the steady increase in demand for those activities, and the second is the impact on the distribution of food and basic material assistance. In April 2020, the FEAD Regulation was amended and aligned with the Coronavirus Response Investment Initiative (CRII) package in order to ensure a quick and effective response to the crisis, for example, through fast-tracking as well as broadening the scope of eligibility for funding, and providing additional flexibility for the implementation of programmes. The option of providing food and basic material assistance through (electronic) vouchers or cards and the provision of protective materials and equipment to partner organisations were also introduced.

FEAD partner organisations rapidly adjusted to the new context, addressing the new social and health challenges with innovative ways to continue providing food assistance and social counselling through adapting their capacity, human and financial resources and work methodology. Coordination among organisations participating in FEAD programmes, local authorities, private companies and citizens increased. In some countries, such as Spain, the changes introduced in the FEAD procedures did not automatically translate into advantages for food distributing organisations due to the rigidity of state regulations. In Portugal, slow administration of the FEAD programme resulted in the exclusion of many people from receiving food aid and assistance who would otherwise be entitled to it. Moreover, certain profiles, such as people experiencing homelessness and undocumented immigrants, have problems accessing FEAD-funded programmes. Other short-term changes and new schemes, such as e-vouchers and money cards, however, mostly lead to positive results and could be continued with certain adjustments.

A more holistic perspective of social inclusion enables FEAD to target interventions and address people's needs more effectively. While FEAD's role is to be developed further, it remains key to enhance the capacity of relevant stakeholders across Europe to implement FEAD-funded projects and measures, to identify and exchange good practices, looking ahead towards the new programming period 2021-2027 and ESF+.<sup>1</sup>

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<sup>1</sup> The author wishes to thank the respondents to the questions prepared for this Background Paper and who participated in exchanges during the end of December 2020 and the beginning of January 2021: María Jesús Pérez Crespo (Cruz Roja Española, Spain), Francisco Greciano Rodríguez (Federación Española de Banco de Alimentos, Spain), Paula Cruz and Ana Vizinho (EAPN Portugal), Nicoletta Teodosi (CILAP, EAPN Italy), Standa Mrozek and Jiří Vraspír (Caritas Czechia), Paul Hayden (Irish Red Cross, Ireland) and Vera Langenberg (Diakonisches Netzwerk Aachen, Germany).

## **2 Introduction**

The crisis caused by Covid-19 has amplified and exacerbated pre-existing social inequalities. At least one in five people in the European Union were at risk of poverty or social exclusion before the Covid-19 pandemic; the crisis has the tendency to worsen the situation with respect to food insecurity. A rising number of people in Europe's biggest cities have begun to fall into food poverty with a simultaneous increase in reliance on food banks and similar non-governmental organisations (NGOs) for help; this has led to increasing pressure on an already overstretched network of largely voluntary organisations.

Many people are now struggling to cover their basic needs and have found themselves, for the first time, in the new and unfamiliar situation of having to ask for help. These 'new beneficiaries' emerge due to the slowdown or the ending of economic activity, which particularly affects the most vulnerable. The confinement and lockdown measures taken to counteract the circulation of the virus drastically reduced the total volume of work, both in the formal and informal economy. Low income households, in particular, single-parent families, Roma, migrants and people with disabilities found it increasingly difficult to meet their requirements on mortgage repayments, rents and utility bills. While the incomes of many families declined, day-to-day living costs increased, for example, electricity and heating, because they spent more time inside the home and needed to prepare meals that were normally covered by schools, nurseries and day centres for the elderly or for people with disability. At the beginning of the crisis, these social needs occurred in parallel to the closure of social services due to the lockdown, as well as a slowdown in the work of food-delivery organisations which tend to depend on older volunteers who are also more vulnerable to Covid-19.

However, tackling food insecurity depends on the support of local authorities, the facilitation of donations in kind and money, and a strengthened collaboration among actors. FEAD support has an important role to play in this context: partner organisations not only provide food but also social support.

In the current programming period 2014-2020, FEAD is delivered via two types of Operational Programmes (OPs): 1) food and/or basic material assistance (in 23 Member States) together with relevant accompanying measures and 2) social inclusion of the most deprived (in Germany, Sweden, Denmark and the Netherlands). The focus and target groups are defined at the national level. In April 2020, to ensure a quick and effective response to the Covid-19 outbreak, FEAD regulations were made more flexible to allow for alternative ways to deliver assistance (e.g. electronic and other forms of vouchers) while ensuring that traditional delivery methods could continue in a safe way (e.g. through the funding of protective equipment for partner organisations).

As part of the Coronavirus Investment Initiative Plus (CRII Plus) these modifications offer more flexibility and liquidity for Member States and reduce the administrative burden to respond more effectively to the Covid-19 pandemic. Subsequently, diverse operational models were established in most countries. These were led and implemented by a range of actors including NGOs, public authorities at the national and local level, companies responsible for the operation of schemes (e.g. voucher and financial providers) as well as retail companies. While these actors provide assistance to people already experiencing poverty before 2020 as well as to those who fell into material deprivation due to the pandemic, those involved in delivering FEAD-funded measures and activities need to continue reflecting together on how to tackle the new challenges ahead.

## **3 Setting the scene**

In 2019, 92.4 million people in the EU-27 were living at risk of poverty and social exclusion and mostly included women, children, single-parent households, non-EU

migrants, people with disabilities, homeless persons and Roma.<sup>2</sup> The countries with rates above the EU-27 population average (20.9%) were: Bulgaria (32.5%), Romania (31.2%), Greece (30%), Latvia (27.3%), Lithuania (26.3%), Italy (25.6%), Spain (25.3%), Estonia (24.3%), Croatia (23.3%), Cyprus (22.3%) and Portugal (21.6%). Those with the lowest rates are Czechia (12.5%), Slovenia (14.4%) and Finland (15.6%).<sup>3</sup> Around 24 million, or 5.4% of the EU population, are 'severely materially deprived' - Bulgaria (19.9%), Greece (16.2%), Romania (14.5%), Lithuania (9.4%), Cyprus (9.1%), Hungary (8.7%), Slovakia (7.9%), Latvia (7.8%), Italy (7.4%), Croatia (7.2%) and Portugal (5.6%) have rates above the EU average. The lowest rates are found in Luxembourg (1.3%), Sweden (1.8%) and Finland (2.4%).<sup>4</sup>

The social protection systems were underfunded in many countries and nearly all presented important problems of coverage as well as of adequacy. Income transfers have a very low impact on poverty reduction in many Member States.<sup>5</sup> The complexity of the social protection systems in some countries is still preventing people with needs from claiming the benefits they are entitled to.<sup>6</sup> In most Member States multiple pension gaps can be observed, both in access and benefit accrual. In particular, this appears to be the case for workers involved in new forms of employment. The increasing number of jobs with no access to any pension rights lowers the overall capacity to save for old age. Women tend to have significantly lower pensions than men. This means that while almost one fifth of the people in the EU aged 65+ are at risk of poverty or social exclusion, this figure is much higher for women.<sup>7</sup> Child and family benefits provide insufficient coverage or low amounts - factors that contribute to a persistent child poverty rate, particularly for those countries with high at risk of poverty or exclusion (AROPE) rates for children.<sup>8</sup> Regional disparities are extensive among territories or

