

H.E. Alexander Schallenberg
Minister of Foreign Affairs
Federal Ministry for European and
International Affairs
Minoritenplatz 8
1010 Vienna

Vienna, 23 January 2024

EU Budget Revision: Step up funding for Global Action

Dear Minister Schallenberg,

we trust this letter finds you well.

As Global Responsibility, the Austrian Platform for Development and Humanitarian Aid, we would like to bring to your attention crucial matters regarding the budget negotiations of the Multiannual Financial Framework (MFF) of the European Union scheduled for 1 February 2024.

On 14-15 December 2023, 26 EU leaders agreed on an MFF negotiating box¹ that puts forward:

- €7.6 billion for external action (Heading 6) to fund the EU's migration priorities, of which €4.5 billion in redeployments by siphoning off:
 - €2 billion of decommitments - de facto cuts - from the NDICI
 - €0.6 billion of decommitments - de facto cuts - from the IPA
 - €1.9 from the NDICI flexibility cushion, freed up by covering Ukraine support via the new Ukraine Facility
- No reinforcement of the humanitarian aid budget line and a de facto reduction of the yearly funding that can be made available for external humanitarian aid.
- €2.1 billion redeployments from Horizon Europe and €1 billion redeployments from the already small (€5.3 billion) EU4Health programme.

Against this background, we respectfully request your endorsement in **rejecting any proposed redeployments from the NDICI, EU4Health, and Horizon programs**. Preserving the integrity and continuity of these initiatives is paramount to achieving their intended impact. We firmly believe that maintaining their designated allocations is imperative to prevent any potential harm to the EU's credibility as a global actor.

¹ European Council: European Council meeting (14 and 15 December 2023) - Multiannual Financial Framework 2021-2027 Negotiating Box. EUCO 23/23. URL: <https://www.consilium.europa.eu/media/68901/st00023-en23.pdf>



Additionally, we strongly encourage you to **uphold the budgetary rules and principles delineated in the NDICI regulation and act in accordance with its underlying spirit**. Adhering to the principles outlined in the regulation will not only reinforce its effectiveness but also demonstrate our shared commitment to our strategic partner countries.

Considering the crucial importance of strong alliances and partnerships for Europe's future competitiveness and global influence—especially in the potential scenario of reduced U.S. involvement in multilateral actions post the upcoming elections—it is incomprehensible that this proposal...

On foreign aid:

- **...ignores the views and proposals of the Commission and the Parliament.**
- ...is not in line with the rules set out in the NDICI's regulation, which in art. 30 states that when an action is not implemented, the corresponding funding needs to be made available again **to the benefit of the budget line of origin**. Gathering decommitted funds from the NDICI and moving them to NEAR migration programmes **is therefore not legally allowed**.
- ...fails to take into account that at this stage of the budget cycle it is not possible to accurately assess what the level of decommitments will be, which budget lines they will come from, and when those funds will be available. As the €2.6 billion in decommitments would be re-programmed for migration as of 2025, the **only way to quickly implement the EU26 proposal is to cut the NDICI and IPA**.
- ...creates a dangerous precedent whereby the Council can decide unilaterally to transfer funding from long-term programmes to address the priority of the day, **distorting the legislators' intention** as expressed by art. 30 which was to shield funding for long term objectives.
- ...creates a **geographical and thematic imbalance**, in particular putting at risk the EU's ability to meet its legal obligation regarding the amounts foreseen for sub-Saharan Africa and its climate target of 30% within NDICI.
- ...is **in stark contradiction with the EU's development policy objectives**, and the widely promoted ambitions of Global Gateway, the joint EU-Africa Strategy and the European Green Deal.
- ...siphons off €1.9 billion in flexible funding for migration priorities. While €1.9 billion previously committed to Ukraine in the NDICI cushion would be covered by the Ukraine Facility, **earmarking this freed up funding to be programmed for migration purposes leaves the EU with very little flexibility until 2027**. Given the global challenges ahead, this is irresponsible.

On humanitarian assistance:

- **...cuts by €1 billion** the increase in the Solidarity and Emergency Aid Reserve (SEAR) put forward in the EC proposal.
- ...suggests that the EAR - which is the only portion of the SEAR that can top-up external humanitarian assistance - would only benefit from 1/3 of the reduced funds: **up to €508 million instead of up to €935 million in the EC proposal**. This represents a **46% cut** in the funding that can be



made available to reinforce the humanitarian budget throughout the year. Worse, this represents a **17% cut in the funding currently available** for this purpose (€615 million), defeating the objective of the revision to make more resources available for humanitarian crises worldwide.

On health and research:

- **...€2.1 billion redeployments from Horizon Europe and €1 billion redeployments from the already small (€5.3 billion) EU4Health programme, which will damage the EU's competitiveness and innovation capacities, as well as its ability to respond to its citizens' health needs.** Two years after the EU's publication of a Global Health Strategy and still recovering from the Covid-19, this would totally contradict all the lessons learned from the pandemic.

Thank you for your thoughtful consideration and commitment to supporting this pressing request and and trust that your influence will contribute to positive outcomes in the upcoming MFF negotiations.

Yours sincerely,

Director
Global Responsibility