



## **FEAD Community**

### **Peer Exchange on the implementation of vouchers/e-voucher schemes**

Online, 26 May 2021

#### **Synthesis report**

Peer Exchanges are part of a cycle of capacity-building activities aiming at improving the delivery of the [Fund for European Aid to the Most Deprived \(FEAD\)](#) at national, regional and local level during the transition period from 2020 to 2021. Peer Exchanges aim for knowledge sharing between partner organisations involved in the implementation of the FEAD-funded measures.

During this second Peer Exchange, 15 practitioners from Belgium, Croatia, Cyprus, Finland, Lithuania, Malta, Portugal, Romania, Spain, as well as representatives of the European Social Network and the European Commission, exchanged on concrete challenges and emerging practices of implementing (e)voucher schemes.

#### ***EU Funding to support the most deprived***

The event took place in the context of the recent amendments in EU funding to address the social impact of the pandemic, as well as the merging of the FEAD into the upcoming European Social Fund Plus (ESF+) in the new funding period.

#### **Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU)<sup>1</sup>**

The REACT-EU initiative provides EUR 47.5 billion additional funding to current European funds (the European Regional Development Fund, the European Social Fund the Cohesion Fund and the Fund for European Aid to the Most Deprived) in 2021 – 2022. This will enable Member States to top up their FEAD allocation to support organisations on the ground that are dealing with people suffering the social and economic consequences of the Coronavirus-related crisis. The changes introduced by REACT-EU for the FEAD include the possibility to use an EU co-financing rate up to 100%, in order to swiftly implement measures to assist the most deprived. Moreover, in alignment with the REACT-EU, 11% of the additional resources for 2021 will be pre-financed.

As of April 2020, FEAD implementing authorities and organisations can make use of electronic and paper vouchers to provide food and basic material support for people in need. The provision of vouchers was introduced in the FEAD regulations to allow partner organisations to better cope with the needs of the beneficiaries<sup>2</sup> in the

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<sup>1</sup> Regulation (EU) No 2020/2221 of the European Parliament and of the Council of 23 December 2020 amending Regulation (EU) No 1303/2013 as regards additional resources and implementing arrangements to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and its social consequences and for preparing a green, digital and resilient recovery of the economy (REACT-EU). Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020R2221&qid=1611824380100>

<sup>2</sup> In the context of this report, the term 'beneficiary' is used synonymously with 'end recipient', meaning an individual receiving food aid and other support funded through the Fund for European Aid for the Most Deprived (FEAD). Organisations receiving funding from FEAD to deliver food aid and other supporting measures are termed as partner organisations.

context of the COVID-19 pandemic. The funding of voucher schemes will also be possible under the European Social Fund Plus, in order to allow more flexibility in the delivery of food and material assistance.

### **European Social Fund Plus (ESF+)<sup>3</sup>**

In January 2021, the European Parliament and EU Member States in the Council agreed on the proposed European Social Fund Plus (ESF+) Regulation, under which the FEAD will operate in the future. All Member States will devote at least 3% of their ESF+ resources to provide food and basic material assistance to the most deprived as well as accompanying measures for their social integration.

Combining social inclusion with material support in ESF+ programmes will be highly encouraged. The food and/or basic material assistance may be provided directly to the most deprived persons or indirectly through vouchers or cards, under the condition that they can only be redeemed against food and/or basic material assistance as set out by the ESF+ regulations.

### ***EU research on the use of (e-)voucher schemes***

The recent European Commission study “E-vouchers for the most deprived”<sup>4</sup>, which complemented the ESF+ impact assessment, analysed the design and implementation of e-voucher schemes in five Member States and assessed the feasibility supporting e-vouchers via the ESF+.

The study highlights, amongst other aspects, the need for well-defined national, regional and local partnerships and a flexible implementation of the e-voucher schemes for targeted and adequate support, and the combination of accompanying measures with the vouchers to increase social inclusion. Six case studies from Belgium, France, Italy, Lithuania and Spain are presented in the annex to the study<sup>5</sup>, highlighting how FEAD and e-vouchers have supported the delivery of food and/or basic materials and non-material assistance to the most deprived across Europe.

Furthermore, the European Social Network (ESN) published a report on “The Future of FEAD: Exploring Innovative Tools to Support Europe’s most Deprived”<sup>6</sup>, which explores how public authorities might use e-vouchers in FEAD, as a tool of social support and inclusion. This report concludes that e-vouchers can reduce stigmatisation of end beneficiaries and gives them more choice when selecting their food. In addition, authorities can save costs for transport, storage and distribution of food.