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<sup>2</sup> According to EUROSTAT, EU SILC, 2019: Child poverty (22.5%) [https://ec.europa.eu/eurostat/statistics-explained/index.php/Children\\_at\\_risk\\_of\\_poverty\\_or\\_social\\_exclusion](https://ec.europa.eu/eurostat/statistics-explained/index.php/Children_at_risk_of_poverty_or_social_exclusion) ; People with disabilities (28.5% and 34% if severe) at [https://ec.europa.eu/eurostat/statistics-explained/index.php/Disability\\_statistics\\_-\\_poverty\\_and\\_income\\_inequalities](https://ec.europa.eu/eurostat/statistics-explained/index.php/Disability_statistics_-_poverty_and_income_inequalities) Non-EU migrants (39%), Women (21.8%) [https://ec.europa.eu/eurostat/databrowser/view/tepsr\\_lm410/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/tepsr_lm410/default/table?lang=en) ; Single-parent families (47%) at:

[https://www.europarl.europa.eu/RegData/etudes/STUD/2020/659870/IPOL\\_STU\(2020\)659870\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2020/659870/IPOL_STU(2020)659870_EN.pdf)  
The Roma population AROPE rate is 80%. Source: Fundamental Rights Agency, Second European Union Minorities and Discrimination Survey Roma - Selected findings. Available at: <https://fra.europa.eu/en/publication/2016/second-european-union-minorities-and-discrimination-survey-roma-selected-findings>. No available data for homeless persons.

<sup>3</sup> EUROSTAT, European Pillar of Social Rights, People at risk of poverty or social exclusion by sex, [https://ec.europa.eu/eurostat/databrowser/view/tepsr\\_lm410/default/map?lang=en](https://ec.europa.eu/eurostat/databrowser/view/tepsr_lm410/default/map?lang=en)

<sup>4</sup> EUROSTAT, European Pillar of Social Rights, Severe Material Deprivation, [https://ec.europa.eu/eurostat/databrowser/view/tepsr\\_lm420/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/tepsr_lm420/default/table?lang=en)

<sup>5</sup> The 2020 Joint Employment Report (p. 126) highlights the decreasing ability of social transfers to reduce poverty in 16 Member States and this is mainly due to inadequate benefit levels. Joint Employment Report, [https://ec.europa.eu/info/publications/2020-european-semester-joint-employmentreport\\_en](https://ec.europa.eu/info/publications/2020-european-semester-joint-employmentreport_en)

<sup>6</sup> This issue has been studied for several groups, as Roma, persons with low educational attainment, migrants, people with disabilities. See Crepaldi, Chiara (2019), *Peer Review on "Access to social assistance and rights for homeless people"* Thematic Discussion Paper. Overview of the EU policy framework and implementation across EU countries. Belgium, 3-4 October 2019. DG Employment, Social Affairs and Inclusion. Available at: [file:///Users/gracielamalgesini/Documents/FEAD%202021/Thematic%20Paper%20-%20Peer%20Review%20on%20Homelessness\\_Access%20to%20rights.pdf](file:///Users/gracielamalgesini/Documents/FEAD%202021/Thematic%20Paper%20-%20Peer%20Review%20on%20Homelessness_Access%20to%20rights.pdf)

<sup>7</sup> European Commission, High level group of experts on pensions (2019), *Final Report of the high-level group of experts on pensions*. December, p. 7. Available at: <https://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupMeetingDoc&docid=38547>

<sup>8</sup> 'While a number of countries have strengthened or further developed their policies/ approaches and programmes for children since 2013, only limited progress has been made in many countries - especially in some of those with high or very high levels of child poverty or social exclusion.', p. 35, available at: Frazier, Hugh and Marlier, Eric (2017), *Progress across Europe in the implementation of the 2013 EU Recommendation on 'Investing in children: Breaking the cycle of disadvantage' A study of national policies*. European Commission, Page 35.



provinces, rural and urban areas, as well as big cities and suburban zones with regards to access to social protection and services.<sup>9</sup>

### 3.1 New needs and new beneficiaries

The Covid-19 crisis increased the number of people in or at risk of poverty in the EU.<sup>10</sup> Prior conditions of poverty and social exclusion were decisive in raising the risk of exposure to the Covid-19 virus for some people and increasing the negative impact on people who contracted the virus, particularly in situations which made it difficult for people to avoid contagion or self-isolate<sup>11</sup>; examples include situations of homelessness, as well as those immigrants and Roma who live in temporary or non-conventional structures, unfit housing or in extreme overcrowding<sup>12</sup>. The existing structural racism and inequalities in the labour market, the housing sector, and institutions such as the police, exacerbated the negative impacts on people with a minority racial and ethnic background, who are – as statistics reveal – more at risk of contracting the virus and facing financial insecurity.<sup>13</sup> Economic, gender, skills, regional, and ethnic inequalities have all worsened. Confinement and lockdown have disrupted many daily livelihood strategies, in particular for the already most vulnerable populations.

The pandemic has also disrupted the operation of public services with consequences for vulnerable people, for example, through the direct and negative effects it has had on healthcare provision, but also on professional support for the population in material deprivation, with addictions or in the process of social reintegration. The crisis also reinforced the digital divide which has slowed or frozen access to online aid (it has accelerated the uptake of digital solutions, tools, and services, speeding up the global transition towards a digital administration, while it has also exposed the wide chasm between the connected and the unconnected, revealing just how far behind many are on digital uptake).<sup>14</sup>

The suspension of support services had a negative impact on those who needed to take steps to claim or defend their rights. Obtaining refugee status through an asylum application, a residence card or a residence permit has thus been made more difficult, if not impossible. This situation prevents immigrants and asylum seekers accessing food assistance, social and income support, and prohibits their access to the labour market – which has been severely disrupted by the crisis – and thus systematises their recourse to informal work even further with no entitlements to health coverage or unemployment benefits.

In many countries existing support deficits and the lack of new support from the public sector led to an increase in financial, mental and logistical costs for certain groups, in particular for single-parent families.<sup>15</sup> Faced with the closure of school canteens and the

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<sup>9</sup> Lewis Dijkstra, Lewis and Athanasoglou, Stergios (2015), *The Europe 2020 Index: The Progress of EU Countries, Regions And Cities to the 2020 Targets*. European Commission, available at: [https://ec.europa.eu/regional\\_policy/sources/docgener/focus/2015\\_01\\_europe2020\\_index.pdf](https://ec.europa.eu/regional_policy/sources/docgener/focus/2015_01_europe2020_index.pdf) Eurostat data at: <https://ec.europa.eu/eurostat/web/products-datasets/-/tgs00107>

<sup>10</sup> European Commission, 2020 Strategic Foresight Report, Loc. Cit. page 10.

