



*European Economic and Social Committee*

**SOC/473**  
**Fund for European aid to  
the most deprived**

Brussels, 14 February 2013

**OPINION**

of the

European Economic and Social Committee

on the

**Regulation of the European Parliament and of the Council on the Fund for European Aid to the  
Most Deprived**

COM(2012) 617 final – 2012/295 (COD)

---

Rapporteur: **Krzysztof Balon**

---

On 22 November 2012 the Council, and on 19 November 2012 the European Parliament, decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

*Regulation of the European Parliament and of the Council on the Fund for European Aid to the Most Deprived*  
COM(2012) 617 final - 2012/295 (COD).

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 25 January 2013.

At its 487th plenary session, held on 13 and 14 February 2013 (meeting of 14 February), the European Economic and Social Committee adopted the following opinion by 182 votes to 7 with 12 abstentions.

\*

\*       \*

## 1. **Conclusions and recommendations**

- 1.1 The EESC endorses the underlying principles of the draft regulation. At the same time, the Committee notes that the financial resources allocated to the planned Fund for European Aid to the Most Deprived are not sufficient to achieve its aims.
- 1.2 Considering that 24.2% of the EU's population is at risk of poverty or social exclusion, with this figure expected to grow further, the EESC calls for the new fund to be given a budget which is tailored to its needs. The budget of this new fund should be commensurate with the objective of the Europe 2020 Strategy to reduce the number of people living in or at risk of poverty and social exclusion by at least 20 million by 2020. The level of the budget should not differ from the amount of resources allocated to the existing material assistance programmes.
- 1.3 The EESC is concerned that co-financing by the Member States may lead to difficulties in carrying out financial transactions under the new fund and therefore favours fully financing the new fund from the EU budget, as was the case for material assistance programmes in previous years.
- 1.4 The EESC supports the simplified procedures and reduction in the Member States' administrative burden, and particularly for partner organisations, outlined in the draft

regulation. In this context, the EESC cautions against the possible use by the Member States of the complex procedures of the European Social Fund.

- 1.5 The EESC welcomes the provisions providing partner organisations with a sufficient level of liquidity for the effective realisation of operations and the fact that the fund will also cover administrative, transport and storage costs and finance the capacity building of partner organisations.
- 1.6 The EESC supports the creation at Union level of a platform for the exchange of experience and best practice. The EESC also calls for the inclusion of civil society organisations in the process of monitoring and assessing the operational programmes of the new fund at Member State level.
- 1.7 Equally, in view of the diversity of situations in the Member States, the EESC calls on the national governments to define, in cooperation with civil society organisations, the position and role of the new fund to ensure that it becomes an instrument that effectively complements other action taken under national strategies and plans to combat poverty and social exclusion, including action supported by the European Social Fund.
- 1.8 The EESC emphasises that the EU and its Member States base their social policy on the European social model, social science standards and the Europe 2020 Strategy. This implies the legal entitlement to social benefits, compliance with the EU's distribution of powers, and the objectives of social integration and solidarity within the Member States and the EU. Reliable social welfare structures and in particular access to social services are required, inter alia in order to prevent extreme deprivation. All kinds of aid must avoid exacerbating poverty and stigmatising the people concerned.
- 1.9 Moreover, in view of the diversity of national policies for combating poverty and social exclusion in the Member States, and considering the seriously inadequate budget allocated to the fund, the EESC calls for the introduction of an optional system for the use of the fund by individual Member States. This should not, however, lead to any reduction in the resources available under the European Social Fund to those Member States which do not use the fund.

## 2. **Background**

- 2.1 This EESC opinion refers to the new EU support programme for the most deprived, the Fund for European Aid to the Most Deprived, which replaces the Food Distribution Programme for the Most Deprived People (MDP) as well as the support programme for the most deprived 2012-2013 which replaced the MDP.
- 2.2 The MDP dates back to 1987; it laid down the general rules for the supply of food from intervention stocks to designated organisations for distribution to the most deprived persons

in the Community. The programme promotes social cohesion in the Union by reducing economic and social inequality.

