STATEMENT

Revision of the EU’s long-term budget: a step backwards for EU humanitarian funding

On 27 February 2024, the European Parliament consented to the decision taken by the European Council on the revision of the European Union’s (EU) long-term budget, the multiannual financial framework (MFF).

The VOICE network expresses profound disappointment with the outcome of this revision. Not only does it fail to increase the EU’s humanitarian budget, it also leads to cuts in the emergency funding available to complement it. This leaves the EU’s humanitarian partners with less support than before the revision. At a time when the number of people in need reached 364.6 million in 2023, with a staggering €34 billion funding gap resulting from only 40% of the global humanitarian appeal being funded, this decision marks a significant step backwards in addressing the escalating humanitarian crises worldwide.

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It is worrying that the European Council, regardless of its recently reaffirmed commitment to address the humanitarian funding gap:

- failed to reinforce the main budget line for humanitarian aid (HUMA). The annual baseline set in the MFF for this line falls €1 billion short of the funding needed to continue financing all of the programmes run by the EC’s humanitarian partners (€1.6 billion against €2.6 billion). Because no margins are left under the MFF’s Heading 6, which encompasses HUMA, it is particularly difficult to reinforce the humanitarian budget during the annual budget procedures. The revision of the long-term budget was the opportunity to address this underfunding. It could have tackled the dependency of the humanitarian aid budget line on complementary emergency funding, a direct consequence of chronic underfunding which reduces the operational readiness of funds. Emergency funding was until now provided by the Solidarity and Emergency Aid Reserve (SEAR), which aimed to reinforce the humanitarian budget line, among other priorities.

- cut by €1 billion the increase in the SEAR proposed by the European Commission (EC). While the EC’s suggestion to mobilise additional resources for the SEAR was appreciated, the most impactful and sustainable solution would have been to reinforce HUMA. In addition to this, the additional amount proposed for the SEAR fell short of the funding needs. As detailed above, the humanitarian budget, one of the priorities reinforced by the SEAR, needs an additional €4 billion for the four remaining years of the MFF. The Commission had only proposed an additional €2.5 billion for the SEAR as a whole. It is upsetting that the Member States decided to reduce this already insufficient proposition to €1.5 billion.

- divided the SEAR into two financial instruments but only allocated 1/3 of the funds to the Emergency Aid Reserve (EAR), which reinforces HUMA. Before the revision, the EAR was the component of the SEAR reinforcing the humanitarian budget throughout the year. It will now be a stand-alone instrument. Although VOICE has always been in favour of the EAR and the EU Solidarity Fund remaining separate, the division of the SEAR would only have been welcome if at least 50% of the funds had been allocated to the EAR. The failure of the EU to take this opportunity may have catastrophic consequences for crisis-affected communities. In the unrevised MFF, the EAR could receive funding from a dedicated strand as well as funding from the end-of-year cushion. These two components totalled up to €615 million per year (2018 prices). From now on, the EAR will only receive up to €508 million per year (2018 prices).

In other words, less funding is now available to complement the very scarce humanitarian budget, as this decision fails to reinforce the humanitarian budget and cuts by 17% the complementary emergency funding provided by the EAR.
UNTIL THE END OF THE MFF 2021-2027, WE URGE THE EU TO:

• Increase HUMA to €2.6 billion per year.

On the occasion of the annual budget procedures 2025-2027, all efforts must be made to increase the budget line for humanitarian aid to €2.6 billion.

• Make sure that, every year, the entirety of the EAR is mobilised to reinforce HUMA.

The budgetary authority, formed by the Council and the European Parliament, must approve all requests made by the Commission to transfer funding from the EAR to HUMA, which will undoubtedly lead to the exhaustion of the EAR every year.

1 This figure is the sum of the part of the SEAR earmarked for its EAR component (35% of the maximum 75% to be made available before October) and of the end-of-year cushion available from October (remaining 25%), once the additional €2.5 billion would have been made available for the SEAR for the 4 remaining years of the MFF (2024-2027). 2018 prices.

2 This figure is the sum of the part of the SEAR earmarked for its EAR component (35% of the maximum 75% to be made available before October) and of the end-of-year cushion available from October (remaining 25%), once the additional €4.5 billion would have been made available for the SEAR for the 4 remaining years of the MFF (2024-2027). 2018 prices.