<sup>11</sup> Malgesini, Graciela (2020), *The Impact of COVID-19 on People Experiencing Poverty and Vulnerability. Rebuilding Europe with a Social Heart*. EAPN, July 2020, Executive Summary, Available at: [https://www.eapn.eu/wp-content/uploads/2020/07/EAPN-EAPN\\_REPORT\\_IMPACT\\_COVID19-4554.pdf](https://www.eapn.eu/wp-content/uploads/2020/07/EAPN-EAPN_REPORT_IMPACT_COVID19-4554.pdf)

<sup>12</sup> See these categories at ETHOS, available at: <https://www.feantsa.org/download/article-1-33278065727831823087.pdf>

<sup>13</sup> European Commission, 2020 Strategic Foresight Report. *Charting the Course Towards a More Resilient Europe*. Executive Summary, page 10. Available at: [https://ec.europa.eu/info/sites/info/files/strategic\\_foresight\\_report\\_2020\\_1.pdf](https://ec.europa.eu/info/sites/info/files/strategic_foresight_report_2020_1.pdf)

<sup>14</sup> UNCTAD, Coronavirus reveals need to bridge the digital divide, April 6 2020, available at: <https://unctad.org/es/node/2368>

<sup>15</sup> The overall scenario is presented at the European Parliament, MOTION FOR A RESOLUTION to wind up the debate on the statements by the Council and the Commission pursuant to Rule 132(2) of the Rules of Procedure on EU coordinated action to combat the COVID-19 pandemic and its consequences (2020/2616(RSP)) presented by Manon Aubry, Martin Schirdewan on behalf of the GUE/NGL Group, available at: [https://www.europarl.europa.eu/doceo/document/B-9-2020-0148\\_EN.html](https://www.europarl.europa.eu/doceo/document/B-9-2020-0148_EN.html)

need to switch to digital tools, many have seen their food and IT expenses drastically increase. In some cases, these new burdens come on top of the duty of caring for vulnerable or isolated relatives. Many parents continue to struggle in balancing childcare (and other caring responsibilities) with paid employment, the burden being disproportionately placed on women. Moreover, cases of domestic violence have risen by one-third in some EU countries. It has been more challenging for victims to contact support services or the police while being compelled, in the current circumstances, to remain under the same roof as their abuser.<sup>16</sup>

The health and economic crisis has caused a temporary reconfiguration of the labour market, leading to a substantial drop in income for people in precarious employment situations or in 'atypical work', such as those working on short-term contracts, or those on permanent contracts with low incomes. Sudden cessations in the activity of the self-employed, artists, street-vendors, restaurateurs and other craftsmen led, for many, to an instant loss of income. Also, professional retraining projects have been hit hard by the crisis. Unemployment, compulsory furloughing and lack of access to adequate financial support, particularly in parallel to increased costs, caused financial problems and anxiety, impacting on the well-being of families and other households, and particularly on single parent families.<sup>17</sup>

More generally, confinement and other measures such as persistent states of emergency have affected overall wellbeing. Both overall wellbeing and life satisfaction have dropped to their lowest levels in 40 years. In the first six months of 2020 the feeling of loneliness in Europe almost tripled, especially among young and older people, and mental health challenges increased.<sup>18</sup> This general strain on mental health and wellbeing has multiple consequences, one of them being an increase in social vulnerability.

### 3.2 New challenges to be tackled

In sum, poverty has been amplified and is the major challenge in sight. Despite various safety nets, unemployment is projected to rise to more than 9% and real disposable income is predicted to drop by 1%, disproportionately affecting women and poorer households.<sup>19</sup> Disparities in income and unemployment are likely to increase across Europe. Using the assumptions of the European Commission's Spring 2020 Economic Forecast, the at-risk-of-poverty rate is expected to increase by 4.8 percentage points, reaching 125 million people. The additional policies that Member States have introduced during the crisis may mitigate this increase by 1.7 percentage points.<sup>20</sup>

Another trend pointed out by the Strategic Foresight Report is that Covid-19 is likely to contribute to the ongoing trend of Europe's shrinking population. Demographers expect even lower birth rates in Europe due to the uncertainty caused by the pandemic and ensuing recession. As a result of the crisis, older people and persons with disabilities have now become even more prone to poverty and Covid-19 and are the most socially isolated by the social distancing measures that have been introduced.<sup>21</sup>

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<sup>16</sup> EU Observer (2020), *Resources for COVID-19 abuse victims 'insufficient'*, Available at: <https://euobserver.com/opinion/148294>

<sup>17</sup> Arnal, Caroline; Réguer-Petit, Manon; Audran, Martin; Freulet, Louise; Barcat Paulin (2020), *Étude flash sur les effets de la crise sanitaire sur les publics reçus par les Restos du Cœur*. Les Restaurants du Coeur, November.

<sup>18</sup> Allas, Tera; Chinn, David; Sjatil, Erik; Zimmerman, Whitney (2020), *Well-being in Europe: Addressing the high cost of COVID-19 on life satisfaction*. McKinsey and Company, June 9. Available at: <https://www.mckinsey.com/featured-insights/europe/well-being-in-europe-addressing-the-high-cost-of-covid-19-on-life-satisfaction>

<sup>19</sup> European Commission (2020), *2020 Strategic Foresight Report*. Charting the Course Towards a More Resilient Europe. Executive Summary, page 2. Available at: [https://ec.europa.eu/info/sites/info/files/strategic\\_foresight\\_report\\_2020\\_1.pdf](https://ec.europa.eu/info/sites/info/files/strategic_foresight_report_2020_1.pdf)

<sup>20</sup> The increase of the at risk of poverty rate will then be around 3.1. percentage points. European Commission, *2020 Strategic Foresight Report*, Loc. Cit., note 37, page 10.

<sup>21</sup> European Commission, *2020 Strategic Foresight Report*, Loc. Cit. page 12.

Covid-19 poses specific risks for the most deprived and unparalleled challenges for the activities supported by the FEAD and the ESF. The first is the steady increase in the demand for food assistance. The European Food Banks Federation (FEBA) reports an increase in the demand for food of around 30% across its European network of 430 Food Banks - with the range of increase between 6% and 90% in different countries - in comparison to pre-Covid times.<sup>22</sup> The second challenge is the impact on the distribution of food and basic material assistance. During the first months of the pandemic, logistical and human resource constraints - due to lockdown and social distancing measures in place across most European countries - increasingly impeded the distribution of food packages as well as the provision of measures for social inclusion. Operations supported by FEAD were affected in direct consequence. Many volunteers could no longer be mobilised as they often belonged to higher-risk groups. This was coupled with the fact that the disruption to the economy hit those who were already in a more vulnerable position the hardest, further increasing their need for support. However, in a second phase, food banks adapted to the evolving situation, creating new and more dynamic ways of delivering FEAD but also surplus food safely and rapidly to local partner organisations. As a result, Food Banks are managing and redistributing higher amounts of food - with new and younger volunteers - and meeting the increased food demand from their local partner organisations.<sup>23</sup>

