



Plenary sitting

A9-0124/2023

5.4.2023

REPORT

on general guidelines for the preparation of the 2024 budget, Section III –
Commission
(2022/2184(BUI))

Committee on Budgets

Rapporteur: Janusz Lewandowski

CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3
OPINION OF THE COMMITTEE ON FOREIGN AFFAIRS.....	18
LETTER OF THE COMMITTEE ON BUDGETARY CONTROL.....	25
POSITION IN THE FORM OF AMENDMENTS OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS	29
LETTER OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY	59
OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY.....	64
OPINION OF THE COMMITTEE ON TRANSPORT AND TOURISM.....	69
LETTER OF THE COMMITTEE ON REGIONAL DEVELOPMENT	81
OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT	84
OPINION OF THE COMMITTEE ON CULTURE AND EDUCATION	92
OPINION OF THE COMMITTEE ON CONSTITUTIONAL AFFAIRS.....	99
OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND GENDER EQUALITY	104
INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE.....	110
FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE	111

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on general guidelines for the preparation of the 2024 budget, Section III – Commission (2022/2184(BUI))

The European Parliament,

- having regard to Article 314 of the Treaty on the Functioning of the European Union,
- having regard to Article 106(a) of the Treaty establishing the European Atomic Energy Community,
- having regard to its resolution of 15 December 2022 on upscaling the 2021-2027 multiannual financial framework: a resilient EU budget fit for new challenges¹,
- having regard to Council Regulation (EU, Euratom) 2022/2496 of 15 December 2022 amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027²,
- having regard to Council Regulation (EU, Euratom) No 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027³ and to the joint declarations agreed between Parliament, the Council and the Commission in this context⁴ and the related unilateral declarations⁵,
- having regard to its position of 16 December 2020 on the draft Council regulation laying down the multiannual financial framework for the years 2021 to 2027⁶,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012⁷,
- having regard to the proposal of 16 May 2022 for a regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (COM(2022)0223),
- having regard to the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards

¹ Texts adopted, P9_TA(2022)0450.

² OJ L 325, 20.12.2022, p. 11.

³ OJ L 433I, 22.12.2020, p. 11.

⁴ OJ C 444I, 22.12.2020.

⁵ Texts adopted, P9_TA(2020)0357.

⁶ OJ C 445, 29.10.2021, p. 240.

⁷ OJ L 193, 30.7.2018, p. 1.

the introduction of new own resources⁸,

- having regard to Council Decision (EU, Euratom) No 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom⁹,
- having regard to the Commission proposal of 22 December 2021 for a Council decision amending Decision 2020/2053 on the system of own resources of the European Union (COM(2021)0570) and to Parliament’s position thereon of 23 November 2022¹⁰,
- having regard to Council Regulation (EU) No 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis¹¹,
- having regard to Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget¹²,
- having regard to Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (European Climate Law)¹³,
- having regard to the Interinstitutional Proclamation on the European Pillar of Social Rights of 13 December 2017¹⁴, the Commission communication of 4 March 2021 on the European Pillar of Social Rights Action Plan (COM(2021)0102) and the Porto Declaration on social affairs adopted by the members of the European Council in May 2021,
- having regard to its resolution of 16 February 2023 on an EU strategy to boost industrial competitiveness, trade and quality jobs¹⁵,
- having regard to its resolution of 19 May 2022 on the social and economic consequences for the EU of the Russian war in Ukraine – reinforcing the EU’s capacity to act¹⁶,
- having regard to the Commission communication of 1 February 2023 entitled ‘A Green Deal Industrial Plan for the Net-Zero Age’ (COM(2023)0062),
- having regard to the Commission communication of 18 October 2022 entitled ‘Commission work programme 2023 – A Union standing firm and united’

⁸ OJ L 433I, 22.12.2020, p. 28.

⁹ OJ L 424, 15.12.2020, p. 1.

¹⁰ Texts adopted, P9_TA(2022)0404.

¹¹ OJ L 433I, 22.12.2020, p. 23.

¹² OJ L 433I, 22.12.2020, p. 1.

¹³ OJ L 243, 9.7.2021, p. 1.

¹⁴ OJ C 428, 13.12.2017, p. 10.

¹⁵ Texts adopted, P9_TA(2023)0053.

¹⁶ OJ C 479, 16.12.2022, p. 75.

(COM(2022)0548),

- having regard to the report of August 2022 by the World Bank, the Government of Ukraine and the Commission entitled ‘Ukraine Rapid Damage and Needs Assessment’,
- having regard to the Commission communication of 18 May 2022 entitled ‘Ukraine relief and reconstruction’ (COM(2022)0233),
- having regard to the Commission communication of 11 December 2019 on the European Green Deal (COM(2019)0640) and to Parliament’s resolution of 15 January 2020 in response thereto¹⁷,
- having regard to the EU gender equality strategy 2020-2025,
- having regard to the Agreement adopted at the 21st Conference of the Parties to the UNFCCC (COP21) in Paris on 12 December 2015 (the Paris Agreement),
- having regard to Special Report 10/2021 of the European Court of Auditors entitled ‘Gender mainstreaming in the EU budget: time to turn words into action’,
- having regard to the United Nations Sustainable Development Goals,
- having regard to the general budget of the European Union for the financial year 2023¹⁸ and to the joint statement of Parliament, the Council and the Commission and the statement of the Commission annexed thereto,
- having regard to the Council Conclusions of 14 March 2023 on the budget guidelines for 2024,
- having regard to Rule 93 of its Rules of Procedure,
- having regard to the opinions of the Committee on Foreign Affairs, the Committee on Industry, Research and Energy, the Committee on Transport and Tourism, the Committee on Agriculture and Rural Development, the Committee on Culture and Education, the Committee on Constitutional Affairs and the Committee on Women’s Rights and Gender Equality,
- having regard to the position in the form of amendments of the Committee on Employment and Social Affairs,
- having regard to the letters from the Committee on Budgetary Control, the Committee on the Environment, Public Health and Food Safety and the Committee on Regional Development,
- having regard to the report of the Committee on Budgets (A9-0124/2023),

Towards stability in highly turbulent times

¹⁷ OJ C 270, 7.7.2021, p. 2.

¹⁸ OJ L 58, 23.02.2023, p. 1.

1. Stresses that Russia's war against Ukraine, following the COVID-19 pandemic, has brought further substantial economic and social consequences for the people of Europe, pushing up inflation, generating energy insecurity, driving up food and energy prices and resulting in a cost of living crisis for millions; underlines that the new geopolitical and economic context has given rise to new policy needs, notably in energy, social investments, defence and industrial policy; stresses the need for new policies to be phased in consistently with agreed long-term objectives;
2. Is determined to ensure that the 2024 budget addresses people's concerns and delivers on their needs and priorities by helping to restore stability and promote recovery and convergence, laying the foundations for a secure, prosperous, fair and sustainable Europe and ensuring that nobody is left behind; underlines the need for additional investment in energy, health, food security, cohesion, the digital and green transitions, research and innovation and SMEs, and in supporting quality job creation, tackling unemployment and poverty and offering opportunities for all, in particular young people and people from disadvantaged groups, and therefore improving the standard of living of all Europeans;
3. Stresses that a strong economic recovery in 2024 requires full use of the EU budget's potential and flexibility; underlines that the EU budget is above all the largest investment tool with leverage effect, complementing and enhancing national budgets with their limited investment capacity and therefore responding to the needs of people in the EU;
4. Regrets the gradual decrease of the EU budget as a percentage of EU gross national income (GNI) and the excessive focus on capping overall spending at roughly 1 % of EU GNI; considers that this has made it difficult for the Union to deliver on its agreed ambitions and deprived it of the ability to respond to crises and emerging needs while ensuring democratic accountability; regrets that the Commission has been forced to resort to double counting methods and the re-use of existing funds, disguising the current situation of the EU budget;
5. Recalls that the EU budget is increased annually on the basis of a 2 % deflator; emphasises that high levels of inflation are placing the EU budget under severe strain, reducing its purchasing power and squeezing its operational and administrative capacity; is concerned that inflationary pressure ultimately means that fewer Union projects and actions can be funded, thereby negatively affecting beneficiaries and the Union's capacity to deliver on its shared political goals;
6. Stresses that the resources programmed to be available in the margins under the multiannual financial framework (MFF) ceilings and via the special instruments have been jeopardised by the multitude of crises and new initiatives put in place since the beginning of the current MFF and are therefore inadequate to finance important emerging priorities and to respond to crises facing the Union; underlines, therefore, that the MFF is no longer fit for purpose, that the need for a revision of the MFF is beyond any doubt and that a 'business as usual' approach will not suffice to tackle the array of challenges posed and would rather undermine confidence in the Union;
7. Reiterates its call for an urgent and ambitious revision of the current MFF in order to

provide additional resources to reinforce post-pandemic recovery, address the consequences of the war, guarantee sufficient flexibility and provide the necessary funding for important new policy initiatives and to respond to unforeseen challenges; underlines that the revision must not lead to any reduction of programme or pre-allocated envelopes and therefore must increase the ceilings to ensure that fresh money is provided for any new initiatives, therefore ensuring that vital existing programmes can continue to deliver; expects the revised MFF to be in place by 1 January 2024 and thus to provide the framework for the 2024 budget;

A stronger economy and more resilient society through future-oriented investment

8. Underlines that SMEs remain the backbone of the European economy, playing a vital role in growth, economic prosperity and quality job creation; emphasises that ambitious and more accessible funding is necessary for the Single Market programme to boost small business competitiveness and sustainability and to ensure the highest level of consumer protection; stresses the need to maximise the potential of the InvestEU programme in leveraging sustainable and innovative investment and in providing capital support to SMEs hit by the pandemic and now the energy crisis;
9. Emphasises the need to reinforce the attractiveness of the EU as an investment location and to exploit synergies across EU programmes; calls on the Commission to assign sufficient resources and expertise to deliver on its sustainable finance agenda, which aims to reorient capital flows towards investment needed to achieve better living standards and growth and to manage financial risks stemming from climate change, resource depletion, environmental degradation and social issues;
10. Reaffirms that research and innovation remain at the forefront of the EU's economic development and competitiveness and are a key driver of the green and digital transitions; underlines, in this respect, that further resources are needed for Horizon Europe to fund ambitious and sustainable European projects aligned with the Union's objectives; highlights the continued need for investment, in particular through Horizon Europe, to further support companies, especially SMEs, start-ups and young entrepreneurs, to turn research results and innovative ideas into products and services which boost the global competitiveness and sustainability of EU business;
11. Strongly supports the key role cohesion policy plays in delivering on EU policy priorities and boosting the EU economy by contributing to fair and sustainable growth and development, promoting economic and social convergence between countries and regions, supporting the green and digital transitions, and fostering innovation and employment, as well as providing support for seniors; underlines the valuable funding cohesion policy is providing for emerging needs, notably through the series of CARE (Cohesion's Action for Refugees in Europe) initiatives and through RePowerEU; stresses, however, that cohesion policy is not a crisis response tool and has its own critical long-term objectives; insists, therefore, that there should be no transfers away from cohesion policy that could jeopardise these objectives; calls on the Commission and the Member States to speed up the implementation of cohesion policy;
12. Highlights the central importance of the common agricultural policy and common fisheries policy as the longest-standing EU policies in providing affordable, safe and

high-quality food for EU citizens and in promoting the sustainable development of rural areas and coastal communities; stresses the need to take into account the negative impacts of Russia's war of aggression against Ukraine on worldwide food security and affordability and the need to strengthen farmers' capacity to withstand inflationary pressures and increased input prices; calls for further measures to support young farmers and new farmers in establishing and developing activities in order to ensure the sustainability of the sector and generational renewal;

