



EU Budget 2022

Human development investments and the Global fight against COVID-19

- **The European Commission must contribute to the global fight against COVID-19 by pledging another EUR 1.2 billion to the Access to COVID-19 Tools Accelerator (ACTA) in 2021 and ensure ACT-A is funded across its pillars. The EC should also contribute its fair share to fully funding any future roadmap to vaccinate the world (including fully funding ACTA in 2022 as well as delivery costs).**
- **However, the global COVID-19 fight must not be funded at the detriment of other global health priorities. The People-Global Challenges budget line of NDICI-Global Europe in the EU Budget 2022 must be increased, and ring-fenced for human development priorities, not counting ACT-A pledges**
- **The EU should look into other budget lines such as the Emerging Challenges and Priorities Cushion, EU4Health and the Flexibility Instrument to fund the global response against COVID-19.**

Significantly more funding is needed for the global fight against COVID-19. As of 24 June 2021, ACT-A was still facing a USD 16.8 billion funding gap for 2021, and the latest estimates anticipate that it will cost at least USD 50-66 billion to fully vaccinate the world — likely much more when end-to-end delivery costs are factored in. The EU must contribute its fair share to the global fight, while ensuring equity and inclusion as key principles, and the European Commission should contribute another EUR 1.2 billion to ACT-A in 2021 and more in 2022, and ensure ACT-A is funded across its pillars.

Yet the **COVID-19 fight must not be funded at the detriment of other global health priorities and human development priorities.** In the 2022 budget proposal, the Commission says that “policy priorities, such as realising the Sustainable Development Goals, will inevitably be tied to the COVID-19 ripple effect throughout the world, especially in the field of human development”. COVID-19 represents an unprecedented shock to human development, jeopardising gains achieved in the last decades, exacerbating inequalities and undermining social cohesion. Yet, **the EU has failed to consistently meet its commitment to allocate at least 20% of its ODA to human development.** Additionally, using human development investments to tackle COVID-19 could drain critical resources from other health initiatives contributing for example to tackling violence against women and girls, curbing the ongoing epidemics of HIV & AIDS, tuberculosis, and malaria, and addressing the unmet need for family planning. On June 18, the Council called upon the EU to take “concrete and measurable commitments” to increase funding for human development and reach at least the 20% benchmark for human development. The 2022 budget procedure will be critical in ensuring that these words are followed by actions.



The People-Global Challenges budget line of NDICI-Global Europe is very stretched. It needs to be increased and to focus entirely on human development, not counting ACT-A pledges that qualify as emergency measures and as such need to come on top of already much needed investments in human development. With the proposed 137.2 million euros in commitments, in the midst of a pandemic, the EU cannot possibly hope to sustain the funding needs of all the human development initiatives. Additionally, this is not in line with the trialogues' outcome, which resulted in a €600 million top-up to Global Challenges, bringing its total budget to €3.36 billion. Spread over 7 years, this means at least €475 million per year for Global Challenges (vs €415 million proposed for this year, and €402 million agreed upon last year). This means that the budget line for Global Challenges must be increased to align with what was agreed as a result of the trialogues, which will in turn give leeway to increase the People-Global Challenges budget line while remaining in pre-agreed thresholds.

In order to keep the very small Global Challenges budget for pooled and human development initiatives that cannot be funded by the geographic envelope, **the EU should look into the following budget lines to fund the global response against COVID-19:**

- **Emerging Challenges and Priorities Cushion** within the NDICI. €1.46 billion was proposed for the Emerging Challenges and Priorities Cushion in the Draft Budget 2022, allowing the EU to account for emerging challenges and priorities. The Commission only has to inform (and does not need consent from) the EP and Council when it decides to use the funding for the flexibility cushion.
- **EU4Health:** The EU4Health programme foresees that up to 12.5% of its budget can be allocated to global health initiatives. In 2022, the Commission proposed that the programme provides EUR 788.7 million of dedicated support for the health challenges ahead, meaning that up to €98.6 million (12.5%) could be used for the global fight against COVID-19, including ACT-A.
- **Flexibility Instrument:** the annual amount of the Flexibility Instrument for the year 2022 is €990.4 million. The Flexibility Instrument in 2021 was entirely used in response to the COVID-19 pandemic as it is precisely intended for unforeseen expenditure, and should be used to support ACT-A.
- **Margin** of the overall budget: the Draft Budget 2022 leaves an overall available margin of €1.22 billion for commitment appropriations.