## 4 Approaches and solutions to the new challenges from across the EU

### 4.1 New beneficiaries of FEAD-funded measures

In the preparation of this paper, at the beginning of January 2021, we received inputs from stakeholders in Spain, Portugal, Italy, Czechia, Ireland and Germany. The information was completed with the case studies, gathered within the FEAD Community in November 2020.<sup>24</sup>

In the case of **Spain**, the Spanish Red Cross reported that, as a consequence of the economic and social crisis generated by the Covid-19 pandemic, there are two groups of new beneficiaries of FEAD-funded programmes, who mainly needed support due to the impact on employment, the lack of sufficient income and other social support. The two groups include the following:

- Low-skilled or low-wage workers. On the one hand, there are those who lost their jobs and exhausted their eligibility for unemployment benefits; on the other, there are those who have been temporarily furloughed, and were still awaiting furlough payments. They are therefore left without sufficient income to cover rent and household expenses, in addition to lacking resources for food. These people had a low to middle income level, and the Covid-19 crisis forced them to ask for food aid for the first time in their lives.
- Those in precarious or informal work. The second group consists of those who – in pre-Covid times – survived in precarious jobs, worked undeclared or in the informal economy; they are now left without income due to the state of

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<sup>22</sup> European Food Banks Federation, *EurFood poverty, a growing problem in Europe*, January 5, 2021. Available at: <https://www.eurofoodbank.org/en/what-s-new/2021-01-05-food-poverty--a-growing-problem-in-europe>

<sup>23</sup> See FEBA, *FEAD and the European Food Banks Federation. 2019 Implementation Report*. Available at: [https://lp.eurofoodbank.org/wp-content/uploads/2020/12/FEAD\\_Implementation\\_Report\\_online.pdf](https://lp.eurofoodbank.org/wp-content/uploads/2020/12/FEAD_Implementation_Report_online.pdf)) and also the report *European Food Banks: a wave of solidarity to face COVID-19*. Available at: [https://lp.eurofoodbank.org/wp-content/uploads/2020/12/FEBA\\_Social\\_Forum\\_Report\\_2020\\_1712\\_final.pdf](https://lp.eurofoodbank.org/wp-content/uploads/2020/12/FEBA_Social_Forum_Report_2020_1712_final.pdf))

<sup>24</sup> European Commission (2020), FEAD Community. *FEAD Case Studies: Adapting FEAD-funded measures during the Coronavirus pandemic*. Directorate-General for Employment, Social Affairs and Inclusion, November. Available at: <https://ec.europa.eu/social/BlobServlet?docId=23203&langId=en>

emergency and the containment measures adopted by the Spanish Government.<sup>25</sup>

The *Federación Española de Bancos de Alimentos* (Spanish Federation of Food Banks) concurs with this diagnosis and additionally includes the following new profiles:

- Former beneficiaries who are forced to 'return' to food assistance; they were able to stabilise their situation after having struggled during the previous economic crisis, and are currently forced to ask for food assistance again.
- An increasing share of children in vulnerable families who, due to not being able to attend school where they received their main meals, are prone to malnutrition and/or undernourishment. The regional authorities implemented different strategies to cope with this problem and the outcomes are still to be assessed. However, in the recent experience of organisations involved in FEAD-funded delivery and distribution of food aid, this is highlighted as a consistent new risk.<sup>26</sup>

**In Portugal**, according to the survey launched in April/May 2020 by European Anti-Poverty Network (EAPN) Portugal<sup>27</sup>, the civil society organisations received many more requests for food aid due to the increase in unemployment, lay-offs, and other situations related to the decline in occupation. A survey in the Setúbal Region showed that demands changed because of a series of factors: cuts in the household income; the need to make more meals at home; confinement and isolation; peaks in illness and quarantine; and, the increasingly vulnerable situation of single-parent families and of people with disabilities.<sup>28</sup>

The Arrentela Social Centre identifies two groups that need food assistance but cannot access it.

- Many claimants cannot access food assistance due to procedural issues; sometimes information on changes to the situation of the household and/or household composition have not been updated or do not appear in the Social Security system, which results in the person being excluded from the programme.
- Other groups, mostly people experiencing homelessness, in situation of housing exclusion and undocumented migrants, are not covered by the Portuguese Operational Programme due to their access conditions.<sup>29</sup> Thus, a contradictory situation arises between the human right to food and the eligibility and access to food assistance. Although the Portuguese Government has increased the number of food baskets to be distributed due to the reinforcement of the Operational Programme, the eligibility criteria have remained unchanged.

The Court of Auditors' report on the FEAD-funded programmes revealed two main challenges. Firstly, administrative territories need to resolve the challenges related to eligibility criteria which exclude many people from the support system and prevent authorities from attaining their goals of providing food aid. The end recipients are requested to have some initial resources, such as refrigerators or freezers, space, cooking capacity, have an updated social report, or to be in possession of the necessary permits, if foreigners. The second issue relates to the pressure of demand faced by

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<sup>25</sup> Information provided by María Jesús Gil Meneses, Spanish Red Cross.

<sup>26</sup> Information provided by Francisco Greciano Rodríguez, from *Federación Española de Banco de Alimentos* (FESBAL). The lack of school meals has lasted from March until (at least) September 2020, although there are still some Autonomous Communities where the canteen service has not yet been resumed.

<sup>27</sup> See <https://www.eapn.pt/documento/687/o-combate-apobreza-em-contexto-da-covid-19-resultados-do-inquerito-as-organizacoes>

<sup>28</sup> Information provided by Paula Cruz and Ana Vizinho, from EAPN Portugal. Arrentela Social Centre is a EAPN Portugal member.

<sup>29</sup> The Operational Programme to Support the People Most In Need (PO APMC – Programa Operacional de Apoio às Pessoas Mais Carenciadas) is the national programme that receives support from FEAD.

authorities and partner organisations and the difficulties they face in responding to it, leading to waiting lists.<sup>30</sup>

**In Italy** over two million families will slide into absolute poverty due to the Covid-19 related economic crisis and the containment measures introduced to prevent the spread of the virus. This is an estimated increase of about 50% compared to the 2019 figures, when the number of families living below the absolute poverty line was 4.6 million. In the last months of 2020, 33% of Italians recorded an income reduction of at least a quarter; these millions of so-called 'acrobats of poverty', who have always managed to make ends meet while earning very little, now find themselves in despair due to the lockdown. In recent months, the increase in demand for food aid has been one of the most evident consequences of the impoverishment of families. The so-called 'new poor' (pensioners, unemployed, families with children, carers, domestic workers, waiters, beauticians, hairdressers, those working in restaurants, bars, hotels, seasonal workers, and those who are not covered by social protection systems) face difficulties due to sudden and unexpected events, such as illness, job loss and lack of resources because of the Covid-19 crisis, and find themselves asking for food aid.

