

# The Future FEAD:

Exploring Innovative Tools  
to Support Europe's most Deprived



## About the European Social Network (ESN)

The European Social Network (ESN) is the independent network for local public social services in Europe. It brings together the organisations that plan, deliver, finance, manage, research, and regulate local public social services, including health, social welfare, employment, education and housing. We support the development of effective social policy and social care practice through the exchange of knowledge and expertise.

## About this publication

This publication is based on a roundtable discussion on new implementing tools for the European Fund for the most deprived (FEAD), which was organised in the European Parliament on 19th February 2020. It discusses current FEAD implementation at the local level and showcases practice examples from public social services, who are already using e-vouchers and cards in social support programmes. According to European Commission plans, e-vouchers and cards will be introduced in the next FEAD programming period starting in 2021, or possibly before, in order to mitigate difficulties in FEAD implementation due to the coronavirus outbreak in spring 2020.

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The [Fund for European Aid to the Most Deprived](#) (FEAD) was created in 2014 to contribute to alleviating the worst forms of poverty. In its current programming period 2014-2020, it provides 3.8 billion EUR of EU funding (with national contributions of up to 15%) to complement national social inclusion efforts, as well as other EU funds, notably the European Social Fund. In most member states it supports the provision of food and/or basic material assistance to the most deprived persons. Ultimately, FEAD support is provided to help deprived and vulnerable people take their first steps out of poverty and social exclusion. Currently 13 million people each year rely on FEAD support.<sup>1</sup>

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1. European Commission (2019): Commission Staff Working Document Mid-Term Evaluation of [the Fund for European Aid to the Most Deprived](#)

# 1 How is FEAD implemented

FEAD is implemented at national level through operational programmes. Most Member States chose a programme focusing on food or basic material assistance support.<sup>2</sup> A prerequisite for the European Commission is that food and material assistance need to go hand in hand with **social inclusion measures**, such as guidance and support to help people out of poverty. These measures can consist for example in referring beneficiaries to appropriate public social services, offering guidance on a balanced diet or providing advice on managing their household budget.

# 2 What are recurrent issues in FEAD implementation?

In most European countries FEAD support is provided through distribution of food and material assistance, but this comes with some difficulties such as high roll out costs for implementing public authorities and stigmatization and lack of choice for beneficiaries.

To address these issues, the European Commission decided to include new delivery mechanisms in its 2018 proposal for a new regulation, that would in the same time combine FEAD with other EU funds under the European Social Fund+ (ESF+) and allow to use electronic vouchers or cards to provide FEAD beneficiaries with food and basic material support. The introduction of e-vouchers could facilitate beneficiaries' access to food and basic material support distributed through FEAD, while lowering administrative costs for public authorities regarding storage and distribution of packages and material support.

Within this context, the [European Social Network](#) (ESN) that brings together public social services authorities many of them implementers or managers of EU funds, and [Edenred](#), the leading company providing social vouchers (be they on paper, cards, digital), held a roundtable in the European Parliament on 19th February 2020. The aim of this roundtable was to discuss with representatives from European and local authorities **how e-vouchers and cards could be used in the FEAD programme to better provide social support for Europe's most deprived.**

2. Four EU member states (namely Germany, Denmark, the Netherlands and Sweden) have chosen to implement FEAD through provision of non-material assistance, such as migrant or family counselling.

# 3 E-vouchers and E-cards: improving the implementation of FEAD?

## I. Perspective of the European Parliament

In its vote on the ESF+ in April 2019, the European Parliament (EP) confirmed the Commission's proposal to include e-vouchers and cards as a new delivery tool for FEAD.<sup>3</sup> Since November 2019, the proposal has been in negotiation between the Parliament, the Council of the EU consisting of representatives of national governments and the European Commission to agree on the final legislative text.

MEP Brando Benifei, EP shadow rapporteur on the ESF+ and co-host of the roundtable discussion, gave an insight about the current status of the legislative negotiations with the Council. He made clear that the future budget for the ESF+ and the FEAD were one of the most contentious issues in the negotiations.

"Apart from that, the negotiations offer the chance to improve, streamline and innovate the functioning and the services that can be deployed within ESF+. Today's discussions are meant precisely in this spirit: how can innovative tools, such as e-vouchers, strengthen the delivery of better services for the recipients of material assistance?" - continued Mr Brando Benifei.