13. Underlines the importance of a stronger Health Union in post-pandemic Europe and therefore adequate funding and investment for the EU4Health programme and Cluster Health in Horizon Europe to ensure that the EU can respond effectively to future health crises, help strengthen health systems and improve people's physical and mental health by making healthcare more affordable and accessible; is concerned that around 50 % of the EU4Health budget has been allocated to operational expenditure for the Commission's European Health Emergency and Response Authority; underlines the need for appropriate funding to be allocated to the activities laid down in the EU4Health Regulation, including the Health Union, the European Health Data Space and the Beating Cancer Plan, especially given the increased number of patients post-pandemic;
14. Notes that particular attention must be paid to rural and remote areas, areas affected by industrial transition, and regions with severe permanent natural or demographic handicaps; stresses that sustainable solutions must be found to successfully mitigate brain drain and, where relevant, to tackle demographic challenges in less developed regions of the EU; emphasises the need for financial resources to revitalise regions suffering from population decline and/or de-industrialisation;
15. Underlines the significance of the social dimension in the EU budget; notes the importance of implementing fully the European Pillar of Social Rights and the UN Sustainable Development Goals in the 2024 budget and the crucial role of adequately funded EU social policies and actions in this regard, notably the European Social Fund Plus; highlights the key role of the budget in contributing to initiatives that reinforce social dialogue, following the recent Commission proposal;

Towards energy independence as the foundation of security

16. Underlines that enhancing energy security and independence remains fundamental for the EU, especially in the context of the war; highlights the EU's coordinating role in ensuring security of energy supply, stabilising prices and helping businesses, especially SMEs, deal with price shocks; emphasises that, in a context of high uncertainty of energy supply and delivery interruptions, solidarity among EU countries is needed to provide support to countries still dependent on Russian energy and more affected by any supply cuts;
17. Calls for additional investment in critical infrastructure, energy storage, renewable energy sources and energy efficiency, and for increased research and innovation in the field of energy in order to reduce dependence on energy from third countries, especially non-democratic regimes, and on fossil fuels; emphasises the key role played by the budget in this regard, in particular through the RePowerEU chapters under the Recovery and Resilience Facility (RRF);

18. Recalls that energy efficiency investments are a priority and play a crucial role in reducing reliance on fossil fuels in a cost-effective manner; calls, therefore, for the necessary funding to be made more accessible to support energy efficiency actions for buildings and households throughout the Union and to facilitate the required upgrades, in particular through technical assistance;
19. Underscores the fact that adapting European infrastructure to future energy needs is necessary for the transition to a clean, competitive, sustainable and modern economy; underlines that interconnections are essential for a fully integrated EU energy market that will improve Europe's security of supply and be more resilient to price shocks, and therefore ensure affordable and sustainable energy for EU citizens and businesses and reduce energy poverty; calls, therefore, for increased investment in efficient cross-border energy infrastructure; stresses that modern and resilient infrastructure is a key component of competitiveness and that a holistic, cross-sectoral approach is required, taking into account the situation of different Member States;

Green and digital transitions and the strategic sovereignty of the EU

20. Underlines the central role that the budget plays in delivering on the European Green Deal and achieving the Union's climate neutrality goal by 2050 at the latest by reducing emissions and increasing the use of renewable energy, creating a circular economy and reversing the alarming trend of biodiversity loss; is concerned by the heavy impacts of the climate change and biodiversity crisis in Europe and globally, as well as by the growing and urgent need to tackle these challenges; stresses that the consequences of the climate and biodiversity crisis need to be better reflected in the budget of the EU for programmes addressing climate, biodiversity and environmental objectives and nature conservation, in particular the LIFE programme, taking into account the scale of the challenges;
21. Emphasises the need to build a modern, efficient, sustainable and competitive economy where no one is left behind; recalls that further financing is needed to shield EU citizens from increased costs related to climate change and the green transformation and provide investment and jobs in regions in transition, including through the Just Transition Fund; calls, in this regard, for an evaluation of the Fund's implementation, paying particular attention to the needs for increases in its absorption capacity, to the need to ensure adequate support for regions remaining behind and to the fact that the Member States and regions have different starting points and needs;
22. Underlines, in this context, the need for substantial investment to boost the EU's strategic sovereignty, develop a net-zero industry, and ensure that the Union has the necessary infrastructure and production capacity in place; welcomes the Commission communication of 1 February 2023 entitled 'A Green Deal Industrial Plan for the Net-Zero Age'; believes that the European industrial strategy should be designed both to secure European leadership in clean energy technologies and to improve the existing industrial base and support its transformation in the future to provide high-quality jobs and economic growth for all Europeans, responding at the same time to the objectives of the Green Deal;
23. Underlines that the success of the strategy will depend on ensuring faster access to

finance; highlights the role of the EU budget and in particular the value of InvestEU, the Connecting Europe Facility (CEF), the EU Space programme and the upcoming Chips Act in providing access to the required funding; stresses that the Union must make full use of the CEF to modernise and connect its transport and energy infrastructure;

24. Notes the Commission's intention to establish a European Sovereignty Fund, which must be based on a thorough needs assessment and in-depth analysis of funding gaps; stresses that the key purposes of the fund are to avoid fragmentation of the single market caused by national schemes, to ensure a common European response through the EU budget and to strengthen the Union's open strategic autonomy and the green and digital transitions in a comprehensive way, reducing dependencies in strategic sectors and financing investment in key related sectors, including, among others, health, raw materials and space;
25. Recalls that the new fund must be established according to the ordinary legislative procedure and incorporated into the MFF and be placed under the related ceiling, increased accordingly, thereby ensuring full oversight by the democratically elected Parliament; reiterates its long-standing position that all new political initiatives, objectives and tasks must be financed with fresh money and insists therefore that the fund cannot be financed at the expense of existing programmes;
26. Stresses the need to accelerate the digital transition of the economy and society in order to ensure the global competitiveness of the Union through investment in digital infrastructure and connectivity, increasing the use of digital technologies, scaling up artificial intelligence, cybersecurity and high-performance computing; points to the importance of the Digital Europe programme and CEF-Digital in this respect;
27. Highlights that security of supply of critical raw materials is crucial for the green and digital transitions and for enhancing the EU's strategic sovereignty; emphasises that the EU needs to increase its independence in the semiconductor value chain, including by supporting the Chips Act with appropriate budgetary architecture;
28. Underscores that the green and digital transitions and a refocusing of industrial policy require significant investment in skills development; underlines that digital literacy and basic digital skills are essential for all citizens and that efforts are therefore required to close the digital capacity gap and to ensure that people develop the necessary competences for the changing workplace, including in artificial intelligence and robotics; calls on the Commission to use the 2023 European Year of Skills as a platform to build an effective long-term EU policy, backed up by adequate funding and based on prior positive pilot experiences on access to educational tools in areas and communities with low connectivity or access to technologies;

A resilient and democratic Europe that invests in future generations

29. Recalls that the pandemic was particularly difficult for young people, leading to numerous psychological and sociological problems and diminished prospects, further aggravated by the insecurity of war on the EU's doorstep; insists that all possible funding should be mobilised through Erasmus+ and the European Solidarity Corps to support learning mobility opportunities, promote excellence, innovation and entrepreneurship, improve people's skills and employability, promote social inclusion,

support the modernisation of education and training systems across Europe and promote young people's participation in democratic life; stresses that both programmes are key vehicles in following up on the recommendations resulting from the European Year of Youth;

30. Emphasises that a central aim of both programmes is to become more inclusive by boosting participation rates among people with fewer opportunities; is alarmed by the impact that soaring inflation and the increased cost of living are having on the ability of people and organisations with limited financial means to participate in the programmes; is committed to ensuring that Erasmus+ does not become a de facto selective programme open only to those who can afford to participate; recalls that the Commission is required to put in place financial support measures for people with fewer opportunities, in particular where their participation is impeded for financial reasons; intends, therefore, to ensure that the EU budget mitigates the impact of the rising participation costs, including inflation;
31. Is concerned that unemployment rates among young people and women in the EU are higher than overall unemployment rates; underlines the importance of the European Social Fund Plus and the Youth Guarantee in supporting education, training and lifelong learning, thereby enhancing skills and employability and helping people into an inclusive labour market; highlights the positive effect of vocational training in tackling unemployment;
32. Recalls that the COVID-19 pandemic, followed by soaring energy prices and inflation, have had a significant impact on the culture sector; insists, therefore, that sufficient funding be allocated to the Creative Europe programme;
33. Reiterates the importance of the EU budget in promoting European values and citizens' rights, in fostering active civic engagement, in building resilient societies and in supporting the key principles of democracy, the rule of law, solidarity, inclusiveness, justice, non-discrimination and equality, including by combating anti-Semitism; emphasises the need for the budget to support press and media freedom and to counter disinformation; underlines, therefore, the importance of the Citizens, Equality, Rights and Values (CERV) programme and the need for ambitious funding for the programme; points out that the Justice programme includes a specific objective aimed at promoting judicial training and a rule of law culture;
34. Recalls that women are disproportionately affected by the current economic and social crisis and that the large majority of refugees fleeing the war in Ukraine are women and children; welcomes the recent legislative proposal to reinforce the legal framework of the fight against gender-based violence; calls, therefore, for ambitious funding for the Daphne strand of the CERV programme for preventing and combating gender-based violence and violence against children, including the necessary resources to support access to safe sexual and reproductive health services, women's rights organisations, shelters and support services in conflict and war zones and for EU initiatives tackling discrimination, notably against women and LGBTI+ people;
35. Underlines that budgetary support for effective communication with citizens helps raise awareness of the EU's decision-making and policies, thereby increasing the

transparency of EU policy-making and enhancing its legitimacy, especially in view of the 2024 European elections, the start of a new legislative term and the election of the Commission President; recalls, in this context, the importance of making content available in all EU official languages where possible;

An effective response to global and geopolitical challenges

36. Reiterates its condemnation, in the strongest possible terms, of Russia's war of aggression against Ukraine; underlines the ongoing need for rapid relief and humanitarian aid, including to sustain basic services and to repair critical infrastructure; welcomes, in this respect, the EUR 18 billion that the EU, together with its strategic partners, is providing to Ukraine in macro-financial assistance in 2023; underscores that the EU must play a pivotal role in the longer-term reconstruction and recovery effort; calls, in this regard, for a legal framework that would enable frozen private and state-owned Russian assets to be made available for reconstruction;
37. Stresses that the Union and its citizens have supported Ukraine from the very beginning of Russia's war of aggression, showing solidarity with Ukrainians in their fight to defend their sovereignty, and offering shelter and temporary protection to millions of refugees; applauds the unprecedented unity, speed of decision-making and scale of budgetary assistance that have enabled the Union and its Member States to put in place sanctions against Russia, to provide humanitarian and military aid, to offer support in the areas of health, energy and agriculture and to facilitate trade, in particular by establishing Solidarity Lanes to help Ukraine export agricultural goods while promoting regional development in the Danube Region; underlines that further assistance will be needed to sustain basic services and essential infrastructure in the country;
38. Reiterates its unwavering support for the sovereignty and territorial integrity of all Eastern Partnership countries and welcomes the fact that Ukraine and Moldova are now candidate countries, and notes that both will require further financial and technical assistance, including to enhance the countries' resilience and prevent and counter hybrid threats; calls on the Commission to put forward proposals to include Ukraine and Moldova on the list of beneficiaries of the Instrument for Pre-Accession (IPA III); underlines the strategic importance of enlargement policy in the Western Balkan countries and the need for adequate funding through IPA III in that regard;
39. Notes the rapid deterioration of the international context since the beginning of the MFF, both in neighbouring countries and beyond, as a result of the food, energy, climate and economic crises; recalls that the EU must continue to fulfil its crucial role in promoting sustainable and democratic development and political and economic reform, protecting the rule of law and human rights, addressing social and climate challenges, providing continued support for refugees and addressing the root cause of irregular migration and aiming at preventing loss of life; underlines that the Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe, humanitarian aid (HUMA) and other instruments should ensure support for communities and regions in need around the world;
40. Stresses that the Union requires sufficient resources to address the long-term challenges in its neighbourhood and beyond, responding to numerous crises; reiterates that

available resources under Heading 6 of the MFF are inadequate to deliver on the above aims and therefore must be increased as part of the MFF revision; remains, in particular, concerned by the perennial under-financing of HUMA, necessitating repeated reinforcements over each financial year; is particularly alarmed that the Solidarity and Emergency Aid Reserve had to be mobilised for EUR 185 million in February 2023 to reinforce HUMA, pointing to insufficient resources in the budget to respond to increasing humanitarian needs; calls on the Commission to respond to real needs and to provide the budgetary authority with the information it requires to take the necessary decisions for the 2024 budget;