Two of the most important food assistance organisations, Caritas and Banco Alimentare, respectively, recorded an increase of 153 000 applications and a 40% increase in the distribution of parcels with a peak for the South of Italy of 70% between March and June 2020.<sup>31</sup> With reference to Regulation (EU) 223/2014 and related European legislation following the Covid-19 pandemic, all those residing on the national territory in serious need and who apply for aid are considered 'new beneficiaries' of FEAD-funded food aid which is provided by municipalities, associations and parishes. The conditions for receiving aid are linked to their economic (loss of work, and therefore, income), social and environmental situation related to the Covid-19 pandemic. These new beneficiaries have been added as eligible for FEAD-funded support in addition to the groups originally defined through Decree n.116 of 12/5/2020 by the Director General of the Ministry of Labour and Social Policies.<sup>32</sup>

In **Czechia** the profile of FEAD beneficiaries has not substantially changed due to Covid-19: families in poverty, single mothers, homeless people, people in debt, etc. However, the number of people in need has increased, particularly in the case of those who have lost their job due to the crisis and cannot find another. There is an emerging group of people who are suddenly finding themselves without the income they have been used to, or without any financial reserves. It is the case, in particular, for those working as freelancers or self-employed in areas such as tourism (e.g. guides, souvenir sales), fitness (instructors, masseurs) or accommodation and gastronomy. In these cases, state assistance does not always come on time or does not fully compensate for the loss of income, and therefore they begin to seek help from organisations distributing food.<sup>33</sup>

**In Germany** an increase in hardship of the previous food aid clients due to the pandemic has also been reported. The housing market is further tightening, and housing has become less available; due to increasing unemployment, more people need cheap accommodation. This leads to increasing indebtedness and social isolation; people with existing health conditions have a higher risk of aggravating their condition. In particular, mental illnesses are growing, leading to increasing demand for more psychological support services. Drug use also seems to be rising. Opportunities for social inclusion, such as language courses, exchange meetings, self-help groups, or other associated

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<sup>30</sup> Article: <https://www.tcontas.pt/pt-pt/MenuSecundario/Noticias/Pages/noticia-20201116-02.aspx> and auditing report: <https://www.tcontas.pt/pt-pt/ProdutosTC/Relatorios/RelatoriosAuditoria/Documents/2020/rel14-2020-2s.pdf>

<sup>31</sup> Sensi, Roberto (2020), *La pandemia che affama L'Italia. Covid-19, povertà alimentare e diritto al cibo*. ActionAid, 2020, pages 3 and 6. Available at: [https://actionaid.imgix.net/uploads/2020/10/Report\\_Poverta\\_Alimentare\\_2020.pdf](https://actionaid.imgix.net/uploads/2020/10/Report_Poverta_Alimentare_2020.pdf)

<sup>32</sup> Information provided by Nicoletta Teodosi, CILAP, EAPN Italy.

<sup>33</sup> Information provided by Standa Mrozek and Jiří Vraspír, from Caritas Czechia.

activities, have been largely discontinued. One concern is that, in the aftermath of the pandemic, women will be newly affected by the issue of homelessness. The cause could be their economic vulnerability, as women are mostly employed in service professions (such as catering or shop assistants) and their jobs are particularly endangered by the economic downturn. Another concern is that, in families, social isolation leads to considerable tensions. As a result, women may face the threat of losing their homes. However, there are currently no figures to support these hypotheses.<sup>34</sup>

#### 4.2 New practices and revision of existing practices during the Covid-19 pandemic

In reaction to the Covid-19 crisis, the aim of FEAD is to ensure that the most deprived continue to receive assistance in a safe environment. This means that Managing Authorities, partner organisations and other actors should be enabled and involved in the design as well as the implementation of the funded measures to react quickly to the emerging additional needs of the target groups. Ensuring that the most deprived, as well as new beneficiaries, are not exposed to further hardship is key along with mitigating the new risks observed. The FEAD Regulation was revised to cater for a quick and effective response to the Covid-19 crisis, for example, through early eligibility of actions, flexibility of OP amendments and broadening the scope of eligibility. It introduced more flexibility, for example in reporting, in control and audit requirements, as well as more liquidity via a temporary decrease of the co-financing rate (i.e. co-financing can increase to 100% upon a Member State's request), and also by aligning with the CRII package. The multiannual financial framework (MFF) 2014-2020 will be extended by two years until end 2022

The two innovative and effective responses through the FEAD to tackle the Covid-19 crisis are, first, the possibility of providing food and basic material assistance through (electronic) vouchers or cards with the rationale that such indirect delivery reduces contamination risks. Second, providing protective materials and equipment to partner organisations enables buying protective equipment outside of technical assistance and therefore allows the continuation of the traditional delivery schemes in a safe environment.<sup>35</sup>

Electronic vouchers have been introduced to deliver food aid and basic material assistance. The distribution of vouchers – as opposed to food in-kind – does not rely on volunteers and reduces the need for human contact, thus possibly lowering the risks of contamination.<sup>36</sup> The **scheme run by the Spanish Red Cross** has already reported a significant increase in the number of cards distributed in 2020 due to the pandemic. Research on the French scheme **Bon/Ticket alimentaire** also shows that, as the Covid-19 crisis unfolds, new forms of food aid are emerging. The **Tarjeta Monedero scheme** in Spain has made an extra EUR 3 million available for food and has loosened eligibility rules for the card for food and hygiene products in order to increase the number of eligible households during the crisis.

**In Spain**, in order to tackle the increased demand, the Red Cross launched the *Responde* Programme - a comprehensive intervention against the impact of Covid-19 through actions in the areas of emergencies, social inclusion, health, relief, education,

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<sup>34</sup> Information provided by Vera Langenberg, from Diakonisches Netzwerk Aachen (Diaconal Network), Germany.

<sup>35</sup> The potential for voucher schemes to provide support in a safer way to those most in need has been recognised by the European Union. As part of the EU's Coronavirus Investment Initiative Plus (CRII Plus), amendments to the FEAD Regulation came into effect on 25 April 2020 to allow the delivery of food and basic material assistance through vouchers, in electronic or other formats. Amendments have also allowed the buying of protective equipment for those delivering aid, and have reduced certain administrative requirements on Member States, to allow them to deliver a quick and effective response to the challenges brought on by the pandemic.

<sup>36</sup> See [https://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS\\_BRI\(2020\)651943](https://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI(2020)651943)

employment and the environment.<sup>37</sup> Women account for 63.5% of the beneficiaries, 31.7% are between 30 and 59 years of age and have dependent children, and 89% have tertiary level studies. Another 32.2% of beneficiaries are individuals aged over 60 years. Due to the Covid-19 crisis, applications for aid within the FEAD programme have increased by about 30%. However, the FEAD programme has not been the only resource to respond to all of the population's food aid needs. Other resources have been made available such as: supermarket cards, financial cards, delivery of additional batches of fresh food and hygiene products and food donations from companies.