- 2.3 Under the MDP programme, civil society organisations (accredited charitable organisations) provided food assistance to the most deprived persons in most EU Member States. In many cases, this assistance was of vital importance for further action towards ensuring the social integration of deprived groups, as well as being a clear and visible sign of European solidarity.
- 2.4 The programme's budget rose from EUR 97 million in 1988 to EUR 500 million in 2009 (mainly in connection with successive EU enlargements). Almost 19 million of the poorest Europeans have so far (as at 2011) benefited from the MDP<sup>1</sup>.
- 2.5 A number of Member States did not, however, take part in the MDP programme, arguing that it was unnecessary or incompatible with their national policies to combat poverty and social exclusion. Certain civil society organisations in these countries have highlighted the stigma attached to direct material assistance and consider that it is preferable for the state to provide the financial assistance needed to cover all basic needs. However, these countries are also home to people and groups who, for various reasons, remain beyond the reach of the financial assistance provided through state assistance programmes.
- 2.6 The MDP, independently of its social dimension, became an instrument of EU agricultural policy, helping to stabilise agricultural markets by the use of intervention stocks. Successive reforms of the CAP led to a significant decrease in intervention stocks, the level of which in recent years was insufficient to meet food aid needs. A proposal for a regulation was therefore drawn up, in consultation with representatives of civil society organisations, designed to make the system of aid for the most deprived permanent. Most of the related changes, including the phased introduction of co-financing, three-yearly distribution plans, the establishment of priority actions to be carried out by the Member States, and an increase in the available budget, did not obtain the necessary majority in the Council.
- 2.7 On 13 April 2011 the Court of Justice of the European Union ruled that purchases of foodstuffs on the markets could not be used regularly to replace diminished intervention stocks. The European Parliament then called on the Commission and the Council (Resolution of 7 July 2011) to draw up a transitional solution for the remaining years of the current multiannual financial framework in order to prevent sharp restrictions on food aid. On 15 February 2012 the Regulation of the European Parliament and of the Council as regards the temporary distribution of food products to the most deprived persons in the Union was

---

<sup>1</sup> Main results of the distribution plan in the last years – AGRI C5, Stakeholders meeting – 5/7/2012, Brussels, [http://ec.europa.eu/agriculture/most-deprived-persons/meetings/05-07-2012/dg-agri-1\\_en.pdf](http://ec.europa.eu/agriculture/most-deprived-persons/meetings/05-07-2012/dg-agri-1_en.pdf) (pp. 9-10).

adopted for 2012 and 2013. This programme will expire on the termination of the annual programme for 2013<sup>2</sup>.

- 2.8 In 2011, 24.2% of the EU's population – approximately 120 million people – were at risk of poverty or social exclusion (compared with 23.4% in 2010 and 23.5% in 2008)<sup>3</sup>. Given the current economic and financial crisis, we can expect a further increase in this area in nearly every Member State. Poverty and social exclusion are, moreover, highly complex phenomena. They do not only concern unemployed people but also affect people in employment whose incomes are not sufficient to cover their most basic existential needs.
- 2.9 Within the framework of its Europe 2020 Strategy, the European Union has set itself the objective of reducing by at least 20 million the number of people in or at risk of poverty or social exclusion by 2020. 2010 was declared the European Year for Combating Poverty and Social Exclusion. The EESC points out that the economic crisis has further exacerbated poverty and social exclusion, casting serious doubt on the feasibility of certain Member States achieving this objective of the Europe 2020 Strategy, especially without adequate financial support from the European Union.
- 2.10 The question of aid for the most deprived has on numerous occasions been the subject of active interest and debate at the European Economic and Social Committee. In 2011 alone the EESC adopted two opinions pointing to the need for the continuation and further development of this aid<sup>4</sup>. If we consider the social integration objectives outlined in the Europe 2020 Strategy as a whole, in 2012 alone the EESC adopted opinions covering various aspects of combating poverty and social exclusion, including the situation of older people, persons with disabilities, the dangers to mental health, as well as aspects relating to the development of social farming and social housing<sup>5</sup>.
- 2.11 The United Nations' Universal Declaration of Human Rights enshrines the right of every person to "a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services (...)"<sup>6</sup>. These provisions are reflected by the provisions of the Treaty on European Union on respect for human dignity, including those of the Charter of Fundamental Rights of the European Union on ensuring a decent existence for all those who lack sufficient resources<sup>7</sup>. One of the most fundamental principles of our European society, born out of our experiences

