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## Possible ways to improve the funding of emergency refugee situations

### Report<sup>1</sup>

Committee on Migration, Refugees and Displaced Persons

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### Summary

Humanitarian action, the burden-sharing of emergency refugee assistance and the management of large-scale movements of people seeking asylum requires large financial appropriations by governments in their own countries, by States with financial means donating to States in need, and by international organisations, non-governmental organisations and private enterprise. While it is the political and moral responsibility of all European countries to contribute financial resources to dealing with the crises, according to the means at their disposal, they must also do their utmost to spend where needs are greatest, keeping administrative costs and structural obstacles to a minimum while assuring accountability and transparency.

The United Nations system of needs assessment prior to budget planning is strained to the utmost, with a growing gap between budget requirements and funding available. The European Union's recent increased focus on border control and "outsourcing" of humanitarian assistance behind the European Union's borders may, if not solidly supported on the ground, endanger the protection of the basic rights of migrants and refugees. In member States, despite constant demonstrations of popular solidarity, difficult domestic economic and political contexts inspire hostility and rejection.

The report calls for better management of emergency refugee situations funding, characterised by targeted, transparent expenditure and aimed first and foremost at protecting refugees. It encourages greater financial burden-sharing within Europe and among its neighbours and efforts to accelerate administrative procedures.

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1. Reference to committee: Doc. 13830, Reference 4142 of 26 June 2015.



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## A. Draft resolution<sup>2</sup>

1. The Parliamentary Assembly underlines that the financing of humanitarian assistance in the context of the current migration and refugee crisis must be driven by the commitment to guaranteeing the fundamental human and social rights and dignity of the people afflicted by the current and protracted crises which have displaced tens of millions of people from their homes and countries as a consequence of war and other natural or man-made disasters.

2. The Assembly is aware that none of the humanitarian action, burden-sharing of resources or management of large-scale movements of people seeking asylum can be achieved efficiently without large financial appropriations by governments in their own countries, by States with financial means donating to States in need, as well as by international organisations, non-governmental organisations and private enterprise. While it is the political and moral responsibility of all European countries to contribute financial resources to dealing with the crises, according to the means at their disposal, they must also do their utmost to ensure that monies are spent where needs are greatest, keeping administrative costs and structural obstacles to a minimum while assuring accountability and transparency.

3. It is clear that the ongoing migration and refugee crisis has not only revealed shortcomings and divergences between European countries as regards burden-sharing, but has also exacerbated the weaknesses in the funding frameworks of the major international organisations in relation to humanitarian assistance, especially those of the United Nations and the European Union, which like Europe's regulatory frameworks have been tested and proved lacking.

4. The United Nations system of needs assessment prior to budget planning is strained to the utmost, with a growing gap between budget requirements and funding available and a year-long race to secure funds for planned activities, often in competition with other UN-funded sectors. The European Union's recent increased focus on border control and "outsourcing" of humanitarian assistance beyond the European Union's borders may, if not solidly supported on the ground, endanger the protection of the basic rights of migrants and refugees. In member States, despite constant demonstrations of popular solidarity, difficult domestic economic and political contexts inspire hostility and rejection.

5. The Assembly regrets that the complex decision-making and budgetary procedures and slow implementation of European Union programmes on the ground leads to situations where assistance does not allow infrastructure to be put in place and those in need to receive assistance in a timely manner.

6. It welcomes the smaller-scale but important humanitarian assistance provided through other channels, for instance the targeted loans of the Council of Europe Development Bank, which allow rapid and concrete action to be taken, especially for the reception conditions and well-being of migrants and refugees. Private funding, in particular through formal or informal diaspora networks, is an important element of funding for emergencies.