41. Expresses its condolences to and solidarity with the many victims and their families following the earthquakes in southern Turkey and northern Syria in February 2023; welcomes the immediate response of the EU and underlines the need for immediate and further long-term aid and support to respond to the critical humanitarian situation, in particular in areas also affected by the Syrian conflict;
42. Underlines the pivotal role that international organisations and agencies play in EU programme implementation and in providing on-the-ground humanitarian assistance; stresses the need for adequate funding levels for all such organisations and agencies; calls for more ambitious EU funding to support the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) in providing development services and humanitarian assistance for millions of Palestine refugees while contributing to regional stability;
43. Is alarmed by the impact of natural disasters occurring in Europe and its neighbourhood and concerned about the EU's ability to respond effectively; underlines that these disasters are often linked to climate change and therefore likely to occur with greater frequency and intensity in the future; calls on the Commission to ensure ambitious funding for the Union Civil Protection Mechanism in order to provide an effective response and protect human lives;
44. Stresses that the 2024 budget should be aligned with the Union's obligations under the Paris and Montreal Agreements and with its international climate pledges, in particular the Loss and Damage Fund;
45. Recalls that the war, together with increased global hunger and poverty, are forcing millions of people to flee their homes and seek protection in the EU; underlines the need for the EU to continue to provide support to the host Member States, and thus to regional and local communities, for the reception, settlement and integration of these refugees and for their education and medical needs; points to the importance of the initial response through the CARE initiatives and underlines the fundamental ongoing role of the Asylum, Migration and Integration Fund in this regard;
46. Stresses that effective management and protection of the EU's external borders, together with the smooth and efficient implementation of the Union's asylum policy, are key priorities of the Union's migration policy, a prerequisite for the free movement of people and the proper functioning of the Schengen area and crucial to the security of the EU and its people;
47. Stresses the need to implement a migration and asylum policy in respect of human

rights and ensuring effective social and economic integration, in line with Union values and international commitments; highlights the need to provide adequate financial means to ensure the implementation of the European Pact on Migration; strongly condemns attempts to instrumentalise migrants for political purposes; calls for more funding to be directed towards coordination with transit countries and countries of origin of irregular migration with the aim of controlling and stopping human trafficking and human smuggling;

48. Is highly concerned about the interpretation given by certain Member States to the European Council conclusions of 9 February 2023, in particular paragraph 23 thereof; stresses that the EU's budgetary authority is strongly opposed to the use of any Union funding for the construction of fences or walls at the Union's external borders and expects that the Commission will continue to deny any such funding now and in the future;
49. Considers it to be an obligation to ensure adequate funding, staffing and training for all agencies operating in the field of security, migration and asylum, acknowledging the considerable increase in their responsibilities, the importance of cooperation among them, and their vital role in reinforcing cooperation and coordination among the Member States;
50. Calls for appropriate funding under the Border Management and Visa Instrument to cover the pressing needs at the EU's external borders in line with the objectives of the Instrument; reiterates its repeated calls and support for the urgent accession of Romania and Bulgaria to the Schengen area;
51. Underlines the need to enhance EU security and defence capabilities to better respond to the current unprecedented geopolitical challenges, including the fight against terrorism, cybercrime and the spread of online disinformation, which represents a threat to European democracy; recalls the importance of a comprehensive approach to security covering military and civilian capabilities, external relations and internal security;
52. Welcomes the central aims of the proposed regulation establishing the European defence industry reinforcement through common procurement act in order to enhance the EU's defensive capabilities and resilience to sudden shocks and recalls that it will exceed available funding under Heading 5; notes the central role played by the Connecting Europe Facility in supporting military mobility, which has been critical in providing support to Ukraine; reiterates the need to quickly boost the defence and production capacity and interoperability of the Member States, particularly those on the frontline and therefore most exposed to current threats, and calls on the Commission to examine further initiatives aimed at reinforcing the EU's defence technological and industrial base;

A responsible budget – horizontal issues

53. Recalls that Parliament, Council and the Commission committed, in the interinstitutional agreement (IIA) of 16 December 2020, to a road map for the introduction of new own resources to cover among other things the repayment of debt incurred under the European Union Recovery Instrument (EURI) in full; calls on the Commission and Council to advance without delay, and before the end of 2023, with

the introduction of all new own resources contained in the first basket, which is vital for debt repayment and for financing the Union's policy priorities; looks forward to the Commission's ambitious proposals for a second basket of new own resources no later than in the third quarter of 2023; asks the Commission to be even more ambitious and to consider proposing innovative, genuine new own resources;

54. Underscores that repayment of EURI borrowing costs is an obligation for the EU; notes that borrowing costs depend on market fluctuations and are therefore inherently unpredictable, which creates risks for agreed EU policies and programmes and for the budget's ability to respond to emerging needs; repeats its call for EURI borrowing costs to be placed over and above the MFF ceilings as part of the MFF revision to be in place for the 2024 budget; insists on the need for the Commission to provide the budgetary authority with timely and detailed information on the calculations underpinning EURI borrowing costs;
55. Notes that the amount of research decommitments (provisionally over EUR 300 million in 2022) exceeds the level anticipated in, and therefore is not covered by, the MFF agreement; insists that all research decommitments should be made available in accordance with Article 15(3) of the Financial Regulation (Regulation (EU, Euratom) 2018/1046); reiterates its position that all decommitted appropriations should remain in the budget and underlines the need for corresponding changes to the Financial Regulation;
56. Stresses the need for continuous work to achieve the climate and biodiversity mainstreaming targets for EU budget spending laid down in the IIA; reminds the Commission of its obligation under the IIA to regularly take stock of the progress of climate mainstreaming efforts and examine whether the targets have been reached or are on track; calls on the Commission to monitor the implementation of the 'do no significant harm' principle and to take necessary corrective measures if and when needed; underlines that further efforts must be made within the 2024 Union budget to ensure that biodiversity spending targets set for the years 2026 and 2027 are met;
57. Calls on the Commission to pay due attention to the conclusions of the European Court of Auditors special report on climate spending in the 2014-2020 EU budget; insists on the need to track climate- and biodiversity-related expenditure accurately; welcomes the advances made in the 2023 budget regarding biodiversity mainstreaming and calls on the Commission to conclude the update of the tracking methodology for biodiversity spending for the 2024 budget, including details on the expected contribution of each programme to the 2024 target; stresses the need to ensure consistency between climate and biodiversity funding and calls on the Commission to publish the relevant expenditure in the draft budget;
58. Reiterates that all EU programmes, policies and activities should be implemented in a way that promotes gender equality in the delivery of their objectives; welcomes, in this regard, the Commission's work on gender budgeting and a new classification to measure the gender impact of Union spending as set out in the IIA; calls on the Commission to extend this methodology to all MFF programmes in order to demonstrate results for the 2024 budget accompanied by the systematic collection, reporting and evaluation of gender-disaggregated data, to measure expenditure relevant

to the promotion of gender equality as well as rights and equal opportunities for all; expects all gender-relevant reporting to be done on the basis of volumes and not number of actions; underlines the importance of the data gathering for the purpose of implementing the revised directive on the fight against gender-based violence and the need for the necessary resources to do so;

59. Calls on the Commission to develop a robust methodology for tracking social expenditure in the EU budget based on the principles of the European Pillar of Social Rights;
60. Recalls the essential work carried out by decentralised agencies, the joint undertakings and the European Public Prosecutor's Office; considers that agencies must be properly staffed and adequately resourced so that they can perform their tasks; recalls that the tasks of agencies evolve in line with policy priorities and stresses that new responsibilities must be accompanied by corresponding levels of fresh resources;
61. Underlines the value of pilot projects and preparatory actions (PP-PAs) in trialling new policy initiatives and laying the groundwork for future Union actions; intends, therefore, to propose a package of PP-PAs in line with its political priorities and the Commission's assessment; expects the Commission to evaluate PP-PA proposals impartially on the basis of a legal and financial assessment and expects to receive precise and detailed explanations when a project is deemed 'covered' by EU programmes and policies, with concrete examples of the EU actions that are deemed to cover the proposals; calls on the Commission to ensure that PP-PAs adopted in the budget are implemented in full, in a timely manner and in close cooperation with Parliament and that the results of PP-PAs and institution initiating them are properly communicated;
62. Underlines the importance of swift disbursement of funds to beneficiaries so as to provide the necessary economic stimulus; emphasises, in this regard, that the timely disbursement and use of NextGenerationEU funds through the Recovery and Resilience Facility, with respect for rule of law conditionality, is vital to support recovery and invest for the future in regions and municipalities facing extreme geopolitical and economic uncertainty;
63. Stresses that proper checks and controls on EU spending are essential to combat fraud, protect the Union's financial interests and ensure a high level of citizens' trust in the EU institutions and the Union's decision-making processes; recalls that the selection of final beneficiaries and the stringent implementation of all EU funds in accordance with democratic principles, accountability and respect for fundamental rights and the Union's values are essential for the success of European investment;
64. Welcomes the positive impact of the regulation on a general regime of conditionality for the protection of the EU budget; emphasises the clear link between respect for the rule of law and efficient implementation of the EU budget and calls on the Commission to ensure robust enforcement of the regulation; insists, furthermore, on the obligation to comply with the Charter of Fundamental Rights of the European Union when implementing the EU budget;
65. Stresses that the 2024 budget must provide sufficient payment appropriations for

programmes that should now be at cruising speed; insists that it is necessary to step up the implementation of various programmes to avoid the risk of a payments backlog in the second half of the MFF period;

◦

◦ ◦

66. Instructs its President to forward this resolution to the Council, the Commission and the Court of Auditors.

9.3.2023

OPINION OF THE COMMITTEE ON FOREIGN AFFAIRS

for the Committee on Budgets

on guidelines for the 2024 budget – Section III
(2022/2184(BUI))

