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EU Council agreement on the Multiannual Financial Framework and the Next Generation EU

On December 4, the three EU institutions reached an informal political agreement on the EU budget for 2021, the first one under the new long-term budget 2021-2027. Once adopted, this first budget, that includes commitments of €164 billion and payments of €166 billion, could kick-start the much-needed recovery, social protection, and creation of jobs in light of the Coronavirus pandemic.

However, for this budget to be adopted, the European Parliament and the Council first **need to adopt the Multi-Annual Financial Framework (MFF)**, the long-term budget for the years 2021-2027. Finally, after first negotiations failed due to a veto by Poland and Hungary against the conditionality mechanism, on the 10th of December, **EU leaders agreed unanimously on the next EU long-term budget, the recovery fund and the rule of law mechanism**. Read the full Council conclusions <u>here</u>. Even though this agreement comes at the last minute, this means that the way is now clear for the EU 2021 budget and the much-needed recovery money from the Next Generation EU recovery package. Consequently, on December 11, the European Commission put forward a second draft of the EU budget for next year, which is a procedural step that fully reflects the informal political agreement reached between the European Parliament and the Council earlier in December.

Multiannunal Financial Framework 2021-2027

The total package of €1.8 trillion (1.074 trillion long-term budget 2021-2027 and €750 billion temporary recovery fund Next Generation EU) aims at building back better, towards a greener, more digital and resilient Europe.

What does it include?

 30% of the MFF and NGEU are dedicated to fighting climate change and 50% to modernizing the EU trough existing cohesion policies and the Common Agricultural Policy, as well policies fostering research and innovation (Horizon Europe), ensuring a fair green and digital transition (Just Transition Fund), Digital Europe Programme, Recovery and Resilience Facility and rescEU.

- European Social Fund Plus (ESF+) will have a total allocation of €98.5 billion and merges the Fund for European Aid to the Most Deprived (FEAD) as well as other funds. The 2021-2027 allocations per Member States can be found <u>here</u>.
- **<u>EU4Health</u>** programme
- REACT-EU Initiative (see below)
- **New own resources** that will help pay back the borrowing under Next Generation EU, such as a carbon border adjustment mechanism, an emission trading system and a possible financial transaction tax
- Rule of law mechanism that protects the budget
- Integrated and interoperable information and monitoring system with a new tool to gather transparent and comparable data on final beneficiaries
- Increased flexibility mechanisms to ensure to ensure the capacity to address unforeseen needs

For more information, please access the dedicated <u>website</u> for the MFF 2021-2027. You may also find the key facts and figures, including financial allocations per programme and policy area <u>here</u>.

REACT-EU Initiative

€47.5 billion of the MFF 2021-2027 will be made available for Member States through the REACT-EU initiative that aims at supporting a sound recovery through cohesion policies. The REACT-EU package includes an additional amount of €55 billion that will be made available to the current 2014-2020 European Regional Development Fund (ERDF), European Social Fund (ESF) and Fund for European Aid to the Most Deprived (FEAD).

On the 18th of November, a political agreement between the European Parliament and the Council of the EU has been reached. The agreement now needs to be officially endorsed by the Member States and adopted in the Parliament's plenary. The REACT-EU initiative is also dependent on the adoption of the MFF 2021-2027.

Find more information and regular updates on the legislative status <u>here</u>.

Allocations per Member States for 2021

	2018 prices	Current prices
Belgium	245	260
Bulgaria	413	438
Czechia	790	838
Denmark	168	178
Germany	1,785	1,894
Estonia	168	178
Ireland	84	89
Greece	1,616	1,715
Spain	10,269	10,898
France	2,926	3,105
Croatia	541	574
Italy	10,693	11,348
Cyprus	105	112
Latvia	199	211
Lithuania	259	275
Luxemburg	132	140
Hungary	834	885
Malta	105	112
Netherlands	417	443
Austria	207	219
Poland	1,556	1,651
Portugal	1,508	1,600
Romania	1,252	1,329
Slovenia	248	263
Slovakia	583	618
- Finland	127	135
Sweden	272	288
Total	37,500	39,795

Gross allocations before deduction of administrative expenditure and technical assistance.