7. In view of the need to address the seriousness of the current migration and refugee crisis by sharing the financial burden while ensuring that spending is driven by humanitarian concerns balanced out by the need to preserve the security and well-being of European citizens, the Assembly:

7.1. supports member States which devote a considerable part of their budget to managing migration, especially countries of reception in the front line of mass arrivals;

7.2. encourages all European States to step up the financial burden-sharing of the current situation, including through international frameworks for co-operation such as those of the European Union, the Office of the United Nations High Commissioner for Refugees (UNHCR) and other international humanitarian organisations;

7.3. calls on the European Union to continue its diversified funding to improve reception conditions, accelerate asylum procedures and encourage short- and medium-term integration of migrants and refugees, alongside additional measures to reinforce security, border controls and returns systems;

7.4. urges the United Nations and its member States to do their utmost to fulfil the "Grand Bargain" agreed at the World Humanitarian Summit in May 2016. In doing so, the UNHCR should ensure in particular:

7.4.1. greater transparency, harmonised and simplified reporting requirements and the reduction of duplication and management costs;

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2. Draft resolution adopted unanimously by the committee on 16 March 2017.

- 7.4.2. data streamlining, with joint and impartial needs assessments by specialists;
- 7.4.3. more support and funding for local and national actors and the reduction of administrative barriers to partnerships;
- 7.4.4. increased use and co-ordination of cash-based programming;
- 7.4.5. increased collaborative humanitarian multi-year planning and funding;
- 7.4.6. a “participation revolution” to include people receiving aid in making decisions which affect their lives;
- 7.4.7. enhanced engagement between humanitarian and development actors.

8. The Assembly calls on the European Union to examine the possibility of nation debt relief in exchange for humanitarian commitments, especially as the economies of countries at Europe’s borders and therefore in the front line of the migration crisis (Greece and Italy for instance) are put under unprecedented pressure.

## B. Explanatory memorandum by Mr Cezar Florin Preda, rapporteur

### 1. Introduction

1. Without existing disaster and emergency funding by individual countries, international organisations, non-governmental organisations (NGOs) and many private donors, the present migration emergency would represent even more of a global cataclysm. Despite shortfalls, political disagreement, reluctance to engage in full burden-sharing and structural and administrative problems, most actors are mobilising substantial resources for humanitarian action aimed at alleviating the crisis. Overall humanitarian aid rises yearly, reaching a total from all sources of US\$28 billion in 2015.

2. The original inspiration for the present report, as expressed in the motion for a resolution tabled by the Committee on Migration, Refugees and Displaced Persons in June 2015, was the committee's ongoing dialogue with the Office of the United Nations High Commissioner for Refugees (UNHCR), which on several occasions had raised the issues – revealed by the scale of the crisis – of the organisation's long-standing system of resource mobilisation, which by the latter's own admission should be reviewed to better withstand the increasing pressure on emergency humanitarian aid mechanisms.

3. I was appointed as rapporteur on 9 September 2015. Since then, further regular exchanges with the UNHCR took place during the preparation of this report, and on 11 October 2016 I proposed that the committee invite the UN High Commissioner for Refugees to attend the debate on this report: the Assembly subsequently decided to invite the High Commissioner to the full-day debate on migration to be held on 28 June 2017 during the Assembly's part-session. The Conference on "A comprehensive political and humanitarian response to the Migration Crisis" organised by the committee at the invitation of the French Assemblée nationale in December 2015 and subsequent hearings (in particular in relation to the preparation of the report on the EU–Turkey Agreement of 18 March 2016) added relevant elements on the financial implications of the crisis. The committee also held an exchange of views with the Governor of the Council of Europe Development Bank on 11 October 2016.

4. Through these exchanges and discussions, I concluded that it would be useful, while focusing on the United Nations system and its implications for the UNHCR, to take the opportunity both to compare the UNHCR and the European Union in this area and to describe very briefly the other main sources of emergency humanitarian funding, the decision-making processes involved in their implementation, their sustainability and their comparative advantages in providing rapid and co-ordinated reactions to humanitarian emergencies. The Assembly has not so far examined the important issue of emergency humanitarian funding, and looking at the figures also serves to put into perspective a number of perceptions of countries' attitudes towards the migration crisis and political stances.

## 2. Scope of emergency funding

### 2.1. What is "emergency refugee situations" funding?

5. According to the UNHCR, a refugee emergency is "any situation in which the life and well-being of refugees will be threatened unless immediate and appropriate action is taken, and which demands an extraordinary response and exceptional measures". Most humanitarian aid organisations make a distinction between emergency aid and more regular forms of financial and development assistance. However, previously well-defined notions such as "emergency aid", "humanitarian aid" and "development aid" now overlap in "protracted emergencies", as asylum seekers and refugees spend longer periods in precarious conditions originally designed to provide immediate and provisional shelter. Allocations for development aid, in the past seen as a means of building sustainable capacities within developing countries in order to avoid the inevitability of forced migration, are therefore increasingly used to respond to urgent humanitarian crises. The theme of development aid could usefully be taken up for a future report building on some of the findings of the present study.

