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## HIGH-LEVEL PLENARY SESSION

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European Commission

Full speech

Thank you very much for the invitation and thanks for this great seminar that FEBA has organised annually, because it brings together several expertise and from several points of view. The point of view that I will present is slightly different from the strictly sustainability angle (related to food waste). I will deal more with the social sustainability which is also dear to FEBA as one of the partners organisations engaged in the implementation of the Fund for European Aid to the Most Deprived.

Let me spare a few words about what the extreme poor have become, especially with COVID-19. The statistical trend tells by itself the dramatic outcome of the COVID-19, with a real GDP loss which is extreme. If you compare even with previous curves around 2008 – 2009, this is a major shock and obviously I know that food organisations, and especially the Food Banks, see an increasing number of people queuing at their delivery centres. This is worrisome, and this is where food donations, and food delivery comes about as an important action for which we are proud of, and which need to continue to support in the upcoming programming period for the years 2021 – 2027.

Now, a bit of policy context. We had quite a significant response to that, both at European level and at the national level. From a policy point of view, for me what is important to realise is the new tangible commitment of the European Pillar of Social Rights. An action plan has been launched on 3 March of this year and we have established a target of reduction of 15 million



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people at risk of poverty and social exclusion by 2030. This also links to the UN Sustainable Development Goals. The key effort that Europe has shown, (unprecedented from a budgetary point of view), is the effort of presenting *de facto* a budget which is almost doubling usual budgetary efforts thanks to the combined effect of the multi-annual financial framework for 2021-27 and the Next Generation EU.

The Multiannual Financial Framework, so-called MFF. This is the usual seven-year budget of the European Union of EUR 1,200 billion. But aside to that, there is a Next Generation EU, that has been also adopted by the Members States, which significantly increase the budget of the Union by EUR 807 billion. So, *de facto*, we have almost a two trillion Euro investment of which EUR 460 billion are aimed to cohesion policy funds.

The European Social Funds Plus, has around EUR 100 billion.

The Next Generation EU, which is this new part of funding for which the Commission will go on financial markets to draw on bond's issuance, will also provide around EUR 50 billion to reinforce current 2014-2020 programmes (through the so-called REACT-EU). This will make it possible to transfer also fresh money to the Fund for European Aid to the Most Deprived. To that purpose, we have modified the FEAD Regulation in force, with an entry into force of 16 February 2021 in order to provide all the necessary flexibility to use the Regulation as swiftly as possible at the Members States level.

There will be, and this was also an emergency measure that was introduced on the request of a number of Members States, the possibility to have either paper vouchers or electronic vouchers to provide basic material assistance. And there will be 5% additional resources for technical assistance, to help out organisations on the ground and not only for the current implementation but also to prepare for the future.

In the new ESF+, the current Fund for European Aid to the Most Deprived corresponds to the specific objectives L and M on the provision of food, basic material assistance, but also the mandatory accompanying measures to promote insertion in society of the most deprived and give them a pathway for social inclusion and social integration.

The ESF+ budget comes with certain conditionalities, but I think there I am proud to say that the work with the Parliament and the Member States was very constructive, so we have secured an envelope within ESF+ of 25% of its resources going for social inclusion. Each Member State has to plan 25% of ESF+ allocations on social inclusion and the Parliament especially insisted on having the support to the most deprived, which is basically food provision and basic material assistance, on top of this social inclusion, so additional to that. An additional 3% goes in fact for food provision and basic material assistance. I think it's important to note there that the co-financing rate for the so-called ex-FEAD operations, so for the food provision and basic material assistance, is much higher than the standard co-financing rate through the shared management fund and this is brought to 90%. Important to that the Commission has also adopted a Child Guarantee, which foresees a number of measures the



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Members States have to ensure to provide children in poverty support in the areas of education but also in the areas of healthy nutrition. And there, the ESF+ comes to the fore and obliges Members States whose AROPE rate, so at risk of poverty rate, is above the EU average, to actually use at least 5% of the ESF+ resources, whilst all Member States have a duty to invest appropriate resources according to their challenges. And a similar thematic concentration criterion goes also for youth employment.

Where do we stand? There is a lot of work going on in the Members States in terms of programming. We have so far processed around 171 amendments for emergencies on both the European Social Fund current period and the FEAD. We are now processing quite a few amendments concerning REACT-EU. Members States are deciding in fact to inject specific money to the FEAD to cater for the current period of challenges. Meanwhile, Member States are also programming for 2021 – 2027 and the ESF+ of the future.

One problem we always discuss in very constructive terms with FEBA is the issue of food donation, which obviously links to how to reduce food waste. There we had in the current FEAD Regulation some difficulties. That is to say, food donations have zero price and obviously the FEAD foresees that for instance, logistics costs, transportation costs, are part of a flat rate that is applied on prices. This flat rate is currently 5%, in the new Regulation it will be 7%, still you will need a price base. So, this has always hindered in FEAD to receive food donations and distribute food donations with the help and support of the Fund for European Aid to the Most Deprived using the flat rate.

Also thanks to FEBA, we may be able to set up a simplified cost option based most likely on a sort of proxy cost for kilogrammes of food shipped. This would allow us, even if we don't have a price for the donated food, to actually construct a rate for the transportation and storage service and hopefully in the period 2021 – 2027, we will be able to draw a Delegated Act establishing these simplified cost options.

**Moderator:** *Members States are working on the programming of the new ESF+ and sometimes there are challenges are national level and partner organisations, such as the Food Banks are not involved in the programming phase. How can Food Banks be better involved in the planning of the new programmes 2021 – 2027? Can the European Commission do something?*

Programming activities are ongoing. Many Member States are deciding in fact to keep the food provision basic material assistance as a separate programme within ESF+. That is to say, with not much change compared to the past. Partnership is a cornerstone of the current and new rules. Let us know as Commission on the very specific cases of concern.



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