Rapporteur for opinion: Carina Ohlsson

SUGGESTIONS

The Committee on Foreign Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Calls for an ambitious 2024 budget for external action in order to equip the Union with adequate means for achieving its foreign policy goals; insists on focusing on the priorities highlighted during high-level dialogues under the Neighbourhood, Development and International Cooperation Instrument and the Instrument for Pre-Accession Assistance (IPA III); recalls the need to implement strict conditionality under these instruments, including enhanced enforcement of transparency and auditing mechanisms based on the IPA III legal framework, as well as to ensure that all EU expenditures are fully in line with the EU's own strategic goals and interests and not contradictory to them;
2. Emphasises that the protection and promotion of human rights and democracy globally continues to be of central importance for the EU's external action; calls for a more ambitious budget for the human rights components of the IPA III in order to address the increasing challenges to democracy and human rights in the world; calls for increased funding for Electoral Observation Missions and stresses their fundamental role as strong deterrents to electoral fraud and violence while also contributing to improving future elections, fostering peace and development, and supporting democracy; calls on the Commission to ensure that its cooperation assistance enhances support to civil society, notably human rights defenders and indigenous peoples and communities;
3. Highlights the numerous challenges and the situation of instability in the EU's neighbourhood; recalls the strategic importance of enlargement policy in the Western Balkans; emphasises the need to increase funding for the Western Balkan countries and the countries of the Eastern and Southern Neighbourhoods, including under Heading 6 of the 2021-2027 multiannual financial framework (MFF), in order to support political and economic reforms, democratic transitions and the sustainability objectives of the Green Deal, including the energy transition, with a focus on the most committed partners following the principle of 'more for more and less for less'; calls on the Commission to present proposals on including Ukraine, Moldova and Georgia on the

list of IPA III beneficiaries and to ensure a proportional increase in IPA III funding; calls for an overall increase of the budget of IPA III to ensure more adequate EU assistance to the beneficiary countries in times of geo-political change;

4. Regrets that according to European Court of Auditors Special Report 01/2022¹, EUR 700 million in financial support provided by the EU between 2014 and 2020 for the improvement of the rule of law in the Western Balkans had little impact on fundamental reforms; calls on the Commission to send clear signals to those candidate countries in which a backlash against rule of law standards is jeopardising or delaying their accession to the EU; invites the Commission to ensure the efficiency of the funds spent and report back to Parliament; regrets Serbia's continued low level of alignment with the common foreign and security policy (CFSP), notably with regard to the Russian Federation's war of aggression against Ukraine; calls on the Commission in this respect to consider withholding funding to Serbia until it demonstrates full alignment with the CFSP, while maintaining EU support to civil society;
5. Stresses that brain drain in the Western Balkan countries continues to impede European integration; calls on the Commission to step up its efforts to support the development of human capital by using IPA III funds to provide better education, skills training, employment opportunities and social protection in the beneficiary countries and to stimulate the return of citizens and the transformation of society by passing on European values and standards through the acquisition of skills and experiences, as well as to enhance the support of IPA III for projects that focus on institution building and the proper functioning of the institutions in the beneficiary countries, in order to ensure adequate absorption capacity;
6. Emphasises that the Union is facing a rapidly changing global environment and a rising number of crises, including Russia's illegal military aggression against Ukraine, requiring the Union to assume a more prominent role in international affairs; highlights its unwavering support to Ukraine, including through the European Peace Facility, the Union budget for emergency assistance, humanitarian aid and sustaining its economic, social and financial resilience; acknowledges that a major global financial effort will be required for the recovery and reconstruction of Ukraine; calls on the Commission in this respect to put in place a legal instrument allowing for the confiscation of frozen Russian assets and funds so that they can be used for the reconstruction of Ukraine and reparations for Ukrainian victims and their families; looks forward to observing the work of the Multi-agency Donor Coordination Platform;
7. Highlights the importance of maintaining financial support for the Belarusian democratic opposition and civil society, both in Belarus and in exile; calls on the Commission to address the difficulties faced within the EU banking system by exiled Belarusian and Russian non-governmental organisations that are registered in the EU, as European banks very often deny them services or close their accounts; reiterates the importance of devoting financial resources to ensuring nuclear safety, particularly as Belarus is not cooperating regarding its Astravyets nuclear power plant (NPP) and Russia has occupied the Zaporizhzhia NPP in Ukraine, the largest in Europe, and is

¹ European Court of Auditors, Special Report 01/2022, *EU support for the rule of law in the Western Balkans: despite efforts, fundamental problems persist*, 10 January 2022.

using military force in the vicinity of nuclear objects;

8. Reiterates the urgent need for reinforcing the Union's financial contribution to global action against climate change including via supporting partner countries on their path towards a green and digital transition; stresses the need for continuous work towards the achievement of climate and biodiversity mainstreaming targets laid down in the interinstitutional agreement of 16 December 2020² (IIA) and asks for increased efforts in the 2024 budget to meet spending targets and in particular to achieve the intended impact in both Union budget and the EU Recovery Instrument expenditures; calls on the Commission to carefully take into account the conclusions of the special report of the European Court of Auditors on climate spending in the 2014-2020 MFF as well as the performance audit of November 2022; reminds the Commission of its commitment and obligation under the IIA to take stock of the progress of climate mainstreaming efforts at mid-term and to examine whether the targets have been reached or are on track to be reached; asks the Commission, in case these targets are not reached, to make appropriate proposals in line with the requirements laid down in Article 16 of the IIA; recalls that the 'do no significant harm' principle is mainstreamed in all Union activities through budgetary implementation as agreed in the IIA and stresses, therefore, the urgent need to ensure the respect of that principle across the entire budget in all its six dimensions, and to take necessary corrective measures if and when needed and without undue delay;
9. Recalls the biodiversity-related spending targets of 7.5 % for 2024 and 10 % from 2026 onwards in the current MFF; stresses that all efforts should be made to reach the target of making 10 % of all spending biodiversity-related as soon as possible; highlights that the biodiversity financing gap over the period 2021 and 2030 is around EUR 18.69 billion per year and should be remedied as soon as possible; takes note of the progress made in the preparation of the EU budget 2023 regarding biodiversity mainstreaming and calls on the Commission to conclude the update of the tracking methodology for biodiversity spending for the EU budget 2024; calls on the Commission also to publish a 'fiche' detailing both the expected contribution of each programme to the 2024 target and how the 2026 target will be reached, as well as providing an action plan to outline the programme-level measures that are needed to ensure that each programme meets its growing target;
10. Welcomes the efforts to establish more transparent and comprehensive reporting in the budgetary documents as well as the performance website, and emphasises the need to carry out sufficient ex-post evaluations with a particular focus on impact; expects the Commission to publish the methodology for measuring progress together with the mid-term revision following consultation with Parliament and the relevant stakeholders; stresses the need to ensure consistency between climate and biodiversity funding and calls on the Commission, when presenting the draft budget, to publish the amounts and shares of expenditure for each programme that will contribute to each target;
11. Welcomes the Commission's work on a new classification system to measure the

² Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources. OJ L 433I , 22.12.2020, p. 28.

gender impact of Union spending, in line with the provisions of the IIA; calls on the Commission to ensure that this classification system provides an accurate and comprehensive reflection of the impact of programmes on gender equality, with a view to getting the best gender equality impact from programmes that are currently rated as having zero stars and to learning lessons for the design of these programmes; calls, moreover, for an extension of that classification system to all MFF programmes in order to demonstrate results for the 2024 budget; stresses, in this regard, the need for systematic collection and analysis of gender-disaggregated data; expects all gender-relevant reporting to be done on the basis of volumes and not numbers of actions; recalls the need for regular monitoring of the impact of the Union budget on gender equality; calls for an increase in the budget in order to effectively implement the Union institutions' commitment to the EU Gender Action Plan III;

12. Calls for particular attention to be paid to the situation in Afghanistan and for the EU to support local and international organisations and actors advocating for women and girls' rights and providing them with public services such as healthcare and education;
13. Stresses that public resources to deal with the multitude of global challenges are insufficient; acknowledges that the heightened role of the European External Action Service (EEAS) in addressing new challenges such as disinformation must be accompanied by an increase in staffing; calls for a significant increase in financial and human resources for the EEAS's StratCom Task Forces to counter disinformation and malicious foreign interference, including with a view to improving communication and public outreach, and deepening cooperation with Member State-level authorities; asks the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy for a clear road map with concrete actions and a clear timeline for a better StratCom response to disinformation operations; endorses the EEAS's call to the budgetary authority for adequate personnel resources to ensure the Union is able to fulfil its role as a key player on the global stage including by supporting democracy, gender equality, climate action, the rule of law, and peace and security; underlines the importance of leveraging the EU budget in order to attract private investment as well as of working as Team Europe for to give the EU's external actions greater impact and visibility, including in the framework of the Global Gateway strategy; underlines the central role and geopolitical relevance of the Global Gateway strategy in tackling worldwide challenges on the basis of shared core values; insists on providing adequate budgetary means to guarantee that this strategy is implemented with optimal impact;
14. Highlights the importance of enhancing cooperation in defence and security in line with the Strategic Compass; recalls, in this context, the pledge made by heads of state and government in Versailles in March 2022 to bolster Europe's defence capabilities, and recalls the ambition of the Strategic Compass to make a quantum leap forward in the Union's defence policy; recalls that security and defence policy has been among European citizens' key priorities for the Union since its inception, with support reaching 81% in 2022; underlines that Member States have yet to deliver on these pledges, ambitions, and expectations; underlines that the EU budget is the principle common instrument for solidarity and cohesion, and that this instrument needs to be put to work also in the defence of Europe and its citizens; recalls the challenges posed to the security of the Member States and the EU's Eastern Neighbourhood by Russia's

military threats and the Russian war against Ukraine;

15. Calls for the budgetary role of Parliament to be fully respected; recalls that this role includes oversight over the common security and defence policy (CSDP), as enshrined in the Articles 14 and 16 of the Treaty on European Union (TEU) which stipulate that Parliament and the Council exercise the budgetary function of the Union jointly, and Article 41 TEU, which establishes the basic principle of EU budget funding for the CSDP; calls for increased transparency and democratic scrutiny of the funding of external financing instruments through strategic steering by Parliament and an enhanced geopolitical dialogue between Parliament and the Commission;
16. Emphasises the importance of the Member States and the European Defence Fund providing adequate financial support to build a strong CSDP and to increase the EU's security and strategic autonomy;
17. Calls on the Commission to increase financial support to promote decent work globally while promoting international labour standards; calls on the Commission to design programmes to help companies to implement their human rights and environmental due diligence obligations in third countries, including by facilitating meaningful stakeholder involvement;
18. Reiterates its support for increased financial resources for humanitarian aid to provide for those facing hunger and those left without a home or income due to military or economic crises, or natural or environmental disasters; expresses its deep compassion and full support for the people affected by the terrible earthquakes in Türkiye and Syria; calls, in this regard, for a significant share of the humanitarian aid provided to Türkiye to be earmarked for disaster relief and for addressing the reconstruction and long-term needs of the country; recalls that there remains a pressing need for a financial package for refugees from Syria; calls for sufficient resources to fund this package;
19. Commends the supplementary support given to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) in 2022 and recalls the additional financing agreed upon under the EU's annual budget for 2023; urges the Commission to enhance the EU's financial assistance to the UNRWA in 2024 in view of the difficult financial situation of the agency, in order to ensure that it is able to continue uninterrupted with its delivery of vital services to one of the most vulnerable populations in the Middle East, and to maintain the crucial services it offers to millions of Palestinian refugees; and its crucial role in the promotion of development and stability in the region.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	9.3.2023
Result of final vote	+: 40 -: 2 0: 0
Members present for the final vote	Alexander Alexandrov Yordanov, François Alfonsi, Maria Arena, Petras Auštrevičius, Traian Băsescu, Reinhard Bütikofer, Włodzimierz Cimoszewicz, Michael Gahler, Sunčana Glavak, Raphaël Glucksmann, Sandra Kalniete, Dietmar Köster, Georgios Kyrtos, Miriam Lexmann, Leopoldo López Gil, Antonio López-Istúriz White, Lukas Mandl, Vangelis Meimarakis, Sven Mikser, Francisco José Millán Mon, Matjaž Nemeč, Gheorghe-Vlad Nistor, Tonino Picula, Nacho Sánchez Amor, Mounir Satouri, Jordi Solé, Sergei Stanishev, Dragoș Tudorache, Viola von Cramon-Taubadel
Substitutes present for the final vote	Attila Ara-Kovács, Anna-Michelle Asimakopoulou, Andrey Kovatchev, Sergey Lagodinsky, Javi López, Gabriel Mato, Tom Vandenkendelaere, Mick Wallace, Javier Zarzalejos
Substitutes under Rule 209(7) present for the final vote	Clare Daly, Francisco Guerreiro, Eero Heinäluoma, Massimiliano Smeriglio