What does the political agreement include?

- Funds will be made available in 2021 (€37.5 billion) and in 2022 (€10 billion). You may find the provisional calculations of the 2021 allocations for each Member State here. The €10 billion in 2022 will be distributed on the basis of statistical data available in the autumn of 2021. EU co-financing up to 100%
- Resources may be allocated where they are most urgently needed, there is no breakdown by categories of regions.
- Total Flexibility: transfers between the ERDF and ESF, and towards the FEAD are possible

- EU co-financing up to 100%
- Retroactive eligibility of expenditure for activities that started 1st of February 2020 and an end date for the eligibility of expenditure on 31 December 2023, in line with the 2014-2020 legislative framework
- Member States may allocate 70% of the national envelopes in 2021 based on the socio-economic effects of the crisis.
- Ex-ante conditionalities, thematic concentration requirements and performance framework do not apply to REACT-EU in order to mobilize funds quickly



EUROPEAN COUNCIL

Food losses and food waste: assessment of progress made in implementing the Council conclusions adopted on 28 June 2016

9 NOVEMBER / 2020

On 28 June 2016, the Council of the European Union adopted <u>conclusions on food losses and food waste</u> in which it called on the Member States and the Commission to take further action. In its conclusions, the Council also stated that progress made in implementing the recommended measures should be assessed periodically.

A first assessment took place in 2018 under the Bulgarian Presidency. For the second periodical assessment, the German Presidency has prepared an overview of progress made on the basis of contributions sent in by all Member States (Appendix 1 to the document) and has received a contribution from the Commission (Appendix 2 to the document). The document offers a comprehensive background on the topics and the state of play in the EU as regards food losses and waste. In the section dedicated to the outlook for the future, it is declared that the first comparable results from the measurement of food losses and food waste generated in the Member States will be available in summer 2022, for the year 2020.

Appendix 1 is dedicated to the progresses made by Member States in implementing the 2016 Council conclusions divided in sections with the different calls upon Member States such as their commitment to the achievement of SDG 12.3, the contribution to the <u>EU Platform on Food Losses and Food</u> <u>Waste</u>, the encouragement of the implementation of the waste management hierarchy and the food use hierarchy, by prioritising prevention of food losses and waste, reuse of safe and nutritious food suitable for human consumption etc. Appendix 2 is the Commission's contribution.

Food Banks are mentioned as follows:

"Examples of these include reducing VAT rates for donated food, revising legislation promoting food donations and providing support to food banks and non-profit organisations that distribute donated food." (p. 4)

"In addition, many take the form of measures to promote food donation, such as: [...] providing financial or other support to food banks and non-profit organisations that distribute donated food, [...]" (p. 12)

"There are research projects being conducted in some Member States on the following specific topics: [...] food distribution and food banks, [...]" (p. 15)

"Although the impact has not yet been measured and evaluated in most Member States, the following effects in particular have already been observed or are expected: disruption to procedures at food banks and other charity organisations which distribute donated food due to the absence of volunteers, who are often elderly people at high risk with regards to COVID-19 who therefore need to avoid exposure; [...]" (p. 18 f.)

To read and download the full document, click here.



During the Council meeting, the German Presidency of the Council of the EU, together with the European Commission, informed Ministers of the progress made within the EU

on tackling food losses and food waste. The Presidency highlighted that Member States now have relevant **national strategies and plans** in place, in which food **donations** are a crucial element.

Moreover, the European Commission expressed its willingness to extend the mandate of the <u>EU Platform on Food Losses</u> and Food Waste beyond 2021.