MEP David Casa, EP rapporteur on the ESF+ and main representative of the European Parliament in the negotiations on the ESF+, was very supportive of such new delivery mechanisms.

"This method [e-vouchers] has many benefits. It has proven to be successful internationally, in the US as well as in Europe: cards allow beneficiaries to make purchases in close proximity to their home, remove stigmatization and provide dignity as people can make their own choices. Other benefits would be the possibility to buy fresh food and to make situation specific purchases, such as baby food" said MEP David Casa.

However, both MEPs pointed out that privacy of e-voucher users under FEAD must be protected. In addition, they insisted that accompanying social inclusion measures should be in place when providing material and food support.

3. European Parliament legislative resolution of 4 April 2019 on the [proposal for a regulation of the European Parliament and of the Council on the European Social Fund Plus \(ESF+\)](#)

## II. Perspective from the European Commission

Loris Di Pietrantonio, Head of Unit for ESF and FEAD at the European Commission, provided some insights on the 2014-2020 FEAD programme and explained why the Commission decided to include e-vouchers in the next Programming Period, starting in 2021.

On average, based on estimates by partner organisations (public authorities and NGOs), FEAD supported nearly 13 million people per year between 2014 and 2018.<sup>4</sup> This graph illustrates the number of people and the type of support they received over the last 4 years.

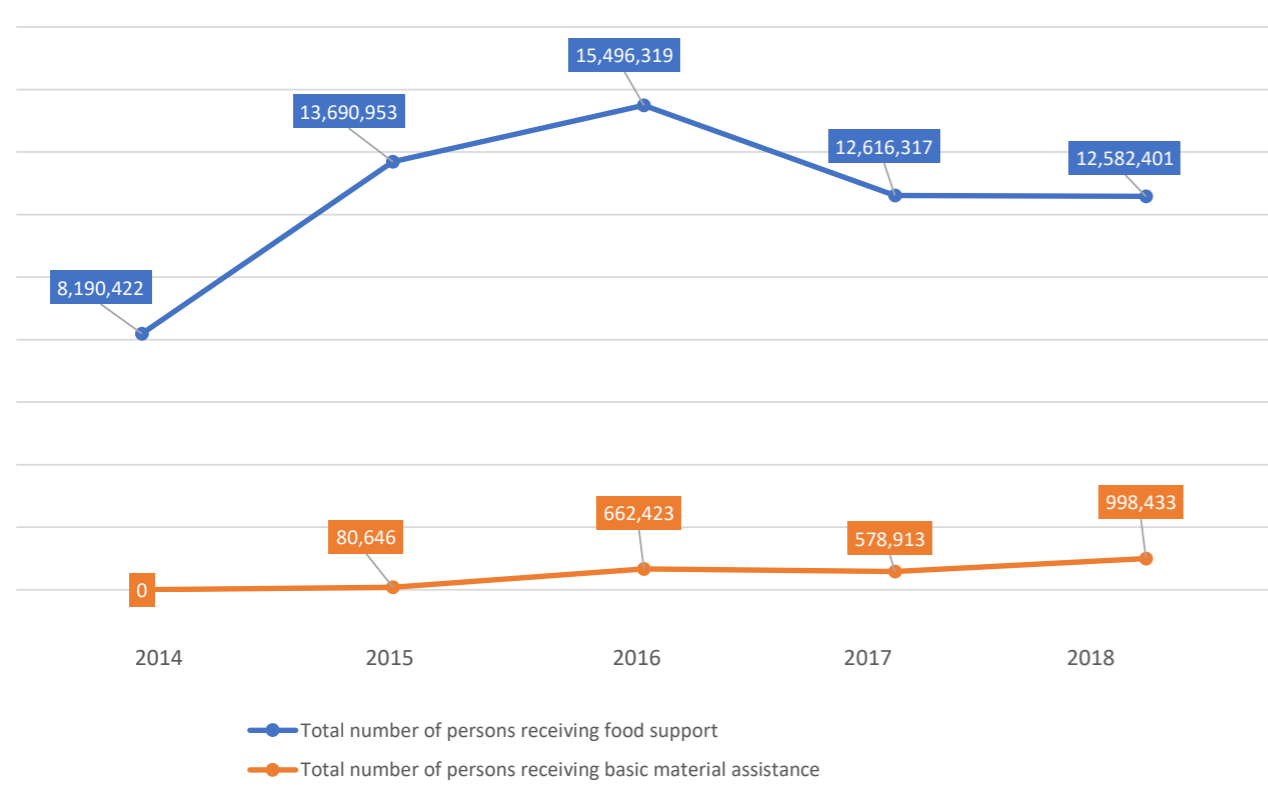


FIGURE 1: Number of persons receiving FEAD food support and/or basic material assistance<sup>5</sup>

