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From:	Permanent Representatives Committee (Part 1)
To:	Council
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Subject:	Draft Council Conclusions on the European Court of Auditors' Special Report No 5/2019: "FEAD - Fund for European Aid to the Most Deprived: Valuable support but its contribution to reducing poverty is not yet established"

With a view to Council EPSCO on 13 June 2019, delegations will find attached the draft Council conclusions on the above subject as approved by the Permanent Representative Committee (Part I), on 29 May 2019.

**Draft Council Conclusions on the European Court of Auditors' Special Report No 5/2019:
"FEAD - Fund for European Aid to the Most Deprived: Valuable support but its contribution
to reducing poverty is not yet established"**

The Council of the European Union

1. HAS RECEIVED an informative and comprehensive Special Report by the European Court of Auditors (ECA) titled 'FEAD - Fund for European Aid to the Most Deprived: Valuable support but its contribution to reducing poverty is not yet established';
2. REITERATES the importance of the reduction of poverty and social exclusion as a key component of the Europe 2020 Strategy; NOTES that it is important to continue to take into account the special situation, challenges, and needs of FEAD end recipients, and to focus poverty reduction efforts on the most deprived persons and, in line with the FEAD specific objective, to alleviate the worst forms of poverty; NOTES that the involvement of networks of partner organisations have ensured appropriate responses to local needs;
3. NOTES in this context that the FEAD mid-term evaluation¹, conducted by the Commission, confirmed that the FEAD had delivered much needed assistance to the most deprived. Despite its limited Union budget of EUR 3.8 billion, between 2014 and 2017, the FEAD supported on average 12.7 million persons per year and reached key target groups, depending on national situations;
4. HIGHLIGHTS that although the ECA Special Report concentrated on only nine Member States and was based on existing programming and monitoring documentation, the Member States covered are those making the most use of FEAD funds, with about two thirds of FEAD funding for 2014-2020 being used in these nine Member States. In addition, almost all Member States replied to an ECA survey on FEAD's programming, operations and monitoring;

¹ Commission Staff Working document: Mid-term evaluation of the Fund for European Aid to the Most Deprived, SWD (2019) 148; and its Executive Summary, SWD (2019) 149.

5. NOTES the three concluding recommendations by the ECA, which call for better targeting of FEAD aid (Recommendation 1), safeguarding of social inclusion measures for recipients of basic material assistance (Recommendation 2), and improvements to the assessment of the social inclusion of FEAD end recipients (Recommendation 3);
6. TAKES NOTE of the findings and recommendations of the ECA Special Report, which could be taken into account in the design and programming of the European Social Fund Plus (ESF+), where and as far as relevant;
7. RECALLS that the Commission has proposed merging the FEAD into the ESF+ under the next multiannual financial framework (2021-2027) with the aim of making it easier to combine food and material aid with social inclusion and active measures, and of further strengthening the social inclusion dimension of the support and providing an integrated pathway out of poverty;
8. RECALLS that the Commission has proposed that Member States should allocate a certain percentage of their ESF+ resources to addressing material deprivation, with the aim of reaching a common EU level target;
9. CALLS ON the Commission to continue its knowledge sharing regarding FEAD, including about the measures accompanying the provision of food and/or basic material assistance. The ECA Special Report could provide useful input for such knowledge-sharing activities;
10. In the light of Recommendation 3 of the Special Report, CALLS ON the Commission to continue to arrange seminars and/or peer learning on how to monitor, assess and evaluate measures assisting the most deprived persons, also taking into account, as far as relevant, the findings presented and the good practices identified in the Special Report.
