

UNHCR's Key Calls to the European Union

MID-TERM REVIEW OF 2021-2027 MULTIANNUAL FINANCIAL FRAMEWORK (MFF)

The current global forced displacement situation remains a significant humanitarian and development crisis, with a record estimated 108 million people forcibly displaced worldwide. The global responsibility to respond to these mass movements has largely been shouldered by a small number of hosting countries and communities – most of them in the developing world – as well as by donors, which provide financial support to those countries, as well as to those forced to flee.

UNHCR is present on the ground before, during, and after displacement crises occur, with a clear mandate assigned by the international community to save lives, protect forcibly displaced people, facilitate their integration into national systems, and promote sustainable solutions that prevent dangerous onward journeys.

With the number of people forced to flee globally spiraling, the European Union's (EU) budget needs to adapt in order to be able to address the numerous and complex crises of today and tomorrow.

The mid-term review of the European Commission's (EC) budget represents an excellent opportunity to ensure that funding levels are adequate and directed to where needs are most acute, so no one is left behind as we progress towards the Sustainable Development Goals (SDGs). The EC has the opportunity to lead by example and replicate good practices that emerged during the response to the Ukraine situation in other parts of the world, thus enabling UNHCR to better deliver on its mandate and ensuring that hosting countries see the dividends of the Global Compact on Refugees and the principle of global solidarity, and that people forced to flee can live in dignity.

UNHCR welcomes the recent Commission proposal as part of the budgetary mid-term review to make an additional EUR 15 billion available to address migration and forced displacement. Nevertheless, and despite continuous calls from both the European Parliament and the Council, the proposal still lacks a clear commitment to predictability and flexibility.

In this context, UNHCR addresses the following key calls to the EU for its revision of the current seven-year MFF.

AMENDMENT OF FINANCIAL REGULATIONS

Key Ask 1: **Make EU funding more agile**

Lessons learnt from the EU's response to the situation in Ukraine have demonstrated the benefits of an agile and responsive EU budget for both internal and external crises. The ability to increase budgets and allow for reprogramming make the MFF remarkably flexible for responses within the EU. But this flexibility has been for the most-part limited in the external action budget. The EU and its Member States (MS), as Team Europe, have the responsibility to be responsive and present in times of crisis. Making flexible, un-earmarked and multi-year funding available needs to become a standard practice, wherever possible, in line with commitments made under the Grand Bargain.

Key Ask 2: **Make EU funding needs-driven**

UNHCR recommends that the revised MFF have built-in benchmarks and that it makes funding proportional to needs, ensuring that both specific protection needs of refugees and the impact of forced displacement on host countries and communities are duly taken into account. Such measurement allows for the identification of areas to which resources can be directed more effectively, thus ensuring that the EU's support addresses the specific needs of refugees and host communities alike.

HUMANITARIAN FUNDING

Key Ask 3: **Increase EC and MS humanitarian budgets**

The humanitarian aid budget line should increase to a minimum of EUR 2.6 billion per year, as compared to the current EUR 1.6 billion. However, this increase should not be made at the expense of development funding. When the current MFF was negotiated in 2018, 133 million people were in need of humanitarian assistance. Today, 339 million people are in need of such assistance. The EU should increase its budget accordingly.

Key Ask 4: **Pay particular attention to underfunded and forgotten crises**

Forgotten crises are the protracted humanitarian crises in which those caught up in them receive insufficient international aid, or even no international aid whatsoever. They also often lay out far from the media spotlight. To date, the EU has committed to allocating at least 15 per cent of its initial annual humanitarian budget to forgotten crises and has also shown leadership in chairing several international conferences and platforms on protracted crises. While such steps are important and very much appreciated, the EU can do more by increasing the share allocated to forgotten crises allowing for greater coherence and proportionality in EU financing. This allocation should also be reported on transparently.

DEVELOPMENT FUNDING

Key Ask 5: **Make a distinction between migration and forced displacement and report transparently on direct financing for forced displacement under 10% target of NDICI**

As it stands, it is impossible to monitor the exact amount that the EU will allocate and spend on forced displacement under the Neighborhood Development and International Cooperation Instrument (NDICI). Measuring spending on forced displacement separately from spending on migration is paramount, as the development impact on countries hosting forcibly displaced people is very different from the impact on those hosting migrants. With precise data in place, the EU would be able to showcase its engagement as a reliable global actor to address forced displacement. As a result, it could send a strong signal of global responsibility-sharing to large refugee hosting countries – a key principle enshrined in the future Global Compact on Refugees.

Key Ask 6: **Ringfence funding for forced displacement in the Multiannual Indicative Programs in critical forced displacement settings**

To date, the NDICI's Regional Indicative Programmes (RIPs) have been the source of the majority of funding aimed at addressing forced displacement. Because most displacement situations are protracted and hosting people forced to flee can slow down development of communities and countries, the EU should use the revision of its Multiannual Indicative Programmes (MIP) to make migration and forced displacement a sub-priority and ringfence parts of its bilateral funding to promote better protection and solutions. This should take place in all the least-developed countries that are playing host to at least 25 000 forcibly displaced people.