4. European Commission (2019): Commission Staff Working Document Mid-Term Evaluation of [the Fund for European Aid to the Most Deprived](#)

5. FIGURE1: European Commission (2020): Internal statistics DG EMPL

In the next Multiannual Financial Framework (2021- 2027), FEAD will be merged with the ESF under the ESF+ Regulation proposal.<sup>6</sup> This merger shall help combine better the provision of food and material assistance with inclusive support for active labour market integration.

Under the new regulation FEAD support may not only be provided directly through the distribution of goods, but also indirectly through electronic vouchers or cards.

This legislative change had been requested by several organisations and authorities involved in the implementation of FEAD. According to a survey of the EU's FEAD network, nearly 40% of participants were willing to explore e-vouchers under the new ESF+ regulation.<sup>7</sup>

"FEAD implementing partners want to experiment new forms of aid delivery. This is why, we included this possibility in the regulation. However, e-vouchers or cards should not operate like normal credit cards, as we want to avoid that FEAD funds are used to pay for alcohol and cigarettes.", said Mr. Di Pietrantonio.

## III. Perspective from local authorities: Malta and Athens

As stated by many participants at the meeting, implementation of the FEAD does not come without its difficulties, both for providers and beneficiaries. ESN Members from Malta and Greece highlighted local challenges in the implementation of the current FEAD.

Alfred B. Grixti, from Malta's **Foundation for Social Welfare Services (FSWS)**, highlighted that the food purchased for distribution is at risk to expire, if not collected on time. This makes it difficult to provide fresh food to beneficiaries. The weight of food boxes is also creating problems both for the staff but especially more so for older beneficiaries, as many products such as canned food have a certain weight. As the number of distribution points is limited, beneficiaries may be required to travel some distance to collect their food packages. The heavy administrative and reporting burden of the FEAD programme is also a major problem for FSWS: "Last year, we had major problems with the auditors, because of a discrepancy of a dozen packages of milk. We have to find a way to make this programme easier to implement.", stated Mr Grixti.

6. European Commission (2018): [Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund Plus \(ESF+\)](#)

7. European Commission (2019): [15th FEAD Network Meeting Report](#)

Evdoxia Ioannidou, FEAD Project Manager for the **Municipality of Athens**, highlighted the heavy administrative burden Athens faces with its distribution of food. The Municipality of Athens must follow public procurement rules to purchase food and basic materials for distribution, which has been deemed as bureaucratic and burdensome. The current distribution system requires many human and material resources as well.

“Warehouses and trucks need to be acquired for storage and transport and a lot of staff is required to check and verify beneficiaries, while keeping the distributions queues short.” Many beneficiaries experience waiting queues at the distribution points and this becomes demoralising for them”, explained Ms Ioannidou. Athens was forced to reduce the number of distribution points in order to reduce its FEAD implementation costs. An additional step in this regard was to outsource FEAD distribution: The company which wins the next tender for the provision of FEAD food packages, will also need to take care of the distribution and its related logistics.



Picture: FEAD food package distribution point in the City of Athens, run by the Social Collective enterprise-NEW HORIZONS (KOINSEP-NEOI ORIZONTES)

Confronted with those problems, the City of Athens, requested the European Commission in 2016 to authorise the use of vouchers and cards to reduce implementation costs, improve quality of food and protect the dignity of the beneficiaries.

“We strongly believe that the immediate introduction of vouchers into the FEAD operation (...) will guarantee the implementation of the programme and moreover, the optimization of its potential both in terms of economic efficiency and the quality of food delivered to beneficiaries.” Letter from Maria Stratigaki Vice Mayor of Athens for Social Solidarity, Welfare & Equality (2014-2019).