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

40	+
PPE	Alexander Alexandrov Yordanov, Anna-Michelle Asimakopoulou, Traian Băsescu, Michael Gahler, Sunčana Glavak, Sandra Kalniete, Andrey Kovatchev, Miriam Lexmann, Leopoldo López Gil, Antonio López-Istúriz White, Lukas Mandl, Gabriel Mato, Vangelis Meimarakis, Francisco José Millán Mon, Gheorghe-Vlad Nistor, Tom Vandenkendelaere, Javier Zarzalejos
Renew	Petras Auštrevičius, Georgios Kyrtos, Dragoș Tudorache
S&D	Attila Ara-Kovács, Maria Arena, Włodzimierz Cimoszewicz, Raphaël Glucksmann, Eero Heinäluoma, Dietmar Köster, Javi López, Sven Mikser, Matjaž Nemeč, Tonino Picula, Nacho Sánchez Amor, Massimiliano Smeriglio, Sergei Stanishev
Verts/ALE	François Alfonsi, Reinhard Bütikofer, Francisco Guerreiro, Sergey Lagodinsky, Mounir Satouri, Jordi Solé, Viola von Cramon-Taubadel

2	-
The Left	Clare Daly, Mick Wallace

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention

21.2.2023

LETTER OF THE COMMITTEE ON BUDGETARY CONTROL

Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: Opinion on Guidelines for the 2024 Budget - Section III (2022/2184(BUI))

Dear Mr Van Overtveldt,

Under the procedure referred to above, the Committee on Budgetary Control (CONT) has been asked to submit an opinion to your committee. By written procedure, on 18 January 2023, CONT coordinators decided to draw up the opinion in the form of a letter.

The Committee on Budgetary Control considered the matter at its meeting of 28 February 2023. At that meeting, it decided to call on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution on guidelines for the preparation of the 2024 budget, Section III – Commission.

Yours sincerely,

Monika Hohlmeier,

Jeroen Lenaers

CONT Chair

Co-Rapporteur for the Commission discharge

SUGGESTIONS

Outstanding commitments (RAL) and financial exposure

1. Is concerned that at the end of 2021, total outstanding commitments reached a record high of EUR 341.6 billion; highlights that outstanding commitments are likely to exceed EUR 460 billion in 2023 but that they will then fall as NextGenerationEU (NGEU) draws to a close; highlights in this context the risk that outstanding commitments pose to the Union budget, as they have the potential to generate significant decommitments, which in turn would decrease the budget's impact on the real economy; demands that the Commission indicate to the discharge authority the measures it intends to take to avoid this situation;
2. Deplores the fact that in 2021, the implementation of commitments was very low, at 68 % of the total available, and that the late adoption of sectoral regulations during 2021 delayed the launch of new programmes; welcomes the increase in the overall absorption rate of European Structural and Investment Funds (ESIF) in 2021 due to higher payments than in 2020; highlights that at the end of 2021, around EUR 161 billion remained to be absorbed by the closure of ESIF programmes in 2025; notes with concern the significant differences in absorption rates by Member States, and the fact that some Member States still have to absorb more than 40 % of their committed amounts;
3. Notes with concern the increase in the Union budget's total exposure to contingent liabilities from EUR 131.9 billion in 2020 to EUR 277.9 billion in 2021; acknowledges that the two main reasons for this substantial rise were the introduction of NGEU and the increase in the amount of loans provided under the temporary support to mitigate unemployment risks in an emergency (SURE) instrument; understands that the risk to the Union budget from contingent liabilities is mitigated by the increase of the own resources ceiling and the counter-guarantees of Member States for SURE loans;
4. Welcomes the successful efforts of the Commission to raise funds on the financial markets to provide the financial means for the Recovery and Resilience Facility (RRF), making it an important instrument to provide support in a time of extreme crisis; expresses some concerns, nevertheless, about the rising interest rates and the resulting uncertain capacity to repay the loans and the risks this poses to the Union budget and agreed Union policies; recalls that Parliament, the Council and the Commission committed, in the interinstitutional agreement of 16 December 2020¹, to a road map for the introduction of new own resources to cover, among other things, the repayment of debt incurred under the European Union Recovery Instrument (EURI); calls on the Commission and the Council to advance without delay with the introduction of all new own resources contained in the first basket; looks forward to the Commission's ambitious proposals for a second basket of new own resources in the third quarter of

¹ Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources. OJ L 433I, 22.12.2020, p. 28.

2023; calls on the Commission to provide detailed and reliable calculations of the interest rate payments to cover EURI liabilities;

Digitalisation, data mining and the fight against fraud

5. Stresses the need to enlarge the areas where the Early Detection and Exclusion System (EDES) is used beyond direct management and requests the Commission to use it for all Union funds including funds under shared management: notes that EDES has to be used systematically to ensure that companies and beneficial owners who have been convicted in relation to fraud, corruption or other serious economic criminal activities cannot benefit from Union funds; stresses the need to harmonise the indicators in the ARACHNE risk scoring tool with the exclusion grounds of EDES to ensure that excluded economic operators are also visible in ARACHNE; calls for maximum interoperability between ARACHNE, EDES and other software to reduce the need to insert information items into various IT systems multiple times and keep the administrative burden as low as possible; believes that not more but better targeted control systems are needed, including the use of new technologies;
6. Calls on the Commission to ensure the protection of the Union budget by making general and systematic use of digital and automated systems for reporting, monitoring and audit; reiterates the imperative need for a single mandatory integrated and interoperable information and monitoring system provided by the Commission, building on, but not limited to, existing tools and databases, allowing for the electronic recording and storage of data on the recipients of Union funding, including their beneficial owners, and making this information available for data mining and risk scoring purposes;
7. Reiterates the need to step up the efforts in the fight against fraud both at Union and Member State level, in close cooperation with the European Public Prosecutor's Office (EPPO) and the European Anti-Fraud office (OLAF); appreciates the remarkable efforts of the EPPO and stresses the importance of its role in the investigation and prosecution of fraud and other criminal offences affecting the financial interests of the Union; highlights that the EPPO investigated cases with estimated damages of EUR 5.4 billion in 2021 alone, thus costing a fraction of the potential recoveries the organisation might bring back to the EU budget; recalls the importance of providing the EPPO and OLAF with sufficient financial and human resources;

Cross-cutting issues

8. Expresses concern about the overall error rate of 3 % for 2021 expenditure, which is 1 percentage point above the materiality threshold; emphasises that this is a deterioration in comparison with the 2.7 % error rate for 2020 expenditure; urges the Commission to step up its efforts to improve the protection of the Union budget and bring the error rate of future expenditure below the materiality threshold;
9. Notes with concern the emergence of the 'new budget galaxy' and the use of new financial instruments and innovations outside the EU budget; stresses that these new instruments should not become the norm and that Parliament should always be able to exercise its budgetary role, as well as its full democratic control over the budget; believes that Parliament should strengthen its role in monitoring and protecting the

EU's public finances and financial interests;

10. Reiterates its deep concern regarding the situation of the rule of law in a number of Member States, which is deeply worrying in its own right and leads to serious losses for the Union budget; underlines that Union funds must not be used for anti-democratic activities or for strengthening authoritarianism; welcomes in this regard the first application of the conditionality mechanism in the case of Hungary, by freezing 55 % of three cohesion policy programmes; invites the Commission to observe more closely and react in cases where investors and companies in Hungary are deliberately excluded from accessing EU funding; calls on the Commission to trigger the application of the conditionality mechanism without delay whenever breaches of the principles of the rule of law are identified as affecting or presenting a serious risk of affecting the sound financial management of the Union budget or the protection of the financial interests of the Union in a sufficiently direct way;
11. Stresses the increased importance of performance indicators, including the selection of indicators, the definition of targets and milestones and monitoring and reporting, in the light of the new delivery models for the RRF and the reformed common agricultural policy; welcomes in this regard the Commission's work to improve monitoring and reporting on performance of the Union budget with more streamlined and qualitative indicators, as reflected in the adopted basic acts of the 2021-2027 spending programmes;
12. Is concerned that the late adoption of a number of regulations governing different Union policies has led to a significant delay in the starting of implementation for the 2021-2027 period; invites the Commission to take all the necessary measures to speed up the implementation of the policies on the ground, while keeping a high focus on quality and the need to step up the fight against fraud and protect the financial interests of the Union; draws attention to the fact that a significant part the 2021 budgetary allocation, especially that under shared management, has to be reprogrammed for the following years;
13. Reiterates the need for a reliable and realistic climate mainstreaming methodology to better assess EU climate spending and measure the Union's climate contribution;
14. Calls on the Commission to simplify legislation, avoid overregulation and reduce administrative burdens, as set out in the interinstitutional agreement of 13 April 2016 on better law-making²; calls on the Commission to include in its work ways to detect redundant administrative obligations and the reasons behind them, and issue recommendations to alleviate and prevent such practices.

² Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making. OJ L 123, 12.5.2016, p. 1.

2.3.2023

**POSITION IN THE FORM OF AMENDMENTS
OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS**

for the Committee on Budgets

on Guidelines for the 2024 Budget - Section III
(2022/2184(BUI))

On behalf of the Committee on Employment and Social Affairs: Dragoş Pîslaru (Chair)

AMENDMENTS

The Committee on Employment and Social Affairs presents the following amendments to the Committee on Budgets, as the committee responsible:

Amendment 1 Motion for a resolution
Citation 2 a (new)

Motion for a resolution

Amendment

- *having regard to the European Pillar of Social Rights (EPSR), proclaimed by the European Council, the European Parliament and the European Commission in November 2017, the European Pillar of Social Rights Action Plan of 4 March 2021 and the Porto Declaration of 8 May 2021 on social affairs adopted by the members of the European Council,*

Amendment 2
Motion for a resolution
Citation 6 a (new)

Motion for a resolution

Amendment

- *having regard to its resolution of 19 May 2022 entitled ‘the social and economic consequences for the EU of the Russian war in Ukraine – reinforcing the*

EU's capacity to act'^{1a},

^{1a} Texts adopted, P9_TA(2022)0219.

Amendment 3
Motion for a resolution
Citation 6 b (new)

Motion for a resolution

Amendment

– *having regard to its resolution of 15 December 2022 on upscaling the 2021-2027 Multiannual Financial Framework^{1a},*

^{1a} Texts adopted, P9_TA(2022)0450.

Amendment 4
Motion for a resolution
Citation 15 a (new)

Motion for a resolution

Amendment

– *having regard to the provisional interinstitutional agreement on the Regulation of the European Parliament and of the Council establishing a Social Climate Fund,*

Amendment 5
Motion for a resolution
Citation 15 b (new)

Motion for a resolution

Amendment

– *having regard to its resolution of 16 February 2023 entitled 'An EU strategy to boost industrial competitiveness, trade and quality jobs'^{1a},*

Texts adopted, P9_TA(2023)0053.