Highlights from representatives of different Member States on food losses and food waste and assessment of progress made in implementing the Council conclusions:

- France: France got promptly into the campaign on combating food waste on three main lines of work: 1. They mobilised all the **stakeholders**; 2. They created an ambitious programme giving **extra food to charities**; 3. They tried to **fight food waste** also during the COVID-19 crisis.
- Italy: They made considerable progress in dealing with food surplus and have invested in research and development to improve the recovery rate for products. There is an observatory to monitor the situation which is supposed to better face the issue. Even through the COVID-19 pandemic, they tried to use funds appropriately, considering more vulnerable people.
- Slovenia: They are currently adopting a strategy to reduce food waste and food loss that will solve this issue in a comprehensive and inter-sectorial way. They are trying to prevent food waste by raising awareness with consumers and seeking the help of NGOs in this effort. Slovenia is also preparing a better methodology on how to measure food waste. During the International

Day on Food Loss and Waste, they signed a **statement of cooperation** to reduce food waste with all the actors of the supply chain.

 Spain: In the preparation of the draft strategic plan of Spain, they are tackling the issue and will introduce in the beginning of 2021 a draft legislation to address these food losses and waste.

Other issues discussed:

The European Commission also informed Ministers on the outcome of the Farm to Fork Conference, a meeting organised by the Commission on 15-16 October 2020. Some Ministers asked the European Commission to conduct relevant impact assessments and stressed the importance of all stakeholders participating in the strategy. Ministers also used the opportunity to seek clarification from the European Commission whether it intends to withdraw its proposal on the post-2020 CAP reform package; the notion was rejected by Commissioner Kyriakides.

Invited by the Presidency in the view of preparing the EU's contribution to the next year's <u>UN Food Systems</u> <u>Summit 2021</u>, the UN Secretary-General's Special Envoy for the summit, Dr. **Agnes Kalibata** briefed Ministers on the preparations and objectives of the summit. Ministers highlighted the importance of the new European Green Deal and the Farm to Fork Strategy in accelerating **global transition to sustainable food systems**. They also called for an ambitious summit that can bring all stakeholders together. The Council of the EU will set its key political priorities for the summit through relevant conclusions, planned to be adopted in spring 2021. <u>Presidency background note</u> on the preparation of the UN Food System Summit. EFSA

'Use by' or 'best before'? New tool to support food operators

The European Food Safety Authority (<u>EFSA</u>) has developed a tool to help food business operators decide when to apply the 'use by' or 'best before' date to their products.

The 'use by' date on food is about safety – foods can be eaten until this date but not after, even if they look and smell fine. 'Best before' refers to quality – the food will be safe to eat after this date but may not be at its best. For example, its flavour and texture might not be as good. The European Commission estimates that **up to 10% of the 88** million tonnes of food waste generated annually in the EU is linked to date marking on food products.

Kostas Koutsoumanis, chair of EFSA's Panel on Biological Hazards, said: "Clear and correct information on packaging and a better understanding and use of date marking on food by all actors can help reduce food waste in the EU, while continuing to ensure food safety. This scientific opinion represents a step forward in this direction."

The tool is structured as a decision tree with a series of questions to be answered by the food business operators to help them decide whether a 'use by' or 'best before' date is required. Questions range from whether date marking requirements for a food category are already regulated by legislation, whether a product undergoes any treatment to eliminate hazards, whether it is handled again before packaging, its characteristics and storage conditions. Experts also reviewed the factors that need to be considered by food business operators to set a shelf-life date – the period of time during which a food will remain safe and/or of a suitable quality for consumption while the packaging is intact, and it is stored as instructed.

EFSA's Panel on Biological Hazards will publish another opinion on this topic in 2021. It will focus on the information given to consumers on storage conditions, time limits for consumption after opening and thawing practices.

Guidance on date marking and related food information

Discover the tool by clicking <u>here</u>.



WORLD ECONOMIC FORUM

Bold Actions for Food as a Force for Good 2020

To feed more than 10 billion people within our planetary boundaries by 2050, while ending hunger and tackling unhealthy diets, we will have to fundamentally change the food system, requiring co-ordinated and large-scale action by all stakeholders across multiple axes. The virtual pre-event "Bold Actions for Food as a Force for Good" on 23-24 November 2020 was organized to lead to the UN Food Systems Summit in 2021.