6. There is at present very little distinction either between "humanitarian aid" and aid devoted specifically to refugee situations, as the mass migration which Europe faces is the consequence of all the present catastrophes, whether they are due to conflict, political tension and persecution of minorities, climate change or natural disasters. And despite both disagreement as to levels of contribution to assistance and the problem of "forgotten emergencies", the appropriation of humanitarian assistance to emergency assistance to refugees is seldom criticised.<sup>3</sup> To illustrate this, the 12% increase in global humanitarian assistance between 2014 and 2015 was driven almost entirely by the need to address the severe "mega-emergencies", especially those

resulting from the ongoing conflict and displacement in the Middle East. In 2015, almost one third of total funding was allocated to the Syria crisis. The “top five” emergencies combined – Syria, Yemen, South Sudan, Iraq and Sudan – accounted for over half of all international humanitarian assistance. For the purposes of this report, no particular differentiation will be made between overall humanitarian aid and the financial response to the refugee crisis, unless otherwise specified.

7. As far as European countries themselves are concerned, humanitarian assistance is also principally devoted to the refugee and migrant crisis, and responsibility is usually separated from that of regular social assistance programmes. Third-country contributions to the refugee crisis are examined below. The case of Turkey is interesting, as expenditure related to the hosting of Syrian refugees within its own territory is reported as “humanitarian assistance” in the same way as third-country donations, and some other refugee-hosting costs are counted as part of its “official development assistance” (ODA).

## **2.2. Frameworks for emergency responses**

8. Within the United Nations system, the Office for the Coordination of Humanitarian Affairs (OCHA) manages the Central Emergency Response Fund (CERF), established in 2005 to respond quickly to new and deteriorating emergencies and sustain life-saving assistance in ongoing but neglected crises. Recognising CERF’s critical role in humanitarian funding, the General Assembly in December 2016 called for an increase in total CERF funding from \$450 million to \$1 billion per year. Country-based Pooled Funds (CBPFs) are established by the UN Emergency Relief Coordinator (ERC) when a new emergency occurs or when an existing humanitarian situation deteriorates. They allow donors to pool contributions into single, non-earmarked country-specific funds to support humanitarian efforts, locally managed by international and national NGOs, United Nations Agencies and Red Cross/Red Crescent Movement organisations. In 2016, CBPFs were the largest source of direct funding for national NGOs. Eighteen CBPFs received a total of \$706 million in donor contributions in 2016.

9. In the European Union, emergency funding is split between the Asylum, Migration and Integration Fund (AMIF), the Internal Security Fund (ISF) and the Emergency Support Instrument (ESI). For instance in Greece, €191.92 million had been contracted as of January 2016 for emergency support, under the ESI (health care, shelters, food, protection and psychological support), and €174.7 million<sup>4</sup> awarded under the AMIF and ISF budgets for the same types of emergency support, plus other services related to security and asylum-processing capacity.

## **3. Who pays the bill for humanitarian refugee crises?**

### **3.1. Host countries foot the biggest bills for humanitarian aid<sup>5</sup>**

10. Global humanitarian assistance amounted to a total of US\$28 billion in 2015,<sup>6</sup> representing a third consecutive annual rise (compared to 20.1 billion in 2013 and 25.8 billion in 2014). The rises in total funding in 2014 and 2015 came principally from governments and private donors, who increased contributions by around 11% and 13% respectively from the previous year. In 2015, 20 government donors contributed 97% of all international government contributions. The largest increases came from governments in the Middle East and North of Sahara region, a rise of almost 500% since 2011, mainly driven by contributions from Gulf States in response to crises in the Middle East.

11. However large the amounts appear when seen as a total, in the 20 countries where aid is most required, international aid actually only accounts for 4.8% on average of spending for humanitarian assistance. National governments have the primary responsibility to prepare for and respond to crises in their own territories, and often invest significant amounts in both preparedness and response. On average, the governments of these countries assume 61% of humanitarian aid costs alone, and the rest is advanced

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3. On 13 September 2016, Reuters International reacted to plans to “slash EU funds to Eastern Europe to step up migration budget” stating, however, that the countries concerned had accepted the principle without objection.