Amendment 6
Motion for a resolution
Recital A (new)

Motion for a resolution

Amendment

A. whereas rising inflation and, in particular, rapidly increasing food and energy prices across the EU are affecting the most vulnerable populations, further widening inequality, and aggravating poverty, including energy poverty; whereas wages are not projected to increase as fast as inflation and therefore workers are losing purchasing power and might see their living conditions worsen in the next few months; whereas this will also exert considerable pressure on social policy capacity, as well as on automatic stabilisers such as national unemployment schemes; whereas the European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) adopted by the Commission proved successful during the COVID-19 pandemic;

Amendment 7
Motion for a resolution
Recital A a (new)

Motion for a resolution

Amendment

Aa. whereas, pursuant to Article 311 of the Treaty on the Functioning of the EU (TFEU), the Union must provide itself with the means necessary to attain its objectives and carry through its policies;

Amendment 8
Motion for a resolution
Recital A b (new)

Motion for a resolution

Amendment

Ab. whereas, since the adoption of the current multiannual financial framework (MFF) in December 2020, the political, economic and social context has changed beyond recognition, starting with the unprecedented scale and dramatic consequences of the COVID-19 pandemic, which is far from over;

**Amendment 9
Motion for a resolution
Recital A c (new)**

Motion for a resolution

Amendment

Ac. whereas Russia's unprovoked and unjustified invasion of Ukraine has led to a major humanitarian crisis, and has triggered an economic and social shock of uncertain duration and magnitude worldwide; whereas the heads of state or government have described the war as a 'tectonic shift in European history' and the Commission has stated that the 'unforeseen needs created by war in Europe are well beyond the means available in the current multiannual financial framework';

**Amendment 10
Motion for a resolution
Recital A d (new)**

Motion for a resolution

Amendment

Ad. whereas citizens rightly expect the EU budget to respond effectively to evolving needs and to support them in crises;

Amendment 11
Motion for a resolution
Recital A e (new)

Motion for a resolution

Amendment

Ae. whereas the combined effect of multiple crises and low MFF ceilings has given rise to an array of ad hoc instruments in addition to the EU budget, as well as greater use of external assigned revenue not subject to the budgetary procedure, most notably in the case of NextGenerationEU (NGEU); whereas, as one arm of the budgetary authority, Parliament should play a full role in this new budgetary environment in order to ensure democratic accountability and transparency;

Amendment 12
Motion for a resolution
Recital A f (new)

Motion for a resolution

Amendment

Af whereas the interinstitutional agreement sets out specific arrangements for cooperation and dialogue between Parliament, the Council and the Commission on budgetary matters; whereas further steps should be taken to improve transparency and the availability of information on all spending in support of EU policymaking;

Amendment 13
Motion for a resolution
Recital A g (new)

Motion for a resolution

Amendment

Ag. whereas the crisis is having an impact on labour markets and living conditions in the EU and risks adversely affecting growth and employment;

Amendment 14
Motion for a resolution
Recital A h (new)

Motion for a resolution

Amendment

Ah. *whereas the EPSR Action Plan set a target for the EU to reduce the number of people at risk of poverty or social exclusion by at least 15 million, including at least 5 million children, and adopted a series of proposals in order to reach that goal by 2030;*

Amendment 15
Motion for a resolution
Paragraph 1

Motion for a resolution

Amendment

1. Stresses that Russia's war against Ukraine **has brought** substantial economic and social consequences **for the citizens of Europe**, pushing up inflation, generating energy insecurity and resulting in a cost of living crisis for millions; underlines that the new geopolitical and economic context has given rise to new policy initiatives, **notably** in energy, defence and industrial policy;

1. Stresses that **the COVID-19 pandemic and** Russia's war **of aggression** against Ukraine **have had** substantial **negative** economic and social consequences, **inter alia for the EU's labour markets and living conditions and** by pushing up inflation, generating energy insecurity and resulting in **rapid increases in food and energy prices, and a** cost of living crisis for millions **of people, adversely affecting economic growth and employment**; underlines that the new geopolitical and economic context has given rise to new **and necessary** policy initiatives, **in areas such as** in energy, **climate**, defence and industrial policy;

Amendment 16
Motion for a resolution
Paragraph 2

Motion for a resolution

Amendment

2. Is determined to ensure that the 2024 budget addresses people's concerns

2. Is determined to ensure that the 2024 budget addresses people's concerns

and delivers on their priorities by helping to restore stability and laying the foundations for a secure and prosperous Europe; underlines the need for additional investment in energy, health, the digital and green transitions, research and innovation **and** SMEs, and **in supporting** job creation, tackling unemployment and offering opportunities for young people, **and therefore improving** the standard of living **of all Europeans**;

and delivers on their priorities by helping to restore stability and laying the foundations for a secure and prosperous Europe **in line with the principles of the EPSR**; underlines the need for additional investment in energy, health, **social infrastructures**, the digital and green transitions, **human capital**, research and innovation, SMEs and **microenterprises**, **in order to support upward social convergence**; **highlights that investments in high levels of employment and quality job creation, upskilling and reskilling, tackling unemployment and offering quality and sustainable opportunities for young people while preserving purchasing power, increasing the support to the most vulnerable, deprived and disadvantaged groups, such as children and youth, LGBTIQ+ families or single parent families, persons with disabilities, older persons, migrants and refugees and Roma people, and supporting public housing construction, will improve** the standard of living **in the EU**;

Amendment 17
Motion for a resolution
Paragraph 3

Motion for a resolution

3. Stresses that a strong economic recovery in 2024 requires full use of the EU budget's potential and flexibility; underlines that the EU budget is above all the largest investment tool with leverage effect, complementing national budgets with their limited investment capacity and **therefore** responding to **the** needs **of EU citizens**;

Amendment

3. Stresses that a strong **sustainable, resilient and inclusive** economic recovery in 2024 requires full use of the EU budget's potential and flexibility, **in particular EU funding and financial instruments in the social and employment area**; underlines that the EU budget is above all the largest investment tool with leverage effect, complementing national budgets with their limited investment capacity and **believes in the importance of addressing social gaps in living and working conditions through social investment in the medium and long term future while, at the same time** responding to **people's immediate** needs; **is, however,**

concerned that the extent of the current crises and their impact will require a robust budgetary response in 2024 and beyond; calls therefore on the Commission to propose an ambitious budget for 2024;

Amendment 18
Motion for a resolution
Paragraph 3 a (new)

Motion for a resolution

Amendment

3a. Reiterates that the EPSR Action Plan set a target for the EU to reduce the number of people at risk of poverty or social exclusion by at least 15 million, including at least 5 million children, and adopted a series of proposals in order to reach this goal by 2030 and stresses that in the current context, reaching the target will become more challenging unless specific efforts and support are dedicated to alleviating the current pressure on social protection systems and mitigating the social impact of the crisis, as well as to giving support to refugees and ensuring decent living conditions for all, with access to quality essential services such as health, education and housing;

Amendment 19
Motion for a resolution
Paragraph 3 b (new)

Motion for a resolution

Amendment

3b. Considers the protection and promotion of the multilingualism principle to be crucial, as it promotes the quality of democratic participation and transparency; calls, in this regard, for an adequate increase in the funding of interpretation and translation services by the EU institutions, including Parliament and the Commission, and to ensure

maximum internalisation of these services and ensuring the health and safety at work of the workers that provide them;

Amendment 20
Motion for a resolution
Paragraph 3 c (new)

Motion for a resolution

Amendment

3c. Calls for dignified working conditions and fair remuneration for workers in the child-care, cleaning and catering services of the EU institutions to be guaranteed, in particular Parliament; urges, in this regard, the internalisation of these services and their workers;

Amendment 21
Motion for a resolution
Paragraph 4

Motion for a resolution

Amendment

4. Reiterates its call for an urgent and ambitious revision of the current multiannual financial framework (MFF) in order to reinforce post-pandemic recovery, address the consequences of the war, guarantee **sufficient** flexibility and provide the necessary funding for important new policy initiatives and to respond to unforeseen challenges; expects the revised MFF to be in place by 1 January 2024;

4. Reiterates its call for an urgent and ambitious revision of the current MFF in order to reinforce post-pandemic recovery, **support sustainable growth and investment and effectively tackle the social and labour market implications of the COVID-19 pandemic, and to** address the consequences of the war **against Ukraine, such as worsening levels of energy poverty; highlights the need to** guarantee **increased** flexibility and **sufficient resources, to** provide the necessary funding for important new policy initiatives and to respond to unforeseen challenges; **calls on the Commission to support the 2030 Agenda for Sustainable Development as well as the EPSR and the Porto Declaration targets in order to promote real economic convergence;** expects the revised MFF to be in place by 1 January 2024;

Amendment 22
Motion for a resolution
Paragraph 4 a (new)

Motion for a resolution

Amendment

4a. Considers that detecting social risks and taking into account the divergent employment effects and long-term unemployment across particular industries should be adequately addressed; calls on the Commission therefore to present a tracking methodology for expenditure on Sustainable Development Goals (SDGs) within the EU's social budget based on the principles of the European Pillar of Social Rights and a Social Scoreboard and well-being indicators to measure the overall impact of different funds, instruments and facilities financed under the MFF and NGEU;

Amendment 23
Motion for a resolution
Subheading 2

Motion for a resolution

Amendment

A stronger economy and more resilient society through future-oriented investment

A stronger **social market** economy and more resilient society through future-oriented investment

Amendment 24
Motion for a resolution
Paragraph 5

Motion for a resolution

Amendment

5. Underlines that SMEs **remain** the backbone of the European economy, **playing a vital** role in **growth and job** creation; emphasises that adequate funding is necessary for the Single Market programme to boost small business competitiveness; stresses the need to

5. Underlines that SMEs **constitute** the backbone of the European economy **and acknowledges their** role in **the** creation **of quality jobs and economic prosperity**; emphasises that adequate funding is necessary for the Single Market programme to boost small business

maximise the potential of the InvestEU programme in leveraging sustainable and innovative investment and in providing capital support to SMEs hit by the crisis;

competitiveness *and to invest in entrepreneurial skills, through entrepreneurial programmes and by reinforcing the link between the education system and the labour market*; stresses the need to maximise the potential of the InvestEU programme in leveraging sustainable and innovative investment and in providing capital support to SMEs hit by the crisis; *stresses the crucial role of, and need to support, social economy enterprises, which perform an important social role and often provide employment to vulnerable and excluded groups*;

Amendment 25
Motion for a resolution
Paragraph 5 a (new)

Motion for a resolution

Amendment

5a. *Calls for measures to fight poverty, ensure a just transition and help alleviate the impact of high levels of inflation on poorer workers, businesses and households to be stepped up; stresses that the European Instrument for Temporary Support to Mitigate Unemployment Risks in an Emergency (SURE) has proved to be successful in fighting unemployment as a consequence of the COVID-19 pandemic; further calls on the Commission to build on the SURE instrument to support national schemes to protect employment and preserve workers' incomes that can be activated temporarily when a part of the EU experiences an economic shock; insists that all national and EU emergency measures, particularly those associated with employment protection and income compensation continue and are refinanced as long as the socio-economic consequences of the war continue to have a negative impact on the labour market and until the economy fully recovers and the job market stabilises;*

Amendment 26
Motion for a resolution
Paragraph 7

Motion for a resolution

7. Strongly supports the key role cohesion policy plays in delivering on EU policy priorities and boosting the EU economy by contributing to growth, promoting convergence between countries and regions, supporting the green and digital transitions, and fostering innovation and employment; highlights the central importance of the common agricultural policy as the longest-standing EU policy in providing affordable, safe and high-quality food for EU citizens, in particular in the context of the war;

Amendment

7. Strongly supports the key role cohesion policy plays in delivering on EU policy priorities and boosting the EU economy by contributing to growth, promoting convergence between countries and regions, supporting the green and digital transitions, and fostering innovation and employment; ***underlines the particular importance of structural funds to ensure equal opportunities throughout the EU and support the development and competitiveness of the EU's periphery, including the outermost regions;*** highlights the central importance of the common agricultural policy as the longest-standing EU policy in providing affordable, safe and high-quality food for EU citizens, in particular in the context of the war;

