

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

2020/0105(COD) - 28/05/2020 - Legislative proposal

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Scope of technical assistance

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

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

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

Budgetary implications

The proposal will lead to:

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

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