---

<sup>2</sup> Regulation of the European Parliament and of the Council (EU) No 121/2012 of 15 February 2012.

<sup>3</sup> Eurostat press release 171/2012 of 3 December 2012.

<sup>4</sup> OJ C 84, 17.3.2011, pp 49-52 and CESE 1862/2011.

<sup>5</sup> Opinions 1526/2012, CESE 1468/2012, CESE 1774/2012, CESE 1236/2012 and CESE 597/2012.

<sup>6</sup> Article 25(1) of the UN's Universal Declaration of Human Rights.

<sup>7</sup> Compare, inter alia, Article 2 of the Treaty on the European Union and Article 34(3) of the Charter of Fundamental Rights of the European Union.

throughout history, is the principle of solidarity<sup>8</sup>, which should equally and above all apply to those citizens of the European Union who are experiencing abject poverty and social exclusion.

### 3. **Key aspects of the draft regulation (Commission proposal)**

- 3.1 In contrast to previous food aid programmes, the draft regulation, which is based on Article 175(3) of the Treaty on the Functioning of the European Union, with reference to Article 174 TFEU, places the new Fund for European Aid to the Most Deprived under cohesion policy. The draft regulation also states that its objective, i.e. to improve social cohesion in the Union and contribute to the fight against poverty and social exclusion, cannot be sufficiently achieved by the Member States but can be better achieved at Union level. For this reason, in accordance with the principle of proportionality set out in Article 5 of the Treaty on European Union, the Union may adopt measures in accordance with the principle of subsidiarity as set out in that Article<sup>9</sup>.
- 3.2 The objective of the new Fund for European Aid to the Most Deprived is to promote social cohesion in the Union by contributing to the achievement of the Europe 2020 Strategy's objectives for reducing poverty. By responding to basic needs the proposed instrument is intended to provide additional support in reducing the level of poverty and social exclusion in the Union. The new fund partly builds on the experience of the MDP, at the same time earmarking part of its resources for material assistance in the form of non-food consumer goods for homeless people and/or children and for accompanying measures contributing to social reintegration.
- 3.3 Fund support is aimed at people suffering from food deprivation, the homeless and children experiencing material deprivation. Specific activities for the target groups and the forms of support remain a matter for the Member States.
- 3.4 The partner organisations that directly deliver food or goods in the framework of operations supported by the fund will themselves have to undertake activities complementing the provision of material assistance, aiming at the social integration of the most deprived persons. The option of using the fund to support this kind of accompanying measure is left to the Member States.
- 3.5 The level of co-financing from the fund for the operational programmes of individual Member States has been set at a maximum of 85% of eligible expenditure, with exemptions for Member States facing temporary budget difficulties.

---

<sup>8</sup> Compare Article 2 of the Treaty on European Union.

<sup>9</sup> Compare recitals 3 and 42 of the Commission proposal.