During the Peer Exchange participants had an opportunity to hear about existing (e-) voucher schemes, funded by the FEAD, as well as other funds, from practitioners across different EU Member States (Belgium, Croatia, Spain and Romania). Participants also discussed advantages and disadvantages of (e-)voucher schemes for the target groups and partner organisations, and explored different issues related to the design of such schemes, their implementation and reaching out to the beneficiaries. The key messages from the Peer Exchange can be summarised as follows:

### ***Possible advantages and disadvantages of (e-)voucher schemes***

(E-)voucher schemes, compared to direct delivery of food and basic material assistance, can have certain benefits. They have the potential to reduce stigmatisation

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<sup>3</sup> European Commission, 2018, Proposal for a regulation establishing the European Social Fund Plus (ESF+): <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018PC0382&from=en>

<sup>4</sup> e-Vouchers for the most deprived:

<https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8379&furtherPubs=yes>

<sup>5</sup> e-Vouchers for the most deprived, Annex 1, case study report: <https://op.europa.eu/en/publication-detail/-/publication/b580adfb-86d4-11eb-ac4c-01aa75ed71a1/language-en/format-PDF/source-search>

<sup>6</sup> “The Future of FEAD: Exploring Innovative Tools to Support Europe’s most Deprived”: [https://www.esn-eu.org/sites/default/files/publications/FEAD\\_report.pdf](https://www.esn-eu.org/sites/default/files/publications/FEAD_report.pdf)

that some beneficiaries might experience in relation to queuing for food and basic material aid, and give them a greater sense of dignity. Consequently, beneficiaries also have the option to select the products they need, rather than having pre-determined parcels. This may enable them to select healthier produce, as they can pick fresh food in supermarkets.

Furthermore, (e-) voucher systems can reduce the administrative burden on partner organisations, as they require less resources, such as storing space or delivery costs. This can also contribute to reduce food waste.

However, participants also expressed concerns how voucher schemes can be linked to support for very vulnerable groups, so for example how to integrate the delivery of vouchers in wider social, health, education or housing support. E-vouchers schemes may limit contact to social workers or accompanying measures when food aid is delivered. When beneficiaries collect food and basic materials parcels or have them delivered, support workers have the opportunity to (re)assess their needs. While e-vouchers allow beneficiaries to have more autonomy and reduce stigmatisation, the lack of interaction can also lead to not identifying additional needs for social inclusion.

In addition, some groups may require nutritional advice which may be hard to deliver via the provision of vouchers. Furthermore, participants mentioned outreach to illiterate groups, people facing homelessness or people with lacking digital skills (in case of e-vouchers) as potential challenge.

Furthermore, there were open questions around the implementation of vouchers in case cards are lost or stolen. Moreover, in case vouchers are provided via supermarkets, they can actually be of less value than food provided via traditional approaches.

### ***Delivery of voucher schemes with several partners***

(E-)voucher schemes can have complex designs and involve several actors, therefore close collaboration between all relevant stakeholders is essential.

On local level, participants stressed the role of non-governmental organisations, charities or community groups to outreach to the target groups and provide them with the vouchers. Additionally, in other schemes, social workers provide the link to the scheme. In both cases, these community actors know local needs well and can also direct beneficiaries to wider support services for social inclusion.

Furthermore, using existing structures and already established networks can facilitate a more successful transition to e-voucher schemes. For instance, vouchers could be delivered by social workers who already know the target group well, and are able to direct them to more personalised support, such as nutritional advice or other services to address wider needs. For instance, the Belgian Ticket S scheme is implemented by Public Welfare Centres who can provide or refer to social activation measures, health, employment or housing support.

### **The Ticket S voucher scheme, City of Antwerp, Belgium**

The Ticket S scheme targets the most deprived and aims to increase the purchasing power of people in need, supporting them towards financial independence. It has been in place in the city of Antwerp in electronic format since 2018. The scheme is run by the Public Centre for Social Welfare (OCMW) active in each municipality in Belgium. Edenred is the voucher service provider, responsible for producing and loading the vouchers.

The vouchers can be used to purchase food (no alcohol or tobacco products) and are accepted in more than 25 000 shops across the country. Around 100 social aid organisations are currently implementing the Ticket S solution, but only one, the Public Centre for Social Welfare in Antwerp, is using an electronic format.