## 4 E-vouchers and cards in practice: Taking stock from current experiences at local level

### I. The social card project in Zagreb (Croatia)

Zorana Uzelac Bošnjak, representative of the **City of Zagreb**, presented the social card project. Since 2007, the City of Zagreb uses social cards to provide social support. Support services, such as foodbanks and social kitchens, use card readers to check, if beneficiaries have the right to receive food and basic material support. To be able to do so they were integrated in an online platform set up by the local administration.

With the help of the new system, social support services may now verify the identity and entitlement of people in need of social support much easier and faster than before. “The introduction of cards helped to reduce queues in front of food distribution points significantly. As a next step, we are now considering introducing e-vouchers that could be used by beneficiaries to do their groceries shopping directly in the supermarket,” said Ms Bošnjak.

### II. E-vouchers as a means of social support in Brescia (Italy)

In Brescia, Italy, social e-vouchers have already become a well appreciated tool for the delivery of local social services, as the **City of Brescia** decided to progressively replace social cash benefits with e-vouchers to improve implementation. In order to get social support, people in need make a request to the city administration, a social worker then agrees with potential beneficiaries an individual project including economic support via vouchers.



Massimo Molgora, responsible for social policies in the City of Brescia, explained how the voucher system works: “We can issue vouchers that are adapted to the individual needs of each beneficiary. Vouchers may be used for many different purposes such as access to food, children’s products, clothing and school items, pharmaceutical products, household utilities or local school services.” Drawing a positive balance of the e-voucher programme Mr Molgora concluded: “We are very satisfied with the e-voucher system and will expand the use of e-vouchers to at least 40% of the total amount of our direct social support payments.”

### III. Ticket S – Digitisation of social vouchers in Antwerp (Belgium)

Social vouchers have had a long tradition in **Antwerp**, where municipal social services already introduced the so called “Ticket S” in 1996 to support the most deprived access to food. It thus avoided stigmatising people for whom food was being distributed. At that time, vouchers were printed on paper. Beneficiaries could use them to buy food in supermarkets.

While being less stigmatising for beneficiaries, this system had to evolve with the technological context and administrative needs of the authorities.

Indeed, over the last decade, there was a significant digital transformation of communication and business solutions and today all employees and beneficiaries of meal vouchers in Belgium use them in card format or through their smartphone. In 2017, Antwerp’s social services decided to digitalise their social vouchers programme to prevent beneficiaries’ stigmatisation and simplify administrative costs within the framework of a pilot project.

Unlike paper vouchers, electronic vouchers cannot be stolen as a pin needs to be entered to make payments. They hardly require any storage space in the social administration and the e-card is anonymous same look as the meal voucher cards used by workers. The only difference is that they have a disclaimer printed on the front: ‘Non valid for alcohol and tobacco’. Unlike paper vouchers, electronic vouchers are also accepted by small shops, so that beneficiaries do not need to purchase their food groceries far from home. This measure also helps to support the local economy.

Rosa Maria Mammolito, from Edenred Belgium, explained how electronic vouchers have improved the Ticket S programme. “Cards are recharged upon request of a social worker. This allows to make regular assessments of the social situation of a beneficiary and to help him/her accordingly. In this way authorities can implement accompanying social inclusion measures to the distribution of food aid” said Ms Mammolito.