It is important to clarify that, in Spain, food purchases under the FEAD Programme are publicly procured one year in advance. Therefore, it was not possible to foresee the increase in demand that occurred as a result of the Covid-19 crisis and stocks were therefore not immediately available. The Red Cross was developing the third phase of the FEAD 2019 programme, with a limited number of kilos of food, which could not be expanded due to lack of funds, and with an already determined number of recipients (i.e. both delivery organisations and beneficiaries). Therefore, in order to meet the new requests coming from the Local Assemblies of all the provinces, the Red Cross has had to resort to other financial resources. The *Federación Española de Bancos de Alimentos* informed that in the 2020 FEAD campaign, the number of beneficiaries grew by 17.54% compared to the first third of 2019 and, in the second quarter of 2020, an additional 3.88% compared to the first quarter of the same year. However, the increase in beneficiaries (21.42%, between 2019 and 2020) was not offset by a proportional increase in the amount of food, due to the bidding and purchasing periods. Therefore, for this period, originally the ratio of kilo/litre per beneficiary was reduced, as their number was expected to decrease in view of an optimistic economic outlook; thus the provision for the purchase of food in the 2020 FEAD programme were decreased by 7% compared to 2019. Both effects were counterbalanced by the greater contribution of other social resources including the *Federación Española de Bancos de Alimentos* that could count on the solidarity of companies and civil society's donations.

In **Portugal** organisations responsible for the FEAD implementation struggled with obtaining protective materials and equipment. They suffered a reduction of volunteers – who were mostly responsible for distribution – and their staff faced a greater workload due to the rise in monitoring tasks. As a result, more food is being distributed with fewer human resources, and no funding is available for hiring employees for the implementation and effective distribution of the programme. In some cases, this issue has impacted on other activities from the same organisations (for example, the repurposing of vehicles or the utilisation of funding originally earmarked for other projects).

The recent information from the Spanish and Portuguese cases shows that while some of the changes in the FEAD Regulation did result in more flexible implementation, as in the case of the electronic vouchers and cards, others were not feasible due to pre-existing domestic regulations and/or the functioning of the Managing Authorities. In the case of Spain three important problems stood out. The first criterion that food purchases must be publicly procured one year in advance has not been changed; this means that food provision cannot be increased in line with demand. Second, no additional funding has been provided to finance protective equipment. Third, the requirement to have a 'social report' for each beneficiary was maintained.<sup>38</sup> In the case of Portugal, delays in updating data in the social security system have left out many people who would otherwise be eligible for food aid while the requirements for beneficiaries to have a

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<sup>37</sup> A special Follow-up Campaign has been launched by telephone to follow-up 400 000 people from the Spanish Red Cross' programmes, identified as especially vulnerable to COVID-19, to provide them with information, aid, and to detect needs. See: <https://www2.cruzroja.es/-/segunda-fase-del-plan-cruz-roja-responde-que-ha-permitido-apoyar-hasta-la-fecha-a-2-550-000-personas-afectadas-por-el-impacto-de-la-covid-19>

<sup>38</sup> The 'processo social' is a requisite. It means that the claimant provides and/or updates personal and social information to the authorities in order to justify the needs.

refrigerator, kitchen, etc., have been maintained. People experiencing homelessness and undocumented immigrants still have no access to support under the Portuguese FEAD programme.

On a positive note, the *Federación Española de Bancos de Alimentos* has highlighted that the increased flexibility in the use of the FEAD allows them to deliver the food directly to the final beneficiaries in instances where delivery organisations were closed or their volunteers themselves were in quarantine. In these cases, the Spanish Federation acts in collaboration with other social organisations, with personnel from state entities such as the Civil Protection or the Military Emergency Unit or the security forces.

EAPN **Portugal** noted that some positive changes were introduced to make the distribution safer and more efficient. First, for safety reasons, people pick up their food baskets on an appointment basis. Second, as there is a need to make daily or frequent phone calls to set the appointment times and to follow up with the beneficiaries, this allows organisations to get a better understanding of people's needs and helps to identify vulnerable situations (e.g. the isolation of individuals with mental health problems, the absence of the main care giver of a person with disabilities, the lack of adult supervision of children who spend many hours alone at home, or the difficulties in obtaining medication for sick people who are also confined with Covid-19). Third, some organisations are getting involved in providing protective face masks by sewing them, and these are distributed together with the food aid. Fourth, other organisations are providing additional support elements, such as books that help people to endure self-isolation, or health information, while guaranteeing FEAD support. Fifth, some organisations have started delivering food directly to people's homes.

In **Czechia** commodities related to personal hygiene and disinfection are increasingly utilised (especially soap, liquid soap, antibacterial hand disinfectant gel and universal disinfectants intended for cleaning). In addition, textile masks are purchased for those interested organisations. The funds made available through the pilot programme were used to purchase and distribute tents, sleeping bags and mats and were used mainly during Spring 2020 when, due to governmental measures to stop the contagion, there was a sudden closure of hostels and it was necessary to provide at least some form of emergency accommodation.

In **Ireland**, before the start of Covid-19, the FEAD programme worked as part of the Irish Refugee Protection Programme, which was set up in response to the migration crisis in central and southern Europe. Once suitable families were identified by relevant governments and NGOs, they were flown to Ireland and located in an Emergency Reception and Orientation Centre (EROC). On arrival in the country, the families were given a hygiene dignity pack that contained basic sanitary consumables based on age and gender. After their stay at the EROC, the families were provided with accommodation through local authorities across Ireland. At this point, the Irish Red Cross supplied a basic household goods pack that was bespoke for each family type.

Since the outbreak of the pandemic, the numbers of migrants coming into Ireland have reduced but the project is still ongoing. Instead of receiving the hygiene packs at the airport, the families are taken to a hotel for a quarantine period of 14 days, the packs are left in the individual families' rooms. Due to the fact that the families are in the hotel for a period of time, it has become necessary to ensure that the hygiene packs are resupplied on a regular basis (this is especially important for items such as nappies and feminine hygiene products). As well as the extension to this provision, Irish Red Cross personnel stay in the hotel with the families (one is an Arabic speaker) and provide activities for the families with a particular focus on the children. For example, the Irish Red Cross supplies items such as jigsaw puzzles and drawing materials. Following this additional stage, the families are then relocated to an EROC following negative Covid tests. From there, the process of finding a suitable home for the family continues as usual with the exception that inter-agency meetings are conducted online rather than



in person and extra measures are taken to ensure that any contact, direct or indirect, is managed in a safe manner.<sup>39</sup>

In **Germany** the Diaconal Network of Aachen (*Diakonisches Netzwerk Aachen*) has adapted to the new context by making appointments with their clients in advance, instead of holding open consultations. The staff are available by phone, email, video call and in the office. The hygiene protocol includes cleaning the rooms after each consultation. Face masks are required to be worn at every consultation, while social distancing protocols and the continuous ventilation of rooms are also carried out.

### 4.3 The use of other funding instruments

National governments have been at the frontline of the economic and social response to the crisis linked to the pandemic and will remain ultimately responsible for the success or failure of the European response. The design of the national recovery strategies and their implementation is essentially what will determine the fate of the Next Generation EU initiative<sup>40</sup>. The EU has not let Member States walk alone in this crisis and has a keen interest in ensuring the new EU instruments work, are well received by the people in Europe and deliver on the promises of restoring socio-economic conditions to their pre-pandemic state.

