

# VOICE Statement on the next Multiannual Financial Framework

July 2018

United around the commitment to providing assistance to people in need, the European Union, together with its Member States, is the world's leading donor of humanitarian aid and has been able to influence the international humanitarian system building on common EU positions. The critical level of funding reached at EU level enables humanitarian aid actions to have a greater impact: with less than 1% of the EU budget, through its partners - NGOs, the Red Cross family and the UN - the EU provides life-saving humanitarian assistance to more than 120 million victims of disasters and conflicts around the globe every year. The EU has a tangible added value in providing humanitarian aid<sup>[1]</sup>.

However, in the last ten years, humanitarian needs worldwide have more than doubled and the humanitarian aid budget within the EU 2014-2020 Multiannual Financial Framework has been stretched to its limits. The next MFF will not only determine the role the EU can play as a leading humanitarian aid donor, but will also shape the quality, effectiveness and efficiency of the aid that humanitarian partners are able to deliver.

NGOs are the EU's main partners in delivering humanitarian aid. They provide aid where it is most needed, in accordance with the fundamental humanitarian principles, and, thanks to their expertise, field presence and professionalism, contribute towards responding to the diverse needs of crisis-affected populations.

On May 2, the European Commission (EC) released its Proposal for a *Regulation laying down the multiannual financial framework for the years 2021 to 2027* and Communication 'A Modern Budget for a Union that Protects, Empowers and Defends' with its annex, followed on June 14 by a set of proposed regulations for external instruments. In reaction to these proposals, the VOICE network shares the following remarks and recommendations with the EU Member States and the European Parliament.

VOICE (Voluntary Organisations in Cooperation in Emergencies) is the network representing European NGOs active in humanitarian aid worldwide, most of them holding a Framework Partnership Agreement (FPA) with the European Commission's DG ECHO. VOICE is the main NGO interlocutor with the European Union on emergency aid and disaster risk reduction.

## Key recommendations

-  **Keep a separate humanitarian aid instrument**
-  **Increase the humanitarian aid allocation to answer growing needs**
-  **Support the Commission's proposal to ensure that humanitarian responses to external crises remain a priority in the use of the Emergency Aid Reserve**
-  **Provide full funding for the humanitarian aid budget line (payment and commitment appropriations at the same level)**
-  **Ensure funding and concrete progress towards Disaster Risk Reduction and Preparedness**
-  **Include funding flexibility for LRRD and the humanitarian-development nexus**

[1]. [Comprehensive evaluation of the European Union humanitarian aid, 2012-2016, Executive Summary](#) - page 11



## **The VOICE network welcomes the European Commission's proposal to keep a separate humanitarian aid instrument, based on the Humanitarian Aid Regulation<sup>[2]</sup>.**

A separate instrument has been a safeguard for EU humanitarian aid to be delivered according to the humanitarian principles<sup>[3]</sup> of humanity, impartiality, neutrality and independence because it maintains a clear separation between the source and purpose of humanitarian aid funding and other funding instruments which may have legitimate political objectives. Moreover, having a separate instrument has made humanitarian aid more flexible in terms of programming than many others instruments, in order to react to changing circumstances in crises and sudden onset crises. It is the best budgetary set-up to match the important operational necessity of reaching people in a timely and effective manner.



## **VOICE recognises the effort made to increase the humanitarian aid budget in the next MFF and encourages Member States and the European Parliament to go further, in order to progressively reach €2 billion by 2027.**

The EC proposal is to allocate €11 billion to humanitarian aid for the 7-years period of the next MFF, i.e. close to €1.6 billion per year instead of the current ceiling of around €1 billion per year. While acknowledging the significant effort made to increase the humanitarian aid budget, the VOICE network also recalls that needs globally have more than doubled since 2011 and that the annual under-budgeting has consequences on the efficiency of EU humanitarian aid<sup>[4]</sup> and on operations to save lives on the ground. VOICE considers that an envelope of €12.5 billion for seven years would allow a progressive increase from €1.6 billion to reach €2 billion in 2027 and allow flexibility to answer increasing needs.



## **VOICE takes note of the EC proposal to extend the scope of the Emergency Aid Reserve and calls on the Member States and the European Parliament to ensure that humanitarian responses to external crises remain a priority.**

Flexibility is crucial to deliver timely and effective humanitarian assistance. Flexibility means being prepared for unpredictable and escalating crises and being able to respond on time, before people die, by mobilising money and programmes responsively. Since 2014, the Emergency Aid Reserve has been one of the key sources of additional funding for humanitarian aid to swiftly address suddenly increasing needs and unforeseen crises in non-EU countries. VOICE welcomes the proposal to reinforce the EAR with €600 million per year and takes note of the extension of its scope to internal crises. We welcome the proposed temporary ceiling of 50% to be applied to both internal and external dimensions for the first 9 months of the year. This is absolutely crucial to avoid that the EU finds itself unable to respond to sudden onset crises outside the EU. In addition, the Emergency Aid Reserve should guarantee priority access for humanitarian assistance and the external expenditure should be 90% ODA eligible as currently defined by the OECD-DAC. Both the temporary ceiling and 90% DAC-ability must be reflected in the MFF Regulation and in the inter-institutional agreement.

In addition, noting also that the Emergency Aid Reserve will be a significant source of additional funding for rescEU, the revised Union Civil Protection Mechanism, NGOs also take this opportunity to recall that outside the EU, the use of civil protection resources should be needs-driven and complementary to and coherent with humanitarian aid; in complex emergencies, the deployment of civil protection assets should rather be the exception<sup>[5]</sup>.