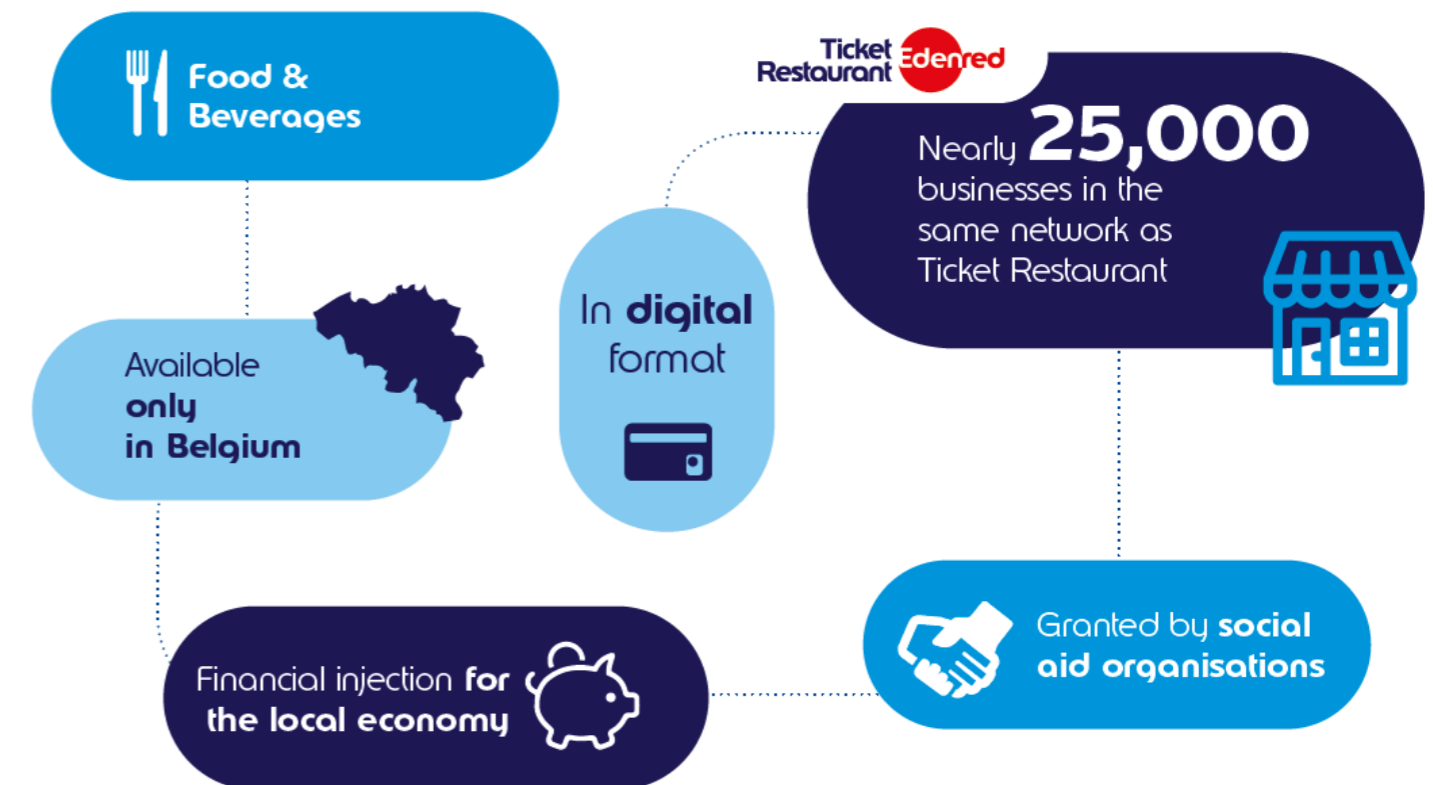


FIGURE 2: Overview on the 'Ticket S' Programme in Antwerp

# Conclusion:

A way forward for better implementation of the FEAD

ESN CEO Alfonso Lara Montero drew a positive balance of the roundtable: "Considering the difficulties with food distribution in the current FEAD programme and the different examples of successful local e-voucher schemes, we can conclude that e-vouchers and cards have the potential to improve the delivery of FEAD support for beneficiaries and implementing authorities and organisations. The different examples also have shown that cards can be used in anonymity, which is a pre-requisite to support people's dignity. We may also expect lower administrative burden for local and regional implementers of EU projects and more resources available for the actual provision of social support."

Based on the testimonials presented throughout this document, the table below summarises the benefits that e-vouchers may bring to public authorities, implementing partners and people in need of support:

## For people in need:

- Increased capacity to make own choices and re-align autonomy.
- Food and basic material can be purchased according to individual needs (i.e. baby food and school material).
- Elimination of stigmatising queuing at distribution points.
- Elimination of travelling long distances to distribution points as purchases can be made close to the beneficiary's home. It also avoids food waste from food boxes.
- E-vouchers improve FEAD beneficiaries' access to fresh food as they can purchase it directly from the supermarket.
- E-vouchers can be adapted to the individual needs of the beneficiary i.e. vouchers for pharmaceuticals or care services can be added to the card, if covered by social legislation.
- It is a first step out of aid dependency, as accompanying measures can be included.