Amendment 27
Motion for a resolution
Paragraph 8 a (new)

Motion for a resolution

8a. Insists that the rules governing the use of EU funds must ensure and enhance compliance with the highest social rights and democratic principles, be aligned with the EPSR, the SDGs and the fundamental rights of workers; calls for the provisions to allow public money only to those employers respecting workers' rights and applicable working conditions; calls for more effective social conditionalities in rules on public procurement and concessions and for them to be backed with effective

Amendment

sanctions;

Amendment 28
Motion for a resolution
Paragraph 9

Motion for a resolution

9. Underlines that enhancing energy security and independence remains fundamental for the EU, especially in the context of the **war**; highlights the EU's **coordinating** role in ensuring security of energy supply, stabilising prices and helping businesses deal with price shocks; calls for additional investment in critical infrastructure, renewable energy sources and energy efficiency, and for increased research and innovation in the field of energy in order to reduce dependence on Russian energy; emphasises the key role played by the budget in this regard, in particular through the RePowerEU plan;

Amendment

9. Underlines that enhancing energy security and independence remains fundamental for the EU, especially in the context of the **Russian war of aggression against Ukraine**; highlights the EU's role in ensuring **the** security of energy supply, stabilising prices and helping **people, especially vulnerable households and** businesses deal, with price shocks; calls for additional investment in critical infrastructure, **energy diversification**, renewable energy sources and energy efficiency, and for increased research and innovation in the field of energy in order to reduce dependence on Russian energy; emphasises the key role played by the budget in this regard, in particular through the RePowerEU plan;

Amendment 29
Motion for a resolution
Paragraph 10

Motion for a resolution

10. Underscores the fact that adapting European infrastructure to future energy needs is necessary for the transition to a clean and modern economy; underlines that interconnections are essential for a fully integrated EU energy market that will improve Europe's security of supply and be more resilient to price shocks, and therefore ensure affordable and sustainable energy for EU citizens; calls, therefore, for increased investment in cross-border energy infrastructure;

Amendment

10. Underscores the fact that adapting European infrastructure to future energy needs is necessary for the transition to a clean, **competitive** and modern economy; underlines **the fact** that interconnections are essential for a fully integrated EU energy market that will improve Europe's security of supply and be more resilient to price shocks, and therefore ensure affordable and sustainable energy for EU citizens; **insists that the EU needs an energy model that ensures access to decarbonised sources of energy and puts**

*an end to energy poverty; calls, therefore, for increased investment in cross-border energy infrastructure; **highlights the need to fully implement the Just Transition Mechanism by enabling regions and people to address the social, employment, economic and environmental impacts of the green transition;***

Amendment 30
Motion for a resolution
Paragraph 11

Motion for a resolution

11. Underlines the central role that the budget plays in delivering on the European Green Deal by reducing emissions and increasing the use of renewable energy, creating a circular economy and preserving biodiversity in order to build a modern, efficient and competitive economy where no one is left behind; recalls that further financing is needed to shield EU citizens from increased costs, including through the Just Transition Fund;

Amendment

11. Underlines the central role that the budget plays in delivering on the European Green Deal by reducing emissions and increasing the use of renewable energy, creating a circular economy and preserving biodiversity in order to build a modern, efficient and competitive economy where no one is left behind; **stresses that climate measures should be accompanied by adequate just transition measures;** recalls that further financing is needed to shield EU citizens, **SMEs and microenterprises** from increased costs, including through the Just Transition Fund, **and to prepare current and future workers for the green transition, especially via future-oriented training and lifelong learning programmes, which need to pay particular attention to low-skilled workers;**

Amendment 31
Motion for a resolution
Paragraph 11 a (new)

Motion for a resolution

11a. Welcomes the interinstitutional agreement between Parliament and the Council on a Regulation establishing a Social Climate Fund; highlights that the Social Climate Fund can play a

Amendment

fundamental role in fighting against energy and transport poverty and in supporting the necessary investments to make the green transition more affordable for low-income households; calls on the Commission and the Member States to build upon the Social Climate Fund and to consider the development of green social protection schemes at national level with EU support in order to strengthen social resilience against the impacts of climate change and environmental degradation by addressing the side effects of green policies on jobs and living conditions and to make sure that the impacted communities are fully prepared for the new labour market; points out that these schemes should include social and health protection, unemployment protection complemented by active labour market policies for workers, public works programmes providing cash or in-kind support while enhancing workers' skills and employability, social assistance benefits supporting income and food security, employment guarantee schemes as well as training or retraining, skills development and funding schemes to help households upgrade their homes' energy efficiency in order to tackle energy poverty;

Amendment 32
Motion for a resolution
Paragraph 12

Motion for a resolution

12. Underlines, in this context, the need for substantial investment to boost the EU's strategic sovereignty, develop a net-zero industry, and ensure that the Union has the necessary infrastructure and production capacity in place; highlights the value of InvestEU, the Connecting Europe Facility (CEF), the EU Space programme and the upcoming Chips Act;

Amendment

12. Underlines, in this context, the need for substantial investment to boost the EU's strategic sovereignty, develop a net-zero industry, and ensure that the Union has the necessary infrastructure and production capacity in place **as well as a skilled workforce**; highlights the value of InvestEU, the Connecting Europe Facility (CEF), the EU Space programme and the

upcoming Chips Act;

Amendment 33
Motion for a resolution
Paragraph 12 a (new)

Motion for a resolution

Amendment

12a. Welcomes the Commission's announcement of a new European Sovereignty Fund to secure the strategic autonomy of the Union and reduce dependence on non-EU countries in key sectors; considers it essential for the proposal to respond to real needs, to be based on a clear assessment of the costs and investment gaps and to provide fresh money; stresses that this fund should invest in human capital to build our strategic autonomy and to ensure a skilled workforce for the green and digital transitions, to prevent labour shortages and the brain drain, to lead in key economic and industrial sectors, and to foster innovation; highlights the need for the EU Sovereignty Fund to ensure all Member States have the fiscal leeway to tackle social, climate, and environmental challenges;

Amendment 34
Motion for a resolution
Paragraph 13

Motion for a resolution

Amendment

13. Stresses that the digital transition requires the EU to further digitalise the economy and society by improving digital infrastructure and connectivity, increasing the use of digital technologies, scaling up artificial intelligence, cybersecurity and high-performance computing and developing digital skills; points to the importance of the Digital Europe programme and CEF-Digital in this

13. Stresses that the digital transition requires the EU to further digitalise the economy and society by improving digital infrastructure and connectivity, increasing the use of digital technologies, scaling up artificial intelligence, cybersecurity and high-performance computing and developing digital skills **for all, with the priority on young people and low-skilled workers**; points to the importance of the

respect;

Digital Europe programme and CEF-Digital in this respect;

Amendment 35
Motion for a resolution
Paragraph 13 a (new)

Motion for a resolution

Amendment

13a. Reiterates that women are more widely affected by the current crises and war in Ukraine and are more at risk of suffering the employment and social fallout; stresses that the headline employment target adopted in the Porto Declaration of 8 May 2021 can only be achieved by adopting ambitious targets at national level to include women and refugees in the labour market by creating incentives, building social infrastructure and removing barriers and discrimination; calls for mainstreaming of a gender responsive budget to better align policies and activities that promote the equal participation of women in the labour market and that comprehensive systems be put in place to monitor and measure gender budget allocations, women's participation in the labour market, access to employment, pay and pension gaps;

Amendment 36
Motion for a resolution
Subheading 5

Motion for a resolution

Amendment

A secure Europe for future generations

A secure **and social** Europe for future generations

Amendment 37
Motion for a resolution
Paragraph 14

Motion for a resolution

14. Recalls that the pandemic was particularly difficult for young people, leading to numerous psychological and sociological problems and diminished prospects, further aggravated by the insecurity of war on the EU's doorstep; insists that all possible funding should be mobilised through Erasmus+ and the European Solidarity Corps to promote excellence, innovation and entrepreneurship, improve people's skills and employability, promote social inclusion, support the modernisation of education and training systems across Europe and promote young people's participation in democratic life;

Amendment

14. Recalls that the pandemic was particularly difficult for young people, leading to numerous psychological and sociological problems and diminished prospects, further aggravated by the insecurity of war on the EU's doorstep; insists that all possible funding should be mobilised through **ESF+**, Erasmus+ and the European Solidarity Corps to promote **mobility, including learning and professional mobility**, excellence, innovation and entrepreneurship, improve people's skills and employability, promote social inclusion, support the modernisation of education and training systems across Europe and **their links to the labour market and** promote young people's participation in democratic life; **underlines the importance of strengthening EU education programmes while at the same time aligning training and education with the needs of the economy and the society of the future; considers that inclusive education and training systems must be reformed and updated to adapt workers' qualifications to the requirements of the labour market; stresses the need to promote social inclusion of students and to ensure the effective and equal access of young people across the EU (including in rural areas and outermost regions) to high-quality affordable education, training systems and paid traineeships, regardless of their social backgrounds;**

Amendment 38
Motion for a resolution
Paragraph 14 a (new)

Motion for a resolution

Amendment

14a. Recalls that the pandemic particularly affected older people, who were at a greater risk of persisting symptoms associated with COVID-19;

notes the effects of prolonged isolation and social exclusion experienced by older people during the COVID-19 pandemic;

Amendment 39
Motion for a resolution
Paragraph 15

Motion for a resolution

15. Is concerned that youth unemployment rates in the EU are higher than overall unemployment rates; ***underlines the importance of*** the European Social Fund Plus and the Youth Guarantee in supporting lifelong learning, thereby enhancing skills and employability and helping people into an inclusive labour market;

Amendment

15. Is concerned that youth unemployment rates in the EU are higher than overall unemployment rates; ***calls on Member States and the Commission to make combating youth unemployment a priority, in particular as part of the European recovery effort, and to make full use of existing initiatives, such as the European Social Fund Plus (ESF+) and the Youth Guarantee in supporting education, training and*** lifelong learning, thereby enhancing skills and employability and helping people ***integrate*** into an inclusive labour market; ***recalls the obligation for Member States with a higher share than the average EU rate of young people of 15 to 29 years of age who are not in employment, education or training to allocate at least 12.5 % of their ESF+ resources to support targeted measures and structural reforms, such as the Youth Guarantee, and encourages all Member States, not only those most affected by youth unemployment, to continue to invest sufficient ESF+ resources in measures to support youth employment and allocate at least 12.5 % of their ESF+ resources under shared management to targeted actions and structural reforms to support quality youth employment; reiterates the pivotal role vocational education and training (VET) and traineeships play in providing the knowledge, skills and competencies necessary for young people entering the labour market; highlights the need to invest in the quality and attractiveness of VET through the ESF+ and the***

reinforced Youth Guarantee; is also concerned about precariousness in early career stages, through abusive labour practices which undermine young people's ability to be economically independent;

Amendment 40
Motion for a resolution
Paragraph 15 a (new)