#### 4. **Comments on the Commission proposal**

##### 4.1 **Fund budget and scope of support**

- 4.1.1 The EESC notes with regret that the financial resources allocated to the planned fund are far from adequate for achieving its objectives.
- 4.1.2 When purchasing foodstuffs it must be ensured that no competition rules are broken and that sufficient consideration is given to SMEs and regional, environmentally sensitive and social inclusive suppliers. The organisations distributing the food must not be acting in pursuit of profit.
- 4.1.3 It is already known that, under the financial framework for 2014-2020, the European Commission has provided for a budget of EUR 2.5 billion for the activities of the new fund, i.e. EUR 360 million per annum. The discussions on the final shape of the European Union budget have given rise to fears, however, that this amount may be subject to further cuts. The amount allocated under the current programme for the period 2012-2013, EUR 500 million per annum, is however already insufficient to meet the needs of the Member States in full, which are estimated at around EUR 680 million per annum<sup>10</sup>. A possible increase in the number of Member States using the new fund (currently 20)<sup>11</sup> and the flexibility of the proposed support, i.e. the provision for the distribution of basic consumer goods, apart from food, for the personal use of the homeless or children, as well as the planned social reintegration activities, make it likely that needs will significantly exceed the current budget. The proposed fund budget is thus clearly inadequate to meet the needs it is supposed to satisfy. Moreover, assuming that the European Union budget remains at its current level in 2014-2020 or decreases only slightly, it is difficult to accept a reduction in the resources allocated to material assistance of at least 28% (compared with the programme for 2012-2013).
- 4.1.4 The Commission estimates that "in total the number of people helped directly by the Fund, by Member States co-funding and contributions in kind by the partner-organisations would be some four million"<sup>12</sup>. Even if it is assumed that this objective will be fully realised, a question arises as to the effectiveness of the fund in achieving the objectives of the Europe 2020 Strategy (reducing the number of people experiencing poverty in the European Union by at least 20 million). In this connection, the EESC calls for the new fund to be given an appropriately high priority at European level, and for the allocation to the fund of a budget sufficient for existing needs.

---

10 European food aid programme for the most deprived persons in the EU, AGRI C.5, Stakeholders meeting 5/07/2012, Brussels, [http://ec.europa.eu/agriculture/most-deprived-persons/meetings/05-07-2012/dg-agri-2\\_en.pdf](http://ec.europa.eu/agriculture/most-deprived-persons/meetings/05-07-2012/dg-agri-2_en.pdf), p. 12.

11 Belgium, Bulgaria, Czech Republic, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain.

12 MEMO/12/800 24 October 2012, Poverty: Commission proposes new Fund for European Aid to the Most Deprived - frequently asked questions, [http://europa.eu/rapid/press-release\\_MEMO-12-800\\_en.htm](http://europa.eu/rapid/press-release_MEMO-12-800_en.htm).

- 4.1.5 The EESC would refer in this context to the opinion of the Committee of the Regions which, in connection with the assistance programme for 2012-2013, "urges the Commission to continually assess whether the annual financial ceiling of EUR 500 million set for the programming period is sufficient given that the economic crisis may increase pressure to cut public expenditure and that economic uncertainty leads to higher unemployment in many countries"<sup>13</sup>.
- 4.1.6 The EESC also calls for the fund to be financed from the EU budget at the rate of 100%, as was the case for food aid programmes carried out in past years. In the Committee's view, co-financing from Member State resources may lead to financial difficulties in implementing the programme, not only in Member States facing temporary budget difficulties (for which the possibility of increased payments is provided)<sup>14</sup>.
- 4.1.7 The EESC supports the provision of the regulation which allows for the use of intervention stocks for the provision of food aid, although their accumulation in significant amounts is not expected in the near future<sup>15</sup>. However, considering the seriously inadequate budget allocated to the fund, the Committee does not believe that the value of any intervention stocks used should be included in the budget.
- 4.1.8 Lastly, in view of the fund's lean budget and the position of certain Member States that the fund is unnecessary or incompatible with their national policies to combat poverty and social exclusion, the EESC calls for the introduction of an optional (voluntary) system for the use of the fund by individual Member States, which could also mean more resources being available under the fund to those Member States which do wish to use it.

## 4.2 **Target groups of the fund and type of aid provided**

- 4.2.1 The EESC considers that when providing aid, it is necessary to cover all the three situations identified in the proposal - food deprivation, homelessness and the material deprivation of children, as well as groups and persons socially excluded for special, including historical, reasons. The basic priority for aid should be the provision of food. Access to food is the first step on the road to the social integration and reintegration of the excluded. Taking account, however, of the different situations in individual Member States, the EESC suggests leaving the determination of the kind of aid provided to individual target groups entirely up to the Member States.

