

# **Ex-Ante Evaluation of Potential Eligible Activities to Reduce Material Deprivation for the 2021-2027 Programming Period**

Summary of the Final Report

For the programming period 2014-2020, the support from the Fund for European Aid to the Most Deprived (FEAD) was one of the European Commission's (EC) initiatives to contribute to improving the quality of life of the most deprived and reducing social exclusion in the Member States. The main objective of *ex-ante* evaluation was to **prepare for the implementation of support measures** that would help to reduce material deprivation in Lithuania during the 2021-2027 programming period. Evaluation provides conclusions on **the most effective ways** of providing material support to end recipients and implementation of accompanying measures. Moreover, the evaluation includes analysis on reduction and **elimination of stigmatisation** of the target group. The study implemented between September 2020 and June 2021 **assessed**:

- 1) whether **FEAD support** used to purchase products and hygiene goods could be **transferred to electronic cards** in the new programming period;
- 2) **accompanying measures** carried out by the partner organisations between 2014 and 2020 in order to draw conclusions on the prospects to focus accompanying measures on activities of **social innovation or social experiment type**.

The study team used reliable methods of data collection and analysis, such as desk research, survey of partner organisation (a total of 76 partner organisations and NGO representatives filled in survey questionnaires), interviews (25 interviews were conducted with representatives of Ministry of Social Security and Labour, European Social Fund Agency, partner organisations, supermarkets).

As many as 73.2% of survey respondents identified the use of **electronic cards as a better alternative** compared to direct material support with food and hygiene items. Interviewees also identified the electronic card system positively or more positively compared to provision of food and hygiene products as a way to deliver FEAD support. The survey participants identified the following most important advantages of electronic cards: possibility of choice for the end recipients (79.7 %); addressing individual end recipients' needs (63.8 %); reduction of administrative costs (63.8 %); strengthening of recipients' self-support (58%).

The evaluation has shown that depending on the model chosen for the implementation of electronic cards, the **administrative costs of FEAD support would decrease significantly**. The card system would save transportation and storage costs and reduce the need for human resources to provide direct distribution of FEAD support at aid distribution points. The calculations showed that the administrative costs of the current direct FEAD support provision incurred during the seven-year programming period could exceed 6,5 million euro, of which 1,1 million euro consists of additional funds provided by partner organisations. On average, the total administrative cost per end recipient amounts to 29.5 euro over seven years period.

The assessment showed that a **significant number** (62.2% of survey respondents) of **municipalities** already have experience transferring social support and/or pupil support **to electronic cards**. Therefore, the majority of municipalities are **already experienced in cooperation with supermarkets and stores** and are **able to select, contract and administer** work with both large supermarkets and small local stores. The **selection of supermarkets is carried out by organising open tenders**, taking into account the **availability of stores** located in the end recipients' municipalities, the **discount** applied to the recipients of social cards, the **best ratio of price to quality** of the products supplied, and the **range of goods** available in the store. **Supermarkets also bear the main burden of installing and administering cards**, except in the case of paper vouchers, when the vouchers are administered and issued by municipalities. Based on the experience to date, processes in municipalities have been smooth and the

Lithuanian example of the application of social cards has been assessed as a good practice at the EU level<sup>1</sup>.

However, there are also partner organisations that do not have experience in transferring social assistance to electronic cards. Therefore, in the new programming period, **following the decision to apply the indirect provision of FEAD support to electronic cards, it is recommended:**

- to initiate an introductory meeting with representatives of ESFA, municipalities and NGOs on the introduction of electronic cards for the provision of FEAD support;
- to appoint ESFA the project manager (beneficiary) responsible for the indirect delivery of EPSAF support;
- to involve municipal administrations in the delivery of FEAD support as partner organisations, ensuring their involvement in the process of selection of supermarkets and stores.

In order to **ensure the efficiency of the electronic cards system**, it is recommended:

- to organise the selection process through a centralised open tendering procedure with specific selection criteria and a division of the procurement into 60 lots, thus allowing flexibility to select more than one market in each municipality and ensuring that the needs of the end recipients are best met;
- to set minimum of qualification requirements on administrative capacity to install and administrate electronic cards and the discounts applied to the entire basket of goods purchased by FEAD end recipients;
- to discuss applicability of additional selection criteria: 2) the ratio of quality, and the range and price of the offered basket of goods, based on the predetermined list of groups of products; 3) the possibility to place orders remotely and to receive home delivery;
- as in the case of social cards, it is proposed to provide the possibility for the end recipients to choose and change the stores according to their needs. This could be done by filling in the application form in the social support department of local municipalities.

