



*Committee on Development
The Chair*

8.9.2023

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: Opinion on the Interim report on the proposal for a mid-term revision of the Multiannual Financial Framework 2021-2027 (2023/0201R(APP))

Dear Mr Chair,

Under the procedure referred to above, the Committee on Development has been asked to submit an opinion to your committee. At its meeting of 28 June 2023, the committee decided to send the opinion in the form of a letter.

The Committee on Development considered the matter at its meeting of 30 August 2023. At that meeting¹, it decided to call on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution.

Yours sincerely,

Tomas Tobé

¹ The following were present for the final vote: Tomas Tobé (Chair), Pierrette Herzberger-Fofana (Vice-Chair), Stéphane Bijoux (Vice-Chair), Erik Marquardt (Vice-Chair), Charles Goerens (rapporteur for opinion), Barry Andrews, Hildegard Bentele, Dominique Bilde, Udo Bullmann, Christophe Clergeau, Ryszard Czarnecki, Ilan De Basso, Rosa Estaràs Ferragut, Mónica Silvana González, Beata Kempa, Karsten Lucke, Aušra Maldeikienė (for EPP pursuant to Rule 209(7)), Michèle Rivasi, Miguel Urbán Crespo, Pernille Weiss ((for EPP pursuant to Rule 209(7))).

SUGGESTIONS

1. Welcomes the Commission proposal for a revision of the multiannual financial framework (MFF) in so far as it offers a response to the urgent shortcomings of the insufficiently endowed Heading 6, Neighbourhood and the World, in light of current, unforeseen global challenges; welcomes the top up to the almost-depleted cushion of the Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI-GE) and to the Solidarity and Emergency Aid Reserve (SEAR), which partly responds to Parliament's call to align resources with EU ambitions in order to adequately respond to current crises and global challenges, but expresses doubt on whether the amounts will suffice; believes, therefore, that this increase in Heading 6 should be seen as a minimum and that it is needed for effective EU external action, fulfilment of the SDGs commitments and in order to remain a global leader in the field of humanitarian assistance and development cooperation, in particular given the consequences of Russia's war of aggression against Ukraine for food security in the Global South;
2. Urges the Council to agree to the proposed increase in the Heading 6 ceiling including the top up of SEAR and to do so in time to have an impact on the 2024 budget and calls on the Member States to respect the commitment to allocate 0.7 % of their gross national income to Official Development Assistance (ODA);
3. Recalls that the targets and objectives set in the NDICI-GE Regulation determine the scope of the EU's external action and emphasises that the fresh appropriations under the MFF revision should be spent while respecting these targets and in line with the Regulation; notes with particular attention that migration is presented as the strongest driver behind the revision of Heading 6 and of the 10,5 billion increase and reminds the Commission that NDICI-GE establishes, without prejudice to unforeseen circumstances, an indicative spending target of 10 % of the financial envelope to actions supporting management and governance of migration and forced displacement within the objectives of the Instrument; reminds that development assistance should remain untied in line with the DAC Recommendation on untying Official Development Assistance (ODA); recalls that the EU's development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty;
4. Notes that the global humanitarian funding gap continues to grow and that increasing the SEAR budget by EUR 2.5 billion under the MFF revision is merely an ad hoc solution that will need to be accompanied – in view of the needs – by an increase of the humanitarian budget in the following annual budgets; reminds that an increase of the SEAR is not equal – neither in amount of appropriations for external crises nor in operational readiness of funds – to an increase of the humanitarian aid instrument (HUMA); reiterates the call, made in its resolution of 15 December 2022, on upscaling the 2021-2027 MFF, to increase the annual appropriations by EUR 1 billion (in 2018 prices) for each strand - internal and external - of the SEAR; stresses that the humanitarian aid instrument (HUMA) must receive significantly more funding in the next MFF to align with the EU's commitments to be a leading humanitarian donor; welcomes, in this regard, the Council conclusions of 22 May 2023 on addressing the humanitarian funding gap; also stresses that closing the funding gap is a global

responsibility and reiterates the need to involve non-traditional donor countries with major economic prospects and the potential of the private sector;

5. Reiterates that the NDICI-GE will require additional funding in view of continuing conflicts and pressure from the climate crisis, which result in insecurity, increased displacement, food and education crises and, in this regard, insist on respecting the 30% climate spending target set in the Regulation; invites the Commission to present an overview of the budget lines under Heading 6 that are most in demand; underlines that the EU response to the immense expected needs in Ukraine must not come at the detriment of other geographical regions or thematic priorities and that the funding for humanitarian needs in Ukraine that are not covered by the UA Facility should not generate imbalances in funding between crises; further stresses that the primary objective of development cooperation, including through the Global Gateway Strategy, continues to be achieving the Sustainable Development Goals and ensuring that resources are provided where the need is the greatest, which is done by addressing first the needs of those that are furthest behind; is concerned that a continued use of the cushion for assistance to Ukraine would exhaust most of it; requests that the interest rate subsidies related to MFA loans and provisioning of 2022 / 2023 EIB loans to Ukraine from the NDICI-GE cushion be covered under the future Ukraine Facility; stresses that the MFF revision should take due account of the EU's ability to deliver on the Global Gateway Initiative.