## For local authorities and implementing partners

- No costs for transport, storage and distribution of food.
- Local economy can be supported.
- Unlike cash benefits, vouchers can be limited to necessity goods.
- Unlike paper vouchers, electronic vouchers cannot be stolen because they are protected with a pin code.



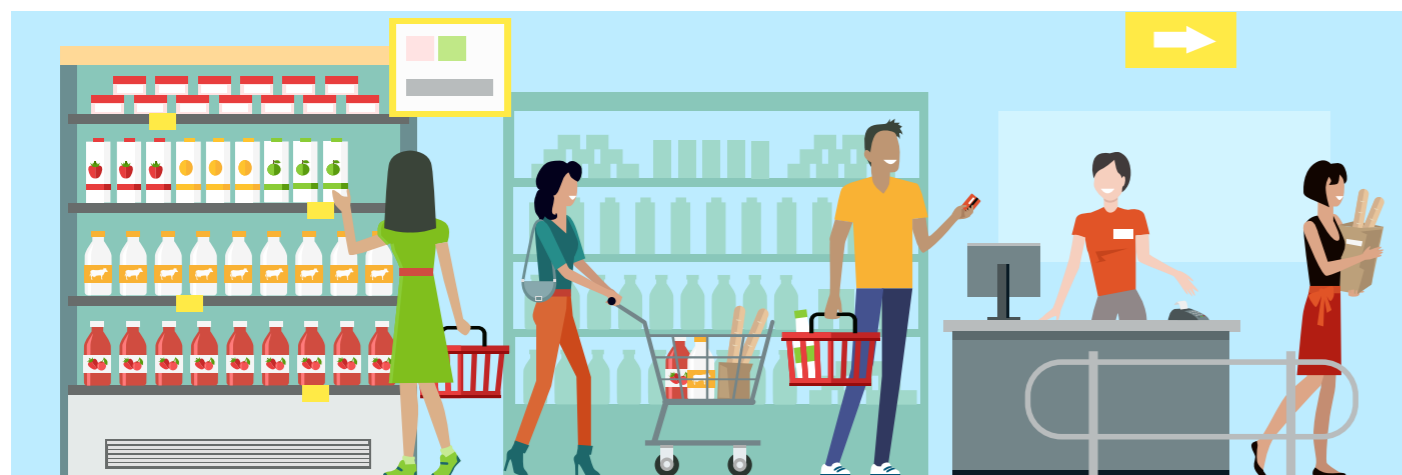
# Impact of Covid-19 pandemic on FEAD implementation

Food distribution systems are a good tool to ensure contact with people in need and be able to refer them to other social services. This improved accessibility may also be fulfilled with e-vouchers as local authorities may implement them in collaboration with community organisations, who work with people in need.

Public authorities may also request that beneficiaries are in regular contact with a social worker according to each individual's needs. For instance, social workers from municipalities or implementing organisations could provide additional services, such as drug counselling, care support, social housing or vocational training, to open opportunities for beneficiaries to transition from support dependency to autonomy.

By taking an integrated approach of combining the provision of food and material support with accompanying measures such as health and employment services, public authorities may be able to achieve one of FEAD's main objectives: enhancing the social inclusion of its beneficiaries.

Ultimately FEAD has proven to be a crucial instrument to contribute to the implementation of national poverty eradication strategies and to put in practice the principles of the European Pillar of Social Rights (EPSR).<sup>8</sup>



Taking account of the unfolding COVID-19 pandemic, the European Commission proposed on 2 April an [amendment](#) to the current FEAD regulation, allowing among others the immediate introduction of e-vouchers, as alternative means for the implementation of the FEAD.

The aim of such initiative is to reduce the risk of infection for FEAD volunteers and beneficiaries and to overcome logistical challenges arising from stay at home and social distancing measures, which have made it more difficult to mobilise volunteers, as they often belong to groups at higher risk of developing an illness caused by coronavirus.<sup>9</sup>

8. [Regulation \(EU\) No 223/2014](#) of the European Parliament and of the Council on the Fund for European Aid of 11 March 2014 to the Most Deprived.

9. [Proposal for a Regulation of the European Parliament and of the Council amending Regulation \(EU\) No 223/2014](#) as regards the introduction of specific measures for addressing the COVID-19 crisis.



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