Cohesion policy has been one of the key instruments used by the EU to help deal with the economic and social impact of the pandemic. Under the Next Generation EU recovery instrument, the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU) will make EUR 47.5 billion of additional funding available to the current European Social Fund (ESF), the European Regional Development Fund (ERDF) and the FEAD during 2021-2022. This has a series of implications:

- The current ESF and FEAD 2014-2020 programmes (as well as the ERDF) will be extended and topped up for two more years (2021-2022). The objective is to ensure that support to the most deprived and vulnerable people can continue without interruption while providing the time necessary to plan the new programmes for the ESF+ for 2021-2027.
- It is possible to retroactively finance eligible measures launched as of February 2020.
- The additional funding can be implemented either through programme amendments or new dedicated programmes submitted by Member States to the European Commission (through a simplified approval procedure).
- This additional funding will be allocated based on the severity of the economic and social impacts of the crisis taking into account the gross domestic product (GDP) of the country and the level of general and youth unemployment, among other criteria. Each Member State will then decide how to distribute this additional funding between ERDF, ESF and FEAD.
- Funding will support key crisis repair actions in the short-term and across economic sectors, including culture and tourism. It will focus on labour markets, including short-time work schemes and youth employment measures, as well as skills training. It will also support healthcare schemes, provide working capital for small and medium-sized enterprises, as well as aid to help people suffering from food and material deprivation.

Several steps have been taken to facilitate the access to this funding. First, REACT-EU resources do not require co-financing by Member States. Second, in order to tackle the impact of Covid-19 and the urgent need of access to financial support, the European Commission also proposes to increase the annual pre-financing rate to 50%. Third, to

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<sup>39</sup> Information provided by Paul Hayden, Irish Red Cross, FEAD Procurement and Logistics Co-ordinator.

<sup>40</sup> [https://ec.europa.eu/info/strategy/recovery-plan-europe\\_en#nextgenerationeu](https://ec.europa.eu/info/strategy/recovery-plan-europe_en#nextgenerationeu)

help speed up spending, the REACT-EU resources will follow the current eligibility, management and control rules of the 2014-2020 programming period.

Synergies between FEAD and other European policies and initiatives and the development of strong links between environmental and social aspects could contribute to a more integrated approach to addressing the needs of the most deprived and to effectively responding to future crises and needs.

## 5 Discussion and learning

### 5.1 Main lessons learnt

The number of people living in poverty has increased and their profiles have diversified as a result of the rise in unemployment, contagion and sickness, the increase in isolation, mental illness or gender-based violence. There are a number of new beneficiary profiles, which has led to an increase in the overall demand for food assistance and social counselling provided by FEAD. The new profiles include the following:

- people who have never requested this type of aid before and are now obliged to do so due to a lack of work-related income, no entitlements to benefits or delays in collecting them;
- former beneficiaries who were able to get out of poverty and who are now returning to request food assistance;
- those left without income because they worked in the now much reduced informal economy.
- families, especially women with single-parent households, who receive no or very low child benefits;
- families who relied on school meals for their children and now no longer have access to them and other complementary services.

The Covid-19 crisis showed the need to deal with some unexpected situations and to react quickly and in a flexible way. Partner organisations are looking for innovative ways to keep providing food assistance and social counselling to the most deprived individuals, people in a situation of homelessness, people with disabilities, people at risk of social exclusion, low-income families and seniors at risk of poverty. For example, home delivery, pick-up of parcels only by appointment, 'drive-through' delivery, pick-up at a fixed collection point or at a mobile distribution point, are some of the methods implemented to reduce social interaction. Below some concrete examples:

- In **Lithuania**, in order to protect both the beneficiaries and the staff of the NGOs and municipalities, *Maisto Bankas* (Lithuanian Food Bank) and the Lithuanian Red Cross --pre-packaged food and hygiene products ready to take away so that there was no need for people to bring personal bags or baskets. They also repurposed school buses, not in use due to the containment measures, to deliver FEAD-funded food packages directly to people's yards in various cities or rural areas.
- Flexible counselling services are extremely important for helping people in need, as reported by the **German** Diaconical Network of Aachen (*Diakonisches Netzwerk Aachen*). As more people become dependent on help, the way in which help is provided is changing. For example, new media and communication channels have become very important for counselling. At the same time, the digital divide is a challenge for both organisations and their clients.

- A reorientation or tailoring of the key organisational activity was reported by the City of Gothenburg and the Salvation Army in **Sweden**. The aim of their organisation had been to provide information through group sessions related to health and Swedish society to (mainly) women from other EU countries in vulnerable situations. However, this activity had to be suspended. The meant that information about health could only be provided on an individual basis and mostly related to Covid-19. Also, in order to maintain contact with the target group more outreach activities are carried out on the street. A shelter in Gothenburg and meals were provided for those in the target group that needed to quarantine. In the case of the Gothenburg Rescue Mission, which works with Roma and persons experiencing homelessness through mobile teams in the streets, in addition to the introduction of new safety measures, the adaptation also consisted of new awareness-raising activities regarding the pandemic and the provision of shelters for homeless people experiencing symptoms or falling ill with Covid-19. The **Irish** Red Cross also adjusted their refugee support activities to the new health requirements, assisting families to successfully relocate to Ireland in a secure and dignified way.
- The use of supermarket or bank cards, in addition to being less stigmatising and allowing the beneficiaries to choose the food themselves, has proven to be particularly effective in an emergency situation of this type.
- Additional financial resources from local, regional and national authorities as well as from civil society were added to FEAD-funded programmes in order to meet the increasing demand. In the case of *Società della Salute Zona Pisana* in **Italy**, the working hours of the staff dedicated to the project were increased through the use of funds linked to the ESF National Operational Programme on Social Inclusion.
- Personal protective equipment was distributed among staff and volunteers, as well as the recipients of FEAD assistance, despite not being considered as eligible costs for the Programme in some countries.
- Volunteers' profiles changed as well as they type of work they carried out. Many of the volunteers over 60 years old continued to contribute to the initiatives remotely, actively contacting the beneficiaries via telephone or other means in line with social distancing measures in order to maintain contact during the lockdown period. New younger volunteers were recruited to cater for food distribution.
- Additional training of staff and volunteers was implemented to comply with the health requirements, adapt to remote working, new distribution methods and ways to provide counselling.
- Coordination increased between organisations participating in the FEAD-funded programme, for example, coordinated daily monitoring of the food delivered. In the case of the Spanish *Federación Española de Bancos de Alimentos* and the Spanish Red Cross, they also assisted the delivery organisations when required in order to ensure that food assistance reached the beneficiaries.
- Local police, security and emergency workers provided support in order to help reduce the risk of virus transmission.
- Although some of the changes in the FEAD Regulation did make more flexible implementation possible, others were not feasible due to pre-existent domestic regulations and/or the administrative set-up by the Managing Authorities.

Regarding the changes in EU funding, there are some concerns and opportunities to be taken into account.