4. “Managing the Refugee Crisis, EU financial support to Greece”, European Commission publication of 26 January 2017.

5. Figures are provided in US dollars for UN funding, and in euros for the European Union.

6. Most of the following data comes from the Global Humanitarian Assistance Report 2016, see: [www.globalhumanitarianassistance.org](http://www.globalhumanitarianassistance.org). Following the new Sustainable Development Goals and World Humanitarian Summit, these reports have begun to set a baseline for measuring progress on the implementation of global commitments.

through short and long-term debt, foreign investment and other secondary sources of revenue. Yet the most crisis-affected countries still rely more on international flows than other developing countries. Domestic resources in the countries less impacted constitute an average of 78% of total expenditure.

12. In Lebanon, for instance, net domestic spending rose by 65% in real terms between 2010 and 2015 – the period in which the number of refugees in the country rose from 464 853 to 1 535 662. The rise accounts for all internal expenditure so cannot be exclusively attributed to the increase in refugees, but there is a strong connection. Impact and needs assessments by the Ministry of Planning and International Cooperation in Jordan indicated an estimated US\$1.1 billion domestic funding gap in the Jordan Response Plan for the Syria Crisis 2016-2018, a shortfall of around 8.6% of total government expenditure in 2016.

### **3.2. Third-country donors**

13. Closer examination of the contributions of third countries to humanitarian relief reveals a rather different picture than the dominant political standpoints suggest. Whereas it is to be expected that Germany would rank among the biggest donors, it may seem surprising that the United States devotes by far the largest amounts. The United States, Turkey and the United Kingdom all donated more humanitarian assistance to the countries most in need than the European Union in 2015 (for instance, the United Kingdom donated US\$32 million to Greece alone, and the United States gave US\$29 million to the United Nations International Children's Emergency Fund). Turkey spent the greater part of an overall US\$3.2 billion for 2015 on hosting the 2.75 million (mostly Syrian) refugees in the country, which it reports to the Organisation for Economic Co-operation and Development (OECD) as humanitarian aid rather than domestic expenditure.

14. The Global Humanitarian Assistance Report 2016 summarises the ranking of countries, totals and main sources of aid. European countries other than those mentioned above (in particular Sweden, the Netherlands, Norway, Switzerland France, Denmark, Italy, Belgium and Spain) donate significant amounts in proportion to their national resources. When taken as a proportion of gross national income (GNI), Germany's contribution represents 0.04% of GNI, whereas for the Netherlands and the United Kingdom aid funding represents 0.10% (Sweden 0.19%, Luxembourg 0.16% and Denmark 0.15%).

### **3.3. International organisations**

#### *3.3.1. The Office of the United Nations High Commissioner for Refugees*

15. Since its establishment in 1951, the UNHCR, the leading refugee agency in the world, has been overwhelmingly funded by direct voluntary contributions from States (86% in 2015), but also from NGOs (6%), the private sector (including corporations, trusts, foundations) and individual citizens (6%). Only a small annual subsidy of 2% comes from the regular budget of the United Nations. Each year, the UNHCR issues a Global Appeal asking governments and other donors to contribute to its budget. In large and complex refugee situations, the UNHCR leads and co-ordinates the humanitarian response among agencies and NGOs. With new crises, as in the case of Syria or Ukraine, the UNHCR launches an emergency appeal, hoping that donors will provide it with additional resources and thus enable it to compete with other humanitarian agencies, including UN sister organisations, for a limited amount of humanitarian funding.

16. In 2015, the total amount requested through UN appeals stood at US\$19.8 billion, but actual contributions left a shortfall of 45% (US\$8.9 billion). The UNHCR's financial requirements for 2017 amount to \$7.310 billion. The three largest emergencies, Iraq, Lebanon and Turkey, will alone take up 23% of the budget for programmed activities. The crisis situation and funding pressure mean that some humanitarian situations are persistently neglected: the list of persistently underfunded or "neglected emergencies" frequently features the same countries year on year.<sup>7</sup>

17. The UNHCR prepares a Biennial Programme Budget, broken down into annual budgets based on globally assessed needs. The original programme budget is presented to the UNHCR's main governing body, the Executive Committee, prior to the start of the biennium. Needs are re-assessed during the biennium and a revised budget is presented to the Executive Committee for approval in October of each year. The budget may be adjusted for unforeseen needs that arise in the course of the year by means of supplementary budgets. The final budget from the previous year is presented to the Executive Committee's Standing Committee at its June/July meeting each year.