## **The VOICE network reiterates its recommendation to ensure funding predictability by providing full funding for the EU aid budget line.**

Predictability matters for the EU's engagement towards crisis affected populations. For humanitarian partners, predictability also means confidence that the EU will actually be able to pay.

[2] [Council Regulation \(EC\) No 1257/96 of 20 June 1996 concerning humanitarian aid](#)

[3] [Treaty on the Functioning of the European Union, part 5, article 214, Council Regulation \(EC\) No 1257/96 of 20 June 1996 concerning humanitarian aid](#) and the [European Consensus on Humanitarian Aid](#) (2007)

[4] [Comprehensive evaluation of the European Union humanitarian aid, 2012-2016, Executive Summary](#) – page 9: “The effectiveness and efficiency of the EU as a donor depends largely on its ability to mobilise funding swiftly as humanitarian needs arise. At the beginning of the year, DG ECHO is generally under-budgeted but several sources to top-up the budget throughout the year exist, allowing to cover emerging needs. The top-up process nevertheless appears to be sub-optimal, as repeated top-ups are burdensome and hinder efficiency.”

[5] [European Consensus on Humanitarian Aid](#), paragraphs 58 to 60

In the past, a gap between the level of commitments and payments has led to uncertainty regarding ECHO-funded projects and the engagement NGOs have towards crisis-affected populations on Europe's behalf<sup>[6]</sup>. Indeed, humanitarian aid programming responds to emergency situations and DG ECHO rapidly allocates funding thanks to pre-assessed humanitarian partners<sup>[7]</sup> for whom high pre-financing of projects is essential for timely, predictable and quality operations. Consequently, the entire amount of commitment appropriations is usually contracted during the year and a very close level of payments is made in the same financial year. Therefore, commitment appropriations and payment appropriations must be at the same level for both in the humanitarian aid budget line, as has been the welcome practice for several years.



### **VOICE calls on the EU to translate its commitment to a community-based approach to Disaster Risk Reduction and Preparedness into concrete results.**

In the context of climate change and the need for climate adaptation, Disaster Risk Reduction (DRR) and Preparedness are crucial. DRR prevents the loss of lives and human suffering, and helps to preserve results achieved through development cooperation in partner countries and to reduce the need for emergency responses. The European Union played a key role in the negotiations of the Sendai Framework for Disaster Risk Reduction 2015-2030 with a unified and persistent position for an ambitious framework. The VOICE network welcomes that the EC's proposal for the next MFF, in particular in the Neighbourhood and International Cooperation Instrument proposed regulation, includes the Sendai Framework as a reference point and mainstreams DRR in the geographic and thematic pillars.

DRR is an integral part of resilience and the humanitarian-development nexus. Investment in DRR should ideally happen before a disaster strikes rather than only as part of building back better. In line with the EU's approach to resilience, risk, vulnerability and capacity analysis and a community-based approach, must be at the heart of the EU's efforts. Therefore, VOICE calls on the EU institutions to make sure that DRR and preparedness are not only mainstreamed in the new regulation, but also matched with corresponding investments and programming.



### **The VOICE network stresses the need to seize the opportunity of the next MFF to financially support Linking Relief, Rehabilitation and Development.**

With the rise in the number of disasters caused by natural hazards, as well as the impact of climate change and conflicts, Linking Relief, Rehabilitation and Development (LRRD) is again highly relevant. The EU's commitment to LRRD has been renewed with the impetus on the humanitarian-development nexus<sup>[8]</sup>. Implementing the nexus requires ensuring complementarity of development and humanitarian activities, and a culture shift from the EU as a donor, towards more operational flexibility and risk taking to support LRRD, people and their communities' resilience, early recovery and reconstruction. NGOs have seen opportunities lost due to a lack of suitable and flexible financial instruments – the next MFF provides an opportunity to address this. More multi-year planning and funding in EU humanitarian activities, and the systematic introduction of crisis modifiers in EU development activities are concrete elements that the EU can introduce to enable its partners to effectively contribute to the nexus implementation.

Moreover, the third pillar for rapid response foreseen in the Neighbourhood Development and International Cooperation Instrument also presents some potential to bridge between development and humanitarian assistance, provided that rapid response does not imply only short- term/sighted solutions and that people's needs remain at the heart of the approach. It is also essential to ensure coordination and complementarity between actions funded under this pillar and development programming in the other pillars. In that sense, VOICE underlines that the governance of the rapid response actions must respect the humanitarian perspective and ensure humanitarian expertise is taken into account. Decision-making should be guided by operational constraints and needs rather than driven by the EU's own political needs.

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[6] At the end of the 2007-2013 MFF, a backlog of unpaid bills spilled over into the current one and resulted in delays to the start of 2014-2020 programmes and in payments, including for humanitarian aid. NGO partners in the field had to make difficult choices and use their own resources to maintain the commitment to people in need. One of the lessons learned was that given the life-saving purpose of humanitarian aid, and the limited size of its allocation in proportion to the whole MFF, payment appropriations should consistently match commitment appropriations.

[7] About the Framework Partnership Agreement (FPA) and the FPA Watch Group : <https://ngovoice.org/fpa-watch-group>

[8] [Council conclusions, Operationalising the Humanitarian-Development Nexus](#), May 2017

## The VOICE network

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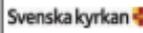
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