## **Challenges**

**Cuts on ESF+ Budget.** The political agreement reached by the European Council in July 2020 sets the budget for ESF+ at EUR 88 billion (2018 prices). This represents a cut of 8.1% compared to the ESF budget in 2014-2020 (EUR 95.8 billion) and a cut of 2% from the proposed ESF+ budget by the European Commission in May 2020 (EUR 89.7 billion). It is far short of the funding the European Parliament has called for (EUR 106.8 billion). The 8% cut in the ESF+ budget leaves a serious funding gap for the much-needed employment and social initiatives envisaged between 2021-2027. REACT-EU can only partly reduce this gap for 2021-2022.

## **Opportunities**

**A more social ESF+.** The overarching policy objective of the ESF+ is to help create a more performing and resilient Social Europe and implement the European Pillar of Social Rights. The ESF+ aims to support Member States to ensure equal opportunities, access to the labour market, fair and decent working conditions, social protection and inclusion. This approach is indeed more socially oriented, in comparison with the previous phases, and includes key elements such as the reduction of poverty and gender inequality and the promotion of green and digital transitions, including the fight against the digital divide. At least 25% of the funds are earmarked for social inclusion measures, including integration of migrants (long-term measures to complement the short-term measures under Asylum, Migration and Integration Fund - AMIF); another 2% at least are earmarked to address material deprivation (former FEAD in the previous programming period); at least 10% will go to targeted actions for young people not in employment, education or training (NEETs) where the rate of NEETs is above the EU average; and 5% is earmarked to tackle child poverty. There is also an emergency clause: a derogation article on temporary measures to respond to exceptional and unusual circumstances, where the ESF+ can a) finance short-time work schemes without the requirement that they should be combined with activation measures, and b) finance access to healthcare for people not in immediate socio-economic vulnerability. To trigger this article, the Member State concerned needs to submit a request to the European Commission who will then adopt an implementing decision.

**Strengthened synergies and more efficiency** In the next programming period 2021-2027, the ESF+ will consist of the following: European Social Fund (ESF), Youth Employment Initiative (YEI), the Fund for the European Aid to the Most Deprived (FEAD), the Employment and Social Innovation programme (EaSI). Merging these funds into one is intended to strengthen synergies and avoid duplication and overlaps, while enabling more integrated and comprehensive support to youth employment, social inclusion and poverty reduction.

**Ex-FEAD type programme options for Member States.** Member states can choose from two options for addressing material deprivation:

- 1) A comprehensive ESF+ programme in which actions for addressing material deprivation are part of a specific priority; or
- 2) A specific programme exclusively addressing material deprivation and separate from the active inclusion programme under the umbrella of ESF+.

It is important that stakeholders involved in FEAD reflect on which option would be the best avenue for assuring food security and social inclusion in their countries and accordingly engage in a political dialogue.

**Additional funding for current ESF and FEAD programmes under REACT-EU for 2021-2022.** This provides an opportunity to ensure continuity of current projects until the new programming period enters implementation phase. This should prevent a funding gap for projects and avoid disruption of much-needed support for the most vulnerable groups of beneficiaries.

## 5.2 Eligible practices within the scope of FEAD that could be maintained after the Covid-19 crisis

The above-described new methods of food distribution and remote counselling, of organisational management and of resource allocation could be continued in post-Covid times, if they are adjusted to the organisation's mission and if stakeholders consider that they benefit the end recipients.

The new schemes such as e-vouchers and money cards show mostly positive results and could be continued with certain adjustments.<sup>41</sup> First, flexibility in implementation of the schemes enables useful targeting.<sup>42</sup> Decentralisation of schemes is helpful in this regard as it means that schemes can be adapted to local realities. Second, partnerships between main actors are crucial. NGOs have good local knowledge and networks, whilst voucher companies, when contracted as entities supporting the delivery of FEAD-funded measures, have the structures in place for efficient implementation and monitoring. Third, schemes should be flexible enough to adapt to emergency situations, for example loosening eligibility requirements and shifting budgets within the broader programme from the funds for the accompanying measures to the e-voucher scheme. Fourth, e-vouchers are considered a tool that does not damage the dignity of the end recipients and minimises stigmatisation. This is possible through the design of the card itself and the way that it can be used by the beneficiaries. Most e-vouchers resemble either pre-paid debit cards or gift cards and they require nothing more than standard authentication procedures at cashpoints, with few exceptions.

At the same time, at least four challenges and risks have been detected. First, tracking of expenditures varies depending on the scheme and the requirements established by the funding authority. Second, the risk of fraud is significantly reduced by the introduction of e-vouchers, although it cannot be eliminated entirely. Third, the enforcement of the restrictions on e-vouchers in terms of permitted goods is not done automatically as it is largely dependent on the attentiveness of the cashier as well as the goodwill of the end recipient to abide by regulations prohibiting the purchase of products such as alcohol and tobacco. Fourth, requirements from contracting authorities may limit companies to larger supermarket chains and exclude smaller local stores.

## 6 Conclusions

Regarding the programming of FEAD-type interventions in the ESF+, below are some proposals for future actions:

- FEAD partner organisations could reflect on how to further develop the positive practices described in this paper, understanding the opportunities and acknowledging the limitations (e.g. considering that some measures eligible under CRII and REACT-EU are going beyond the scope of FEAD and will not be continued under ESF+).

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<sup>41</sup> *E-vouchers for the most deprived: A study complementing the ESF+ Impact Assessment. Case Study (interim) report.* May 26, 2020. Report by ECORYS, IES, ISMERI Europa, GFK, University of Utrecht.

<sup>42</sup> What is "useful targeting"? Selective targeting of extremely or multi-dimensionally poor individuals and households can help programmes achieve greater poverty-reducing effects. However, the different targeting methods show a range of results in terms of effectiveness in reaching the target groups and there are significant practical challenges in effectively reaching those left behind. Social interventions, even if properly targeted, can result in partial solutions to deprivations and, as a result, only address part of the problem. See the different targeting methodologies (and their efficacy) at: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) (2019), *Poverty Target Primer. Concepts, Methods and Tools*. Available at: [https://www.giz.de/en/downloads/PovertyTargeting\\_Primer\\_FullVersion\\_2019.pdf](https://www.giz.de/en/downloads/PovertyTargeting_Primer_FullVersion_2019.pdf)

- FEAD partner organisations could engage in a dialogue with the Managing Authorities to mainstream the social inclusion of vulnerable groups throughout the programming.
- Partner organisations could improve their capacity to implement FEAD type projects within the ESF+ by an ex ante assessment, which would include a more precise targeting of the vulnerable groups according to the local and regional context, taking into account differences in profiles, intersectional inequality factors, and the adequacy level of the available social transfers and social protection. To improve the quality of outcomes of the assessment exercise, they should ensure the direct participation of the people experiencing poverty and material deprivation.
- Partner organisations could launch a short and medium-term participative assessment of the last programming period and of the actions they delivered during the pandemic, in order to learn from the mistakes and shortfalls, and improve the quality of their future work.