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7. See the European Commission's Humanitarian Aid and Civil Protection Department (ECHO)'s Forgotten Crisis Assessment index.

18. The UNHCR uses cash-based interventions (cash and vouchers) to provide protection, assistance and services to the most vulnerable, including access to food, water, health care and shelter, that allow them to build and support livelihoods and to facilitate voluntary repatriation. Cash-based interventions seek to protect refugees by reducing the risks they face and by maintaining their capacity to spend; they can be used in a variety of settings, and are a more dignified form of assistance, giving refugees the ability to immediately prioritise and choose what they need. The UNHCR's position is that in this way the displaced are less likely to resort to harmful coping strategies (survival sex, child labour, family separation, forced marriage, etc.). They also directly benefit the local economy and can contribute to peaceful coexistence with host communities.

### 3.3.2. *The European Union*<sup>8</sup>

19. The European Union's migration funding is contained mainly under Heading 3 "Security and Citizenship" (less than 1% of the EU budget), within the Home Affairs budget of 9.26 billion euros earmarked at the beginning of the 2014-2020 Multiannual Financial Framework, divided between the Asylum, Migration and Integration Fund (AMIF, 3.1 billion), the Internal Security Fund (ISF-Borders and ISF-Police, 3.8 billion) and the European Border and Coastguard Agency, EASO and Europol (2.36 billion), and outside of Europe in the Development Cooperation Instrument (DCI) (€132 million between 2014 and 2016). Other secondary financing is assumed through development aid, trust funds and some headings such as Cohesion Policy and Agriculture.

20. Budgets are decided in a seven-year multi-annual funding framework (MFF), with regular adjustments. In 2015, no less than eight "amending budgets" were adopted to respond to the growing migration crisis, and the European Agenda on Migration was developed with the aim of improving management of irregular migration, border management and the implementation of the Common European Asylum System, and introducing the concept of hotspots.

21. The European Union Resettlement Programme was built into the AMIF programme in 2015, by a series of agreements between July and September 2015 (relocation of 22 504 persons in need of international protection, temporary emergency relocation of people from Italy and Greece in need of international protection, availability of 54 000 places not yet allocated for legally admitting Syrians from Turkey to the European Union). On 13 July 2016, a permanent EU Resettlement Framework was proposed to establish a common set of standard procedures for the selection of resettlement candidates and a common protection status for persons resettled to the European Union, aimed to streamline and better focus European resettlement efforts in the future.

22. According to the legislation, the decision to activate emergency support within the European Union can be taken by the Council following a proposal made by the Commission. The first activation took place on 16 March 2016 for the current influx of refugees and migrants into the European Union, proposing to distribute a total of €700 million to Greece in different tranches between 2016 and 2018. The emergency support project funded with this money addresses the basic and urgent needs of refugees and migrants (food, health, water and sanitation, shelter and protection). This support will be complementary to what is already being provided by the Greek authorities.

23. Flexibility mechanisms enable the European Union to mobilise funds to react to unforeseen events such as crisis and emergency situations. In the current context of reduced expenditure, these mechanisms also ensure that budgetary resources can respond to evolving priorities, so that every euro is used where it is most needed. Most of the flexibility mechanisms are therefore kept outside the MFF and the funding can be mobilised above the expenditure ceilings.

### 3.4. *Other organisations*

24. This report cannot hope to present a complete picture of humanitarian emergency assistance funding, but some of the other principal contributors are referred to in this chapter. Private initiatives are not examined in this report, although they are an important element of funding for the United Nations, for NGOs and directly for recipient countries.<sup>9</sup>

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8. The information given does not present an exhaustive total of EU spending on migration, which is complex. For more detailed information see "Overview on the use of EU funds for migration policies", European Commission Policy Department D: Budgetary Affairs, 2016.

