

Parliament's guidelines for the 2025 EU budget: Section III – European Commission

The 2025 EU budget will be the fifth under the multiannual financial framework (MFF) for 2021 to 2027. It will also be the first annual procedure that will fully apply and implement the new provisions under the recently revised MFF. The European Parliament contributes to the shaping of proposals for the forthcoming year's European Union budget through the adoption of its 'guidelines'. The draft guidelines, as adopted by the Committee on Budgets on 4 March 2024, outline Parliament's goals and priorities, in particular to have a people-centred 2025 budget. Parliament is expected to adopt its guidelines during the March plenary session, before the Commission adopts its proposal with the draft 2025 budget in late spring or early summer.

Background

Although it is the European Commission's right and duty to propose a draft budget for the year to come, the two arms of the EU budgetary authority, the European Parliament and the Council, play their part in the run-up to its presentation. The Council's Budgets Committee agreed its [guidelines](#) for the 2025 EU budget on 19 February 2024, and their adoption by the Economic and Financial Affairs Council (ECOFIN) is scheduled for 12 March. Parliament will launch the [annual budgetary procedure](#) with its own guidelines, scheduled for adoption in plenary in March, based on the report by Parliament's Committee on Budgets.

European Parliament position

Parliament's Committee on Budgets (BUDG) adopted its [report](#) on 4 March 2024, by 28 votes in favour and 2 against, with 2 abstentions. The key message of the report is Parliament's commitment to a people-centred EU budget, prioritising investments tailored to improving people's lives and boosting the Union's competitiveness. The report underlines that in times of geopolitical and institutional change, financial pressure, climate change and societal challenges, the EU budget remains instrumental for the implementation of the Union's policies, and central in responding to people's increasing needs.

The BUDG report notes that the outcome of the [MFF revision](#) fell short of Parliament's initial aspirations, and highlights that the revision of the [MFF Regulation](#) is an essential prerequisite for ensuring medium-term financial support for Ukraine, enabling increased funding for targeted policy priorities, including promotion of the EU's strategic autonomy, and safeguarding Union programmes and the budget's flexibility. The report reiterates that EU recovery instrument borrowing costs should not result in an undue reduction of programme expenditure under the MFF ceilings.

The report calls for additional efforts by all actors involved to boost project implementation and absorption of eligible funding, and considers that 2024 and 2025 should be used to identify and rectify any bottlenecks that impede more effective implementation. The report stresses that funds cannot be disbursed if Member States do not comply with all relevant requirements in accordance with the rule of law conditionality mechanism.

The most controversial issue politically in the report has been the future of EU funding for the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

The European Parliament's delegation will use the guidelines as the basis for its discussions with the Council and the European Commission at the initial budgetary trilogue meeting on the 2025 budget, which is scheduled for 9 April 2024.

Budgetary procedure: [2023/2220\(BU\)](#); Committee responsible: BUDG; Rapporteur: Victor Negrescu (S&D, Romania).

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PE 760.350 – March 2024



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