Highlights of the event

Agnes Matilda Kalibata, Special Envoy at United Nations Food Systems Summit who stressed the importance to discuss how food system can change our ways to fight hunger and health crises as well as climate change. We have already come a long way, but the pandemic has also shown the weaknesses that still need to be addressed. One challenge are trust issues, for instance in relation to the private sector, but civil society also needs to engage and consumers need to change their behaviour. She called on all actors to reach out and make sure that they are heard and engage in the dialogue. The <u>UN Food Systems Summit 2021</u> next year recognizes the weaknesses and serves as an opportunity to make global commitments, while ensuring that no one is left behind.

Dominic Kailash Nath Waughray, Managing Director at World Economic Forum highlighted, that to deliver on SDGs and climate targets, systemic transformations that include many diverse stakeholders, especially those that are often left out, as well as new technologies are needed. The economic benefit of transforming food systems is valued at 10.5 trillion USD by 2050 and hundreds of millions of new jobs by 2030. The Summit next year is a great opportunity to accelerate action. The pandemic has revealed the need for an inclusion and environmental agenda and for partnerships. **Yolanda Kakabadse**, World Wildlife Fund also called attention to the fact that to meet the demand without overproducing and consumer's need to be made aware of this issue. We have to focus on quality and nutrition and rethinking quantities. Food Banks help deliver surplus food to people in need. In the future, Food Banks ideally should not exist, because we should not overproduce, but for the moment, they are a great solution to tackle both problems.

Lastly, **Dongyu Qu**, Director-General at FAO stressed that all challenges are interrelated: Environmental, social, political and many more, but the starting point is always food. Food is a basic commodity and human rights and a public good. We now need unprecedent leadership. We need affordability and accessibility to healthy food systems that include and engage everyone without leaving anyone behind.



9th plenary session of the EU Platform on Food Losses and Food Waste

On 10th of December 2020, the 9th meeting of the <u>EU</u> <u>Platform on Food Losses and Food Waste</u> took place. This session served as an opportunity for Member States and stakeholders to come together and take stock of the progress made.

Keynote speech

Claire Bury, Deputy Director General for Food Sustainability in DG SANTE said that the Commission will propose binding targets to measure FLW in the EU by 2023. Through the <u>Farm</u> <u>to Fork Strategy</u>, they aim to make FLW an integral part of all EU policies and national strategies. A date-marking strategy will be proposed by Q4 2022 and the COM will make an impact assessment and public consultation beforehand. She encouraged Member States to set national targets and monitor progress, integrate FLW reduction in all policy areas and minimize FLW caused by supply chain challenges and consumption as a result by the pandemic. Public-private partnerships are crucial. The Commission will also set a minimum target regarding sustainable food production. The platform on FLW guides the work on EU level and they will propose to re-establish the platform at the end of its current mandate after 2022.

Update on the implementation of the Farm to Fork Strategy Alexandra Nikolakopoulou, Head of Unit, Farm to fork strategy (DG SANTE D1) said that the progress in Member States differ, they have stressed the importance to preserve the competitiveness for the farming sector and making sure that farming offers a decent livelihood. The economic and social committee calls for a broad inclusive consultation and recognizes that to achieve the goals of sustainable food systems, it is important to use different instruments, consisting of compulsory legislation, but also soft instruments such as price incentives or insurances. The sustainable choice has to be the easiest and most affordable one. Prices should inflect the true cost of production for the environment and society. It is crucial to understand how citizens understand sustainability: What are important elements and who are important actors? It is important to ensure synergies in the Green Deal, share information and act together. The contingency plan will probably in form of a recommendation or communication. The idea is to establish a mechanism for times of crises and to make sure that the food system is resilient and ensures accessibility to nutritious and safe food. It should involve public and private authorities. A revision of the marketing standards is part of the F2F strategy, there have been two evaluations and there is a consultation open until February. The Commission will issue recommendations to the Member States prior to the submission of the CAP National Strategic Plans. Structured dialogues with Member States on the draft recommendations are taking place. Recommendations are to be adopted by the Commission imminently.