9. Georges Soros, for example, through his Open Society foundations, set aside \$500 million to programmes for refugees and migrants in 2016.

### 3.4.1. The Council of Europe Development Bank

25. Although the loans granted by the Council of Europe Development Bank (CEB) are small when compared to the scale of UN or EU funding, they constitute a flexible and efficient means for small-scale social projects for migrants to become a reality. The CEB is the oldest European multilateral development bank, established in 1956 to bring solutions to the specific problems of refugees' resettlement after the Second World War.<sup>10</sup> Therefore, although the scope of the Bank's lending activities has broadened with its membership and resources to all types of social projects and emergency situations in Europe, assistance to migrants and refugees and to the countries which host them is fully in line with its original vocation.

26. Established in October 2015, the Migrant and Refugee Fund (MRF) has since then provided emergency assistance to "the former Yugoslav Republic of Macedonia", Serbia, Slovenia and the Slovak Republic, to ensure that refugees and migrants passing through these countries have safe shelter and basic care by adapting and upgrading existing facilities to make them appropriate for winter conditions. The grant of €1.5 million to Slovenia financed the purchase of 100 heated modular units, providing more appropriate shelter than tents in cold weather, and the procurement of 10 vehicles to facilitate the transportation of migrants and refugees between various reception centres, according to the needs and availability of shelter. At the time, the number of refugees asking for international protection in Slovenia was negligible.

27. The CEB has also provided funding for actions such as training in cultural mediation and intercultural competencies for public service providers. In "the former Yugoslav Republic of Macedonia", a significant part of the €2.2 million Migrant and Refugee Fund grant is funding the installation of a fully industrial kitchen and several field kitchens in the reception centres, based on UNHCR recommendations. This will facilitate food preparation and ensure that refugees have access to warm meals. The Bank's loans are often combined with other funding programmes, in particular those of the European Commission.

### 3.4.2. The World Bank

28. In all, 86% of the refugees under the UNHCR's mandate in 2015 were in low- and middle-income countries close to situations of conflict, many of which struggle to come up with sustainable means to manage the additional costs of hosting them (Egypt, Iraq, Jordan, Lebanon and Turkey). The World Bank's Global Concessional Financing Facility (GCFF), announced at the World Humanitarian Summit in 2016, is designed to help them to acquire key development financing while at the same time bridging the gap with organisations providing direct humanitarian assistance on the ground. The facility was launched by a US\$50 million contribution from the United States at the Leaders' Summit on Refugees on 20 September 2016. The GCFF is added to the Concessional Financing Facility for the Middle East and North Africa (CFF) – also launched in 2016 – to support Jordan and Lebanon, the two middle-income countries whose demographics have been most altered by hosting large numbers of refugees.

### 3.4.3. The International Red Cross and Red Crescent Movement

29. The International Committee of the Red Cross (ICRC) predominantly works in situations of conflict. The International Federation of Red Cross and Red Crescent Societies (IFRC) co-ordinates and provides international assistance following disasters caused by natural hazards in mainly non-conflict situations. Finally, the National Red Cross and Red Crescent societies, made up of volunteers and staff in 190 countries, provides services to vulnerable people in their own countries and contribute to international fundraising efforts. In 2015, the ICRC requested US\$1.7 billion through its appeals for emergency humanitarian assistance, an increase of 15% on 2014's request. Donors responded to ICRC appeals in 2015 with contributions of US\$1.4 billion, leaving a shortfall of US\$259 million (16% of requested funding). Funding requirements were dominated by continuing humanitarian needs in the Syria crisis (10.3% of appeal requirements).

### 3.4.4. Médecins sans Frontières

30. Médecins sans Frontières (MSF) is a non-profit, self-governed organisation, guided by medical ethical principles and sworn to impartiality. In 2015, 92% of the MSF's overall funding of 1.44 billion euros came from private voluntary donations. Donations rise each year, as the organisation's reputation and track record is confirmed and the tax deductions on donations provide incentive to donors.