---

<sup>13</sup> [OJ C 104, 2.4.2011, p. 44-46](#), point 22 of the opinion.

<sup>14</sup> See Articles 18 and 19 of the Commission proposal.

<sup>15</sup> Compare with Article 21(3) of the Commission proposal.



4.2.2 The EESC also opposes requiring organisations providing direct food or other aid to engage in activities complementing the provision of material assistance, where these activities are not supported by the operational programme of the Member State in the framework of the fund<sup>16</sup>.

#### 4.3 **Management of the fund**

4.3.1 The EESC supports the Commission's position on simplifying procedures and reducing administrative burdens on Member States, and particularly partner organisations<sup>17</sup>. Streamlined and simplified procedures for operations must be in line with the specific aims and target groups of the fund. In this context the EESC would like to caution against the use of procedures from the European Social Fund<sup>18</sup>. In certain Member States these procedures are complex and may prove unsuitable for the partner organisations.

4.3.2 The EESC welcomes the Commission's proposal for the establishment of a Union-level platform, the activities of which would be financed in the framework of technical assistance. The exchange of experience and best practice between EU institutions, Member States, the social partners and other civil society organisations will provide added value for the fund<sup>19</sup>.

4.3.3 The EESC welcomes the requirement for the Member States to draw up operational programmes in cooperation with bodies representing civil society<sup>20</sup>. The EESC also proposes making it compulsory to set up monitoring committees or other bodies to monitor and assess operational programmes in the Member States involving civil society organisations, people directly experiencing poverty or their representatives.

4.3.4 The EESC welcomes the fact that the fund will cover the administrative, transport and storage costs of food and consumer goods and that it will be possible to finance the capacity building of partner organisations<sup>21</sup>. This will make it possible to involve the partner organisations in the effective implementation of operations in the framework of the fund.

---

16 Compare with Articles 4(2) and 7(1) of the Commission proposal.

17 Compare with Article 23 of the Commission proposal.

18 Compare with Article 32(4) of the Commission proposal.

19 Compare with Article 10 of the Commission proposal.

20 Compare with Article 7(2) of the Commission proposal.

21 Compare with Articles 24 (1c) and 25(2) of the Commission proposal.

4.3.5 The EESC welcomes the fact that partner organisations will be provided with a sufficient level of liquidity for the effective realisation of operations<sup>22</sup>.

Brussels, 14 February 2013.

The President  
of the  
European Economic and Social Committee

Staffan Nilsson

---

<sup>22</sup> Compare with Article 39 and Article 41 of the Commission proposal.

## APPENDIX

### Appendix to the opinion of the European Economic and Social Committee

The following amendments, which received at least a quarter of the votes cast, were rejected during the discussions:

#### Point 4.1.3

Amend as follows

*The Commission estimates that "in total the number of people helped directly by the Fund, by Member States co-funding and contributions in kind by the partner-organisations would be some four million". Even if it is assumed that this objective will be fully realised, a question arises as to the effectiveness of the fund in achieving the objectives of the Europe 2020 Strategy (reducing the number of people experiencing poverty in the European Union by at least 20 million). ~~In this connection, the EESC calls for the new fund to be given an appropriately high priority at European level, and for the allocation to the fund of a budget sufficient for existing needs.~~*

#### Result of the vote:

For:	55
Against:	102
Abstentions:	15

#### Point 4.2.1

Amend as follows

*The EESC considers that when providing aid, it is necessary to cover all the three situations identified in the proposal - food deprivation, homelessness and the material deprivation of children, as well as groups and persons socially excluded for special, including historical, reasons. ~~The basic priority for aid should be the provision of food.~~ Access to food is could be the first step on the road to the social integration and reintegration of the excluded. Taking account, however, of the different situations in individual Member States, the EESC suggests leaving the determination of the kind of aid provided to individual target groups entirely up to the Member States.*

**Result of the vote:**

For:	54
Against:	108
Abstentions:	21