For the **end recipients with reduced mobility or living in remote areas** it is recommended:

- to enable social workers to shop on behalf of beneficiaries with a written authorization and to deliver the goods to the beneficiaries' homes;
- to provide end recipients with shuttle service to get to the store and back home, organized by the administration or social workers of the municipality.
- encourage supermarkets and stores to provide a possibility to order goods online or by phone, also, offer home delivery services;

The evaluation also showed that, at EU level, it is currently foreseen that in the case of indirect FEAD support, in order for support to be considered eligible, the costs must be actually incurred by the end recipients. This way, only the costs based on actual purchases of the end recipients can be declared to the European Commission. In the light of limited current experience of the application of financing not linked to costs, it is recommended to use a method of reimbursement based on **real costs**, with the possibility of returning unused funds to the budget, as well as allowing end recipients to spend unused funds during a set period of time.

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<sup>1</sup> E-Vouchers for the Most Deprived. Retrieved from: <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8379&furtherPubs=yes>.

The study also showed that partner organizations carried out various types of **accompanying measures** related to employment and social inclusion to strengthen the social integration of FEAD end recipients: individual counselling on employment or referral, excursions, camps and educational programmes (e. g. first aid training and swimming lessons), cooking and health nutrition lessons, various other courses and trainings (e. g. health programmes for women and motivational seminars), psychological counselling, personal hygiene lessons, and budget accompanying measures. It is also sought to involve end recipients in voluntary activities with elderly people, local community and various NGOs. Taking into account the experience of partner organizations who are well informed of the needs of the end recipients and actual opportunities to implement activities, it is recommended to **continue implementing of accompanying measures at the municipal**.

**To date, the logic of the project cycle and assessment have been used in a fragmented or non-existent way** during the implementation of accompanying measures. To implement the accompanying measures more effectively in 2021-2027, it is proposed **to apply the logic of the project cycle and to implement pilot interventions - social experiments and / or social innovations**. The implementation and organization of **accompanying measures should preferably be based on a logic scheme of the project cycle**.

Due to the differences in the levels of motivation of FEAD end recipients to participate in accompanying measures and other activities, **in order to achieve the maximum return on investments, it is recommended:**

- to choose motivated or more likely to change target groups, such as children and young people from orphanages, unemployed young people, etc.;
- to invest in long-term individual consultations (FEAD supported activities can only be a part of them), their organization and implementation, as well as development of individual plans for highly unmotivated target groups, such as homeless people.

It is proposed to **provide assistance and advice to partner organizations at national level to assess the effectiveness** of accompanying measures:

- to consider entrusting ESFA with the provision of expert methodological assistance, training for partner organizations on the planning of accompanying measures, the definition of interventions for these activities, as well as the definition of monitoring indicators and evaluation framework;
- to provide the list of recommended activities and priority target groups to the municipalities and to update these lists regularly;
- to disseminate the examples of Lithuanian and foreign countries good practices presented in this report and new emerging examples publicly available. These examples should be used to inform the representatives of municipalities about the possibilities of dissemination of results at the national and EU level;
- to organize annual meetings of municipal representatives at the national level, providing them with a platform to discuss / share good practices and achieved changes as well as to seek opportunities for cooperation in the implementation of social innovations or experiments.

To achieve long-term lifestyle changes for FEAD end recipients, **to increase their employment, to reduce poverty, and to promote social integration, it is recommended:**

- to focus accompanying measures on continuity in order to form habits of FEAD end recipients to use mainstream services (educational, health and others) and to participate in further activities after the end of accompanying measures;

- to coordinate and / or to integrate accompanying measures into long-term activities funded by other sources of funding (municipal or national);
- to co-operate with local level organizations, communities, health and educational institutions in order to inform FEAD end recipients in a timely manner about the activities, services and employment programs available and suitable for them;
- to involve representatives of NGOs, other organizations, partners, other municipalities, volunteers, who could provide more opportunities (both in terms of human and financial resources) to better meet the needs of end recipients, and to organize continuous accompanying measures as well as to increase their scope;
- at the national level, to mediate representatives of municipalities in cooperation with representatives of different ministries implementing ESF-funded projects, in order to expand the opportunities for FEAD end recipients to participate in activities in various fields.