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10. "The primary purpose of the Bank is to help in solving the social problems with which European countries are or may be faced as a result of the presence of refugees, displaced persons or migrants consequent upon movements of refugees or other forced movements of populations and as a result of the presence of victims of natural or ecological disasters." (CEB Articles of Agreement, Article II "Purpose")

#### 4. Challenges to effective emergency humanitarian assistance for refugees

31. The main challenges to international emergency humanitarian assistance are political and structural, with particular problems with respect to rapid implementation and accountability.

##### 4.1. Problems of politics and policies

32. The main problem with national funding of humanitarian assistance lies in its advantage – the greatest proximity to the situations they seek to remedy. While external assistance organisms may have difficulties in reading the complexity of a country's needs and those of the "persons of concern" within the territory, governments and regional authorities as well as national NGOs have first-hand knowledge and experience of the challenges. It has already been shown that all countries foot the biggest bill for internal humanitarian aid. On the other hand, domestic management of refugee and migrant crises reawakens historic identity and perceived security issues, inspiring protectionist nationalistic tendencies. The refusal of some EU member States (Hungary, for instance) to accept the European Union's "relocation quota" proposals is based on arguments of national sovereignty, but is symptomatic of the country's political reluctance to receive more migrants.

33. With respect to the European Union itself, there is a danger that priorities appear to be shifting from humanitarian assistance and placing human rights and values at the forefront to a declared policy of security aimed at controlling borders (i.e. leaving many of those most in need on the other side of the frontier) and to dealing with refugee "problems" outside of European Union countries. The 3 billion euro EU–Turkey Agreement<sup>11</sup> was the first move in this direction, now confirmed by the Valetta Declaration in February 2017, which states that capacity-building for Libya should enable the country to host refugees and conduct asylum and return procedures. This "outsourcing" of part of Europe's emergency humanitarian action behind EU borders may jeopardise the protection of the human rights of the people concerned under international conventions.

34. An article published in the online news site *EurActiv*<sup>12</sup> in April 2016 pointed to the large proportion of European aid funds now being spent on the management of migratory flows, sometimes at the direct expense of development projects. It referred to a report by the Court of Auditors which found that "security and border protection were the predominant element in European migration spending". Concerns were raised that European development aid is becoming increasingly influenced by the European Union's security interests, and that strengthening security at the borders in order to contain migration was not helping the refugees themselves, or populations suffering from poverty in developing countries or dealing with extreme inequality. This trend was also apparent when the development ministers of the OECD Development Assistance Committee's 29 countries agreed to expand their definition of development assistance to include more spending linked to peace and security operations.

##### 4.2. Structural problems

35. Large organisations inevitably have complex administrative systems and procedures. The UNHCR and European Union mechanisms are very different but present to some extent the same symptoms of delay between decision making and action, and between sums allocated and those actually spent on the ground.

36. The assessment of the UNHCR's action to be taken is made very courageously on needs assessment of "the comprehensive persons of concern" worldwide, without any certainty as to the availability of funding available. As has already been noted, unexpected emergency situations then add to the strain put on the existing budget and increase pressure to raise more funds, and shortfalls are increasing each year (US \$8.9 billion in 2015). Providing a consistent level of support to the millions of people of concern to the UNHCR and to the partners with which it works results in further operational and financial strain in the absence of further financial support. With the gap between needs and funding increasing, the UNHCR must adopt more innovative and more long-term approaches to how it plans and responds to the needs of people of concern, but also in how and from where it raises funds to do so.

37. The European Union's seven-year programmes span such a long time period that constant adjustment is required, entailing delays in decision making and delivery. As an example, on 7 March 2016 the European Council called for an acceleration of the implementation of relocation in order to alleviate the humanitarian

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11. See Assembly [Resolution 2109 \(2016\)](#) on the situation of refugees and migrants under the EU–Turkey Agreement of 18 March 2016.

12. *EurActiv*, "Security mission creep", April 2016.

situation in Greece, and on 15 December endorsed the Joint Action Plan on the implementation of the EU–Turkey Statement of 18 March 2016,<sup>13</sup> including the relocation target for Greece of 2 000 monthly transfers. As of January 2017, only 13 968 of the agreed 22 504 resettlements had been carried out.