EU actions to prevent food loss and waste: progress and future outlook

The German Presidency presented the assessment of progress made on the implementation of June 2016 Council conclusions (update from 16 November informal videoconference of Ministers of Agriculture and Fisheries). Dr. Anke Niederhaus, Head of Unit, Sustainable Nutrition, Reduction of Food Waste, Federal Ministry of Food and Agriculture, Germany said that 87.6 tons of food is wasted each year, almost half of it comes from households. Milestones on EU-level include the revised Waste Directive (sets indicative food waste reduction target, requires specific measures), a common methodology for food waste measurement in the EU, the EU Platform of Food Losses and Waste (publication of concrete recommendation for action), the European Green Deal, Circular Economy Action Plan and F2F. There has been a lot of progress, most Member States adopted national strategies and non-legislative instruments, most focus on the latter. However, legislative measures focus just on certain points in many cases (food donation and safety). Some Member States see the integration of the waste management hierarchy in national measures as possible, but some further support may be needed. In relation to consumer information, every Member States has respective measures in place (date-marking, education on storage of food and meal planning). School education including material is also crucial. Some Member States support the research on FLW, e.g. food waste measurement and the potential of AI. Member States support collaboration with different stakeholders (e.g. dialogue formats, voluntary agreements) and fund innovative approaches and integrate it in other policy areas. The current pandemic shows the impact of panic buying, however, some Member States raised awareness and encouraged responsible shopping, as well as the support of food donations.

A representative from the Commission said that almost all Member States have adopted national strategies to prevent/ reduce FLW in line with Platform's recommendations, although only around half of them have set specific targets. Almost half are integrating FLW prevention in policy areas, especially climate action is a big area of opportunity which should be further explored. Most have put in place structured processes to consult different stakeholders. However, very few have carried out work to assess the effectiveness and efficiency. All Member States have carried out awareness raising campaigns, school education programs, few look at professional training. Date marking is on everyone's agenda and a lot of Member States took actions to facilitate consumer understanding. Half of the Member States use fiscal instrument to incentivize food waste prevention, and two third provide financial support. The next EU FLW Platform meetings in 2021 will be on 18 March and 14 October. The Commission will continue to scale up action and mobilize key players across the EU. An online EU Food Loss and Waste Prevention Hub is currently being developed that will be released in 2021. Recent initiatives on food hygiene in view of food donations include amendments on general food hygiene rules, where a publication is expected in the next weeks. The first open calls for the Horizon Europe Strategy plan (2021-2024) and the first work program (2021-2022) are aimed for spring 2021.

Update on food waste prevention activities from the European Food Banks Federation

Angela Frigo, Secretary, General, European Food Banks Federation said that Food Banks are a correction of the market, because the provide a solution to the market issue of food waste and at the same time support the most deprived. Food Banks have a social, economic and environmental benefit. Food business operators improve their efficiency and the food wasted decreases over time. Currently, there is an increase of about 30% of food demand resulting from new poverty. Food Banks have increased the amounts of food distributed and have adapted their operations to ensure safety. There is a shortage of volunteers, which are oftentimes elderly people, but there has been a good response from the younger generation. Most Food Banks however face an immense drop in financial resources. She explained also explained how Food Banks work in general and gave some examples regarding the adaption of several Food Banks to the pandemic. Digital tools have been become more important, these tools have been instrumental to simplify the food donation process (examples of France, Belgium etc.). She introduced the FEBA Online Observatory Platform and invited to the Annual Forum.