The delivery process of the Ticket S (for the OCMW in Antwerp) takes place as follows:

1. Once deemed eligible, the recipient receives a document from the local OCWM to take to the OCMW bank and collect their Ticket S card.
2. The OCMW bank gives the end recipient an empty card and 'orders' credit to be loaded onto it by Edenred through a dedicated webspace within 24 hours. For urgent cases, which are assessed on a case-by-case basis, the card can be loaded within four hours, and some pre-loaded cards are even available at the centre.
3. The exact amount to be received by end recipients is calculated by the Public Social Centres, based on an assessment of the end recipients' individual situations.
4. The card is activated by the OCMW.
5. The end recipients can also create an account on Edenred, Sodexo or Monizze's dedicated online webspace, through which they (and the Public Social Service) can check their balance, find out which shops they can use their vouchers in, report if their card is lost or stolen, as well as access other relevant customer support services.<sup>7</sup>

### **Support for the target group**

Targeted support and addressing needs of beneficiaries is essential when developing e-voucher schemes. While (e)vouchers have the potential to reduce stigmatisation, beneficiaries and organisations working closely with them should be consulted when designing the schemes. For instance, FEAD beneficiaries can be surveyed about their preferences, concerns and options for food delivery.

Concerns around digital skills and the uptake of e-vouchers by older people have been successfully address in a recent Romanian initiative, funded by the FEAD, where e-vouchers provide warm meals.

### **Hot meal vouchers, Romania**

E-vouchers can be used by elderly people in restaurants across the country. This programme has started in 2020 under the Operational Programme Aimed At Assisting The Most Deprived Persons and the cards are provided by Edenred, Sodexo Romania, Mastercard Romania, and the scheme is rolled out in collaboration with regional and local authorities. The cards can be used by:

- Persons aged 75 or over, without material assistance, with income at the level of the social allowance for pensioners,
- Homeless people, including people / families who have been evicted and families with children who do not have a permanent home, especially single parents.

More than 300 000 hot meal voucher cards have been distributed nationwide, and 70% of them have already been used at least once since December. The amount allocated via the voucher is approximately EUR 40 per month and is valid for 12 months from the date of their loading on the card. The maximum value of the daily transactions accepted with the card is approx. EUR 10. The cards can be used exclusively in partner food establishments that serve hot food: restaurants, canteens, fast food, pizzerias or catering companies.

To reach out to beneficiaries, an information campaign has been conducted prior to the launch of the scheme, to raise awareness about the programme. Anecdotal

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<sup>7</sup> e-Vouchers for the most deprived, Annex 1, case study report: <https://op.europa.eu/en/publication-detail/-/publication/b580adfb-86d4-11eb-ac4c-01aa75ed71a1/language-en/format-PDF/source-search>

evidence suggests that the uptake has been particularly successful in rural areas and the target groups did not encounter any difficulties with using the e-vouchers. Practitioners also observed that the staff working at the restaurants volunteer to help the elderly use their cards if they are struggling. Out of 300 000 people who have received an e-voucher only a little more than 800 reported their card lost.

### ***Hybrid models of delivery***

Other models try to combine vouchers with wider support measures and more traditional food delivery. For instance, the City of Zagreb, Croatia uses social cards which allow access to different ways of food delivery, providing more choice and reducing queues in food delivery.

The Solidarity supermarkets run by the Spanish Federation of Food Banks provide FEAD funded food which beneficiaries can purchase via vouchers.

### **The social card system, City of Zagreb, Croatia**

In 2004 the City of Zagreb established the 'Good Home' institution that provides nutrition and social assistance for citizens in need, including meals in public kitchens, family packages, dairy foods, and meal deliveries. Up until 2007 distribution of these services was provided manually, without digital support, which was slowing down the process.

In response to these challenges the City of Zagreb initiated the 'E Health system', an online platform, which included social cards used by beneficiaries to access various services. The delivery process of the social cards works as follows:

- The City Office for Social Protection and Persons with Disabilities determines the use of certain services to beneficiaries.
- User records are maintained in the E-health application. When entering a user data, all demographic information about the user (age, gender, work status, marital status, educational status, status at the social welfare centre, residential status) is collected. Data about all members of the beneficiaries' household is also entered.
- The services are activated for a maximum period of six months, except for the right to help children with dairy food, which is available from the month following the activation until the first year of the child's life.
- The first time the cards are activated, the user receives a social card through the eHealth application.
- All public kitchens and food distribution centres have social card readers and all meals and packages are tracked.

### **Solidarity supermarkets run by the Spanish Federation of Food Banks**

The solidarity supermarkets are set up like small supermarkets and aim to give beneficiaries the possibility to choose their food and material assistance in a supermarket setting. They can then pick food via a points-based system provided via social cards. Social services or local charities can refer beneficiaries to those supermarkets.

Food products are mostly supplied by the FEAD programme, together with donations. The initiative demonstrates the role of food banks, in collaboration with charities and public authorities, to reduce stigmatisation in the delivery of food, increase the food choice of beneficiaries and to simplify logistics.