### 4.3. Accountability and implementation

38. The UNHCR publishes financial data on the Global Focus platform and the Financial Tracking System (FTS), in addition to regular reporting to the governance and oversight mechanisms. However, the standard of the data is not yet fully harmonised with other agencies. The United Nations is now endeavouring to solve problems of transparency and accountability as a follow-up to the Grand Bargain commitments made at the World Humanitarian Summit (see below). The aim is to publish transparent and harmonised data and allow traceability of donors' funding by 2018 (from donors through the UNHCR to international and local partners). The FTS is managed by the UN Office for the Coordination of Humanitarian Affairs (OCHA) and collects reports on humanitarian funding flows submitted by government donors, UN-administered funds, UN agencies, NGOs and other humanitarian actors and partners, including the private sector. The FTS provides visibility on financial contributions to humanitarian activities, an updated picture of funding flows between donors (government and private sector) and recipient organisations, and monitors funding progress against humanitarian response plan and appeal requirements.

39. In March 2016, a European Court of Auditors' report on European Union humanitarian funding up to 2014<sup>14</sup> was highly critical of the European Union's programmes, pointing to a lack of reliable indicators for irregular immigration statistics in the European Union which made the evaluation of these programmes difficult. It also stated that funds were too diluted, with small amounts of aid money going to a large number of small projects. In other cases, only some parts of the programmes had been implemented due to capacity and management challenges on the ground. Examples of partially effective projects given in the report were the Seahorse Mediterranean capacity-building programme for North African governments to enhance border surveillance so as to better tackle irregular immigration and illicit trafficking. One year after the start of the project, only Libya had joined the network and project implementation was severely compromised there by the prevailing climate of insecurity and instability. Overall, according to the report, five projects were implemented with a delay of less than 12 months, and five projects incurred a delay of more than 12 months.

40. The end beneficiaries of aid often have little choice or influence in the services they receive, and feedback mechanisms so far have had little impact on changing programme delivery. The UNHCR is now committed to providing more accessible information to ensure that an effective process for participation and feedback is in place and that design and management decisions are responsive to the views of affected communities and people, and donors will henceforth have to agree that programmes can be adapted following community feedback.

## 5. Conclusions and recommendations

41. The "Grand Bargain" struck during the World Humanitarian Summit in May 2016 between the United Nations' 15 biggest donors and 15 biggest aid providers aimed to reduce the humanitarian funding gap, and provides a good roadmap for improvement in global responses to emergency humanitarian funding. Its ten main commitments include increasing predictable and flexible funding and improving delivery of humanitarian aid, with the aim of saving \$1 billion in efficiency over the next five years, to be spent on direct humanitarian action. The agreement was a follow-up to the UN Secretary-General's High Level Panel report published in January 2016.<sup>15</sup>

42. The commitments are:

- greater transparency;
- more support and funding tools for local and national responders (with the aim of transferring at least 25% of programme expenditure to national and local responders and reducing administrative barriers to partnerships);

13. The EU–Turkey Statement of 18 March 2016 provided that for every Syrian being returned to Turkey from the Greek islands another Syrian would be resettled from Turkey to the European Union. This principle applied as of 4 April 2016.

14. European Court of Auditors, EU external migration spending in Southern Mediterranean and Eastern Neighbourhood countries until 2014, March 2016: [www.eca.europa.eu/Lists/ECADocuments/SR16\\_09/SR\\_MIGRATION\\_EN.pdf](http://www.eca.europa.eu/Lists/ECADocuments/SR16_09/SR_MIGRATION_EN.pdf).

15. "Too Important to fail – addressing the humanitarian funding gap", report of the High-Level Panel on Humanitarian Financing, to the United Nations Secretary-General, January 2016.

- increased use and co-ordination of cash-based programming;
- reducing duplication and management costs;
- data streamlining, with joint and impartial needs assessments by specialists;
- a “participation revolution” to include people receiving aid in making decisions which affect their lives;
- increased collaborative humanitarian multi-year planning and funding;
- reduced earmarking of donor contributions (in order to respond more flexibly to emergencies);
- harmonised and simplified reporting requirements by the end of 2018;
- enhanced engagement between humanitarian and development actors.

43. Coupled with the need to keep the basic needs and fundamental rights of migrants arriving in Europe at the forefront of humanitarian financing policies, and to encourage member States to increase burden-sharing and solidarity, these commitments, if implemented, should help to address the migration crisis and contribute to sustainable solutions to cope with migration flows in the future.