Recovery and redistribution of surplus food through online platforms

Robert van Otterdijk, AgroIndustry Officer, SAVE FOOD -Initiative on Food Loss and Waste Reduction, Regional Office for Europe and Central Asia, (FAO) said that matching food supply with demand and getting it to where it is needed most is a growing challenge, which became clear during the COVID-19 pandemic, which resulted in a disruption of the food supply chain. Going forward we need to build more resilient supply chains and they have developed an online platform for recovery and redistribution for surplus food. It traces, quantifies and analyses FLW and supports fast distribution. The focus is to make food visible that would otherwise be lost or wasted. The tool is based on blockchain (FeedUP@UN). FeedUP is scalable and adaptable for all countries and supports local use first. The project proposal contains mobilization of partners (completed), evaluating of existing online marketplaces for food products, developing a regional support mechanism for national platforms, introducing and expanding existing platforms in countries and lastly developing a business model for national platforms.

Scientific opinion of the European Food Safety Authority (EFSA) Panel on Biological Hazards – Guidance on date marking and related food information: part 1 (date marking) Roland Lindqvist, EFSA BIOHAZ Panel member said that that FBOs should follow a risk-based approach when deciding on the type of date-marking. He introduced the guidance they developed. For more information see above.

Campaign to increase understanding of date marking

Christophe Diercxsens, Too Good to Go, said that 10% of food waste in the EU is linked to confusion with food labels. They did a call for action to their global partners to achieve meaningful change in date labels by impacting consumer behavior by explaining date labels, adapting business practices by making on-product changes and challenging routines and pursuing change through policy adaption by engaging with policy makers. They joined the pact on consumption dates in France, which is a coalition of committed industry actors against food waste across the whole supply chain. The pact includes 10 commitments around four axes: The first two have an impact on consumers: The first related one relates to educating and raising awareness and the second to clarify difference between use-by and best-before dates among consumers. Optimizing the valorization of products excluded from sales channels, collaborating to establish best practices and optimizing distribution flows are the actions that have an impact on business. They introduced anti-food waste shelves with products nearing or past the best-before date that are accompanies with educational visuals. They also introduced clarifications on-pack regarding the bestbefore date. The campaign also includes digital access to explanations.

Erwan de Gavelle PhD, Food & Health Project Manager, Ministry for Agriculture and Food, France said that France strengthened their legislative framework and introduced a mandatory action plan to reduce food waste in public collective catering. In 2016 they introduced a hierarchy of actions to reduce food waste through the <u>law on fighting</u> <u>against food waste</u>, in 2019 a ban of the destruction of edible food and the obligation to offer a partnership to food associations for the food and drink industry followed. In 2020 this obligation was extended for the wholesale sector. They also had a mandatory action plan for the food and drink industry sector, introduced a national "anti-food-waste" label (ongoing consultation) and best-before-date-labels (consultations also ongoing). Food Waste policy is based on the voluntary agreement "<u>National Pact Against Food</u> <u>Waste</u>", that aims to halve food waste by 2025 in collective catering and distribution and by 2030 for all other sectors.

A voluntary agreement initiative for the hospitality and food service sectors in Europe

Thomas Candeal, International Food Waste Coalition (IFWC) said that IFWC is a non-profit initiated in 2015 to power FLW reduction across Europe's hotel & food service sector through farm to fork collaboration. During the COVID-19 crisis, there was a decline of the activity, they faced understaffed teams. Demand forecast became crucial and new consumption patterns emerged (e.g. take-away, delivery etc.). The pandemic causes losses of perishable food due to the sudden lockdown, created surpluses and an unbalance from kitchen to primary production. But, FLW is still leveraged to recover through adaption through specific menu planning (e.g. elss menu options/cook on demand), management of surplus food (e.g. second market matching in the social context, improvement of donation process) and collaboration with the supply chain (e.g. more flexibility on product shelf life validated by procurement teams, surplus from suppliers integrated into menus, coordination of donations from supply chain). The learnings are that FLW measurements still appears too costly, is more complicated to assess and monitor as practices are disrupted, but FLW reduction is leveraged to improve resilience and re-balance supply. It is important to determine whether you want a daily FLW measurement, which would enable better analysis and better prioritize possible solutions. One could also do a diagnosis approach where measurements are taken 1-2 weeks per year.

Developing a circular economy model for food in healthcare facilities

Paola Hernández, Health Care Without Harm introduced a project they did from 2017-2020 that aimed to develop and implement a circular economy model for food at a hospital in France, analyze and reduce food waste at this hospital by 20% in 3 years and purchase more local and organic products as part of the overall procurement but at least 10%. They measured food waste in kitchen, staff canteens and plate waste. Samples were divided in household, recyclable and bio-waste. For more information access the dedicated website <u>here</u>.

Measuring and reducing food waste in canteens in healthcare, schools, and company restaurants

Jasmien Wildemeersch, FoodWIN said that they developed "The Food Waste Journey" for canteens, which starts with diagnosis, then build a strategy together and put it into action. All canteens are different, so they support them in different ways too. They focus on prevention through operational changes, training, raising awareness, tenders, menu changes, but they also do redistribution through Too Good To Go for instance, social partners, selling and processing. The impact is as follows: They save \notin 2000 - \notin 16.000 per location, experience 20-60% of food waste reduction and more motivated personnel. They also have an <u>online calculator</u> for canteens to calculate the benefits and performance.

More information

To watch the recording of the full event and access all documents and presentations, please visit the dedicated <u>website</u>.



Commission delegated regulation on the Fund for European Aid to the Most Deprived

On November 10, EMPL Committee met to discuss the Commission Delegated Regulation on the Fund for European Aid to the Most Deprived, as regards the **detailed minimum** requirements for audit purposes and the data to be recorded and stored.

Loris Di Pietrantonio, HoU F.1, DG EMPL, European Commission, introduced the delegated act on Fund for European Aid to the most Deprived (FEAD). He said changes had to be made to the FEAD under the <u>CRII+</u> package. He reiterated the importance of the dual response as the target people are a particular vulnerable group, that were most exposed to hardships in the current pandemic. He added that the pandemic made it more difficult to provide support and assistance to this group of people. Therefore, he said that the **flexibility measures** will be of a pragmatic nature for the **partner organisations on the ground**.

They introduced new measures: **indirect provisions of food and basic materials in addition to the direct measures** already set out in the regulation. He specified that indirect means using vouchers in different forms, including electronic and paper ones. He added that such new measures also need other audio requirements. **Cindy Franssen** (EPP, BE) noted that poverty is rising since the start of the pandemic. She said that the consequences can be felt all across the EU and the FEAD is a strong pillar in EU's anti-poverty strategy and in April more flexible rule have been adopted. In order to tackle these risk problems, the Commission should have some impact assessment, to also prevent irregularities. She noted that the important social contact of Food Banks is not happening anymore given the distribution of vouchers. She asked how the European Commission plans to respond to these challenges arising from the new indirect measures.

Loris Di Pietrantonio said that it does not present a risk as to the way FEAD is designed; it would allow for the payments for the voucher scheme under the flat rate of 5%. He added that there is a constraint on the resources of FEAD so that they will not be derailed into a costly system. He noted that Member States can also decide to provide preferential rates in order to better reach out to the end beneficiaries. On the proportionality of the measures, he focused on fraud as a detraction of the fund and these proportionate rules are included in the delegated act to prevent this from happening.



Negociations on the European Social Fund+

According to European Council conclusions the total budget for the <u>European Social Fund Plus (ESF+)</u> under the new MFF 2021-2027 is **€ 87.9 billion** in 2018 prices. The ESF+ integrates the <u>Fund for European Aid to the Most Deprived</u> (FEAD) as well as other funds (the former European Social Fund, the Youth Employment Initiative and the Employment and Social Innovation Programme).

The ESF+ negotiations between the three EU institutions are still ongoing. Main points of discussion remain the thematic concentration, which relates to the percentage

of the total budget of the fund spent on specific issues

of social inclusion, youth unemployment, child poverty, food and/or material assistance and capacity building for stakeholders/project implementers.

During the trilogue in December, **no agreement could be reached**, **so the next negotiations will continue under the Portuguese presidency next year**.

The **progress report** on the European Social Fund Plus (ESF+) is available <u>here</u>.



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