Motion for a resolution

Amendment

15a. Deplores the fact that in 2021 24.4 % of children in the EU were at risk of poverty or social exclusion and is concerned that this situation may worsen in coming years; calls on the European Commission and Member States to use all existing funding possibilities, such as ESF+, ReactEU, RRF, to eradicate child poverty and social exclusion and welcomes, in this regard, the creation of the European Child Guarantee in order to help ensure that every child in Europe at risk of poverty or social exclusion has free and effective access to the most basic set of rights such as high-quality healthcare, early childhood education and care and education, effective access to healthy nutrition and adequate housing; underlines that the Russian war of aggression against Ukraine has forced many Ukrainian children to flee their country and seek protection in the EU, thus creating additional needs in certain localities and regions for adequate social services and infrastructure; is concerned that certain groups of children are systematically victims of discrimination and suffer from a lack of policy attention; urgently reminds the Commission and the Member States of Parliament's repeated call to urgently to increase the funding of the European Child Guarantee with a dedicated budget of at least EUR 20 billion; calls in this regard on all Member States, not only those the most

affected by child poverty, to allocate at least 5 % of the ESF+ resources under shared management to support activities under the European Child Guarantee;

Amendment 41
Motion for a resolution
Paragraph 15 b (new)

Motion for a resolution

Amendment

15b. *Stresses the importance of policies and measures to support the labour market transition and the need to strengthen the competitiveness of our economies in the context of the green and digital transitions; points out that the ESF+ is the key driver for strengthening the social dimension of the Union and the main EU instrument for investing in people, promoting high employment levels, contributing to the modernisation of social protection and developing a skilled and resilient workforce ready for the transition to a green and digital economy in line with the principles of the EPSR; highlights as well the importance of the European Globalisation Adjustment Fund for Displaced Workers (EGF), the Just Transition Fund (JTF), ReactEU with its additional resources for ESF+, the Youth Employment Initiative (YEI) and the Fund for European Aid to the Most Deprived (FEAD);*

Amendment 42
Motion for a resolution
Paragraph 15 c (new)

Motion for a resolution

Amendment

15c. *Recalls that ESF+ is expected to contribute to the implementation of the EPSR Action Plan; notes that the ESF+ programming was adopted before the current crisis, and this crisis entails*

higher public and social investment such that the existing programming may not meet current needs; is concerned about the very limited margins available under the MFF and insists on the need to enhance spending to speed up the implementation of the EPSR Action Plan and achieve the Porto Declaration targets; highlights, in the light of the increase in the cost of living, and in particular of rising food prices, the increased minimum allocation for social inclusion measures adopted in the new ESF+ as well as the 3 % on top of those measures for food aid and basic material assistance for the most deprived persons; encourages Member States to allocate more than the minimum amounts required by the ESF+; recognises that the ESF + and the Recovery and Resilience Facility (RRF) aim to contribute to the implementation of the EPSR by putting its principles into practice and mainstreaming social objectives in all relevant legislation, policies and implementing plans linked to the NGEU; calls in this regard on the Commission to ensure adequate staffing to support this task; believes that the EPSR headline target to reduce people at risk of poverty or social exclusion by at least 15 million by 2030 should be detailed better in the NRRPs; repeats its call for an overarching anti-poverty strategy with ambitious targets for reducing poverty and ending extreme poverty in Europe by 2030, in line with EPSR principles and taking into account the SDGs; calls therefore for a reinforced ESF+ supplemented by a social rescue facility to be able to react to social emergencies and crisis situations;

Amendment 43
Motion for a resolution
Paragraph 15 d (new)

Motion for a resolution

Amendment

15d. *Stresses furthermore that the ESF+ must provide increased support for the capacity building of social partners and civil society organisations, including in the form of training, networking measures, and strengthening of the social dialogue, and to activities jointly undertaken by the social partners; stresses that social dialogue is a key feature of the European social model and that the EU has a duty to promote the role of social partners, taking into account the diversity of national systems, and to facilitate social dialogue and collective bargaining in line with Article 152 TFEU, with the commitments taken by the EU institutions, as well as with recently adopted pieces of legislation; believes that, considering the existing socio-economic inequalities, more support for social dialogue and collective bargaining, for social partners and for training measures will be needed in the coming years; calls on the Commission and the Member States to ensure increased resources for the EU budget in those areas; calls for an effective and meaningful consultation with social partners in the programming, evaluation, and implementation of the relevant EU funds;*

Amendment 44
Motion for a resolution
Paragraph 15 e (new)

Motion for a resolution

Amendment

15e. *Highlights the demographic situation in the EU, which is characterised by the demographic phenomenon of an ageing population as fertility rates decline and life expectancies are extended; welcomes the European Care Strategy and calls for it to be*

supported under the MFF; insists on the need to invest in social infrastructure to address the demographic challenge; recalls that the current economic uncertainties severely affect older people and stresses the lack of policy responses to the impact of demographic change in the EU, and underlines the need for adequate and affordable housing, quality care facilities and sufficient care and support services; stresses that the budget should reflect the importance of safeguarding and promoting the dignity of older people and their fundamental rights in the EU, for example by introducing an ‘ageing-with-dignity’ criterion and sufficient funding to support and promote participation in society such as sport and access to culture, to support investment in housing in order to effectively tackle the growing problems of a lack of affordable housing, poor housing conditions, housing exclusion and homelessness;

Amendment 45
Motion for a resolution
Paragraph 15 f (new)

Motion for a resolution

Amendment

15f. *Calls for the creation of a programme that promotes awareness campaigns on the importance of trade unions, unionisation, collective bargaining and labour agreements in achieving a fairer society, namely through the improvement of working conditions, wages and living conditions;*

Amendment 46
Motion for a resolution
Paragraph 15 g (new)

Motion for a resolution

Amendment

15g. *Stresses that adequate resources*

should be allocated to fund and implement the EPSR Action Plan adopted in Porto and to achieve the Porto Declaration's headline targets and that the RRF should stipulate that at least 30 % of the funds are devoted to social investments to strengthen social welfare systems and invest in social security, access to healthcare and education, affordable housing, employment, social justice and social services for vulnerable groups;

Amendment 47
Motion for a resolution
Paragraph 15 h (new)

Motion for a resolution

Amendment

15h. Stresses the importance of the European Year of Skills 2023, which should include concrete activities and policies to further develop employment and entrepreneurship measures and be supported by adequate funding;

Amendment 48
Motion for a resolution
Paragraph 15 i (new)

Motion for a resolution

Amendment

15i. Is concerned that real wages are currently falling following a series of exceptional energy price shocks; considers that there is an urgent need for wage increases in order to sustain internal demand and inclusive growth, and to reduce the impact of the double crisis on workers and households; considers that additional efforts are required within the EU budget and the MFF to help social partners achieve wage increases through tripartite capacity building frameworks, thereby accelerating the expected positive impact of the

proposed directive on adequate minimum wages and its swift implementation;

Amendment 49
Motion for a resolution
Paragraph 16

Motion for a resolution

16. Reiterates its condemnation, in the strongest possible terms, of Russia's ***war against*** Ukraine; underlines the ongoing need for rapid relief and humanitarian aid, including for repairs to critical infrastructure; welcomes, in this respect, the EUR 18 billion that the EU is providing to Ukraine in macro-financial assistance in 2023; underscores that the EU must play a pivotal role in the longer-term reconstruction and recovery effort; welcomes the fact that Ukraine and Moldova are now candidate countries, and notes that both will require further financial and technical assistance; recalls that the EU must continue to alleviate other crises and tackle other challenges around the world through the NDICI and other instruments, including the global food crisis;

Amendment 50
Motion for a resolution
Paragraph 17

Motion for a resolution

17. Recalls that the war has forced millions of people to flee their homes and seek asylum in the EU; underlines the need for the EU to continue to provide support to the host Member States ***for the*** reception, settlement and integration of these refugees; points to the importance of Asylum, Migration and Integration Fund in

Amendment

16. Reiterates its condemnation, in the strongest possible terms, of Russia's ***unprovoked and unjustified military aggression and invasion of*** Ukraine; underlines the ongoing need for rapid relief and ***both*** humanitarian ***and military*** aid, including ***aid*** for repairs to critical infrastructure; welcomes, in this respect, the EUR 18 billion that the EU is providing to Ukraine in macro-financial assistance in 2023; underscores that the EU must play a pivotal role in the longer-term reconstruction and recovery effort; welcomes the fact that Ukraine and Moldova are now candidate countries, and notes that both will require further financial and technical assistance; recalls that the EU must continue to alleviate other crises and tackle other challenges around the world through the NDICI and other instruments, including the global food crisis;

Amendment

17. Recalls that the war ***of aggression against Ukraine*** has forced millions of people to flee their homes and seek asylum in the EU; underlines the need for the EU to continue to provide support, ***including financial assistance,*** to the host Member States ***so that they can meet the economic and infrastructure costs of*** reception,

this regard;

settlement and integration of these *refugees; welcomes the efforts made by Member States in terms of offering infrastructure, education and employment to refugees; points to the importance of the Asylum, Migration and Integration Fund in this regard; welcomes the triggering of the Temporary Protection Directive^{1a} and the Cohesion's action for refugees in Europe (CARE) with regard to persons fleeing the war in Ukraine and seeking refuge in EU territory, and calls for continuing funding for its implementation; is concerned at the same time with existing forms of discrimination against other refugees and migrants, against Ukrainian women and their children, and forms of exploitation and unequal treatment in terms of wages and working conditions affecting refugees in too many European countries; appreciates the current measures put in place by the EU and the Member States to address the consequences of the war in Ukraine and to help integrate refugees and alleviate the impact of energy and food prices, rising debt levels and the increased cost of borrowing, including business and household mortgages, but believes that additional efforts are needed to take into account the socio-economic implications of the war and prevent the war's causing unemployment and underemployment; calls, in this regard, for a temporary European social resilience package combining a set of measures and means to strengthen social welfare and social protection systems in the EU, including the continuation and refinancing of SURE as long as the socio-economic consequences of the war continue to have a negative impact on the labour market;*

^{1a} *Council Directive 2001/55/EC of 20 July 2001 on minimum standards for giving temporary protection in the event of a mass influx of displaced persons and on measures promoting a balance of*

efforts between Member States in receiving such persons and bearing the consequences thereof (OJ L 212 , 07.08.2001 p. 12).

Amendment 51
Motion for a resolution
Paragraph 19 a (new)

Motion for a resolution

Amendment

19a. *Recalls the important role the revised European Globalisation Adjustment Fund for displaced workers (EGF) can play in supporting and reskilling workers who were made redundant as a result of the economic impact of the COVID-19 crisis; believes that Member States should make use of this fund and widely disseminate information on the possibilities it offers to support workers and their representatives;*

Amendment 52
Motion for a resolution
Paragraph 23 a (new)

Motion for a resolution

Amendment

23a. *Recalls the essential work carried out by agencies in the social and employment policy areas; considers that agencies must be properly staffed and adequately resourced, while taking into account inflation, so that they can perform their tasks; recalls that the tasks of agencies evolve in line with policy priorities and stresses that new responsibilities must be accompanied by corresponding levels of fresh resources;*

Amendment 53
Motion for a resolution
Paragraph 23 b (new)

Motion for a resolution

Amendment

23b. *Recalls that pilot projects (PPs) and preparatory actions (PAs) are essential to test new policy initiatives in the fields of employment and social inclusion, including through data collection; recalls that their assessment is anchored in the interinstitutional agreement and repeats its call on the Commission to evaluate PP/PA proposals impartially on the basis of a legal and financial assessment in a way that reflects the merit of the proposals; expresses its disappointment over the poor and unclear assessment of the proposals for the 2023 budget and asks the Commission to receive precise and detailed explanations of these assessments, together with concrete examples of the EU measures that are considered to ‘cover’ the proposals; also recalls that the implementation of an adopted PP/PA must remain faithful to the adopted proposal;*

Amendment 54
Motion for a resolution
Paragraph 24 a (new)

Motion for a resolution

Amendment

24a. *Welcomes the additional funding available under REACT-EU for 2023, particularly ESF+ and FEAD operations and urges the Member States to use the full potential of these resources to mitigate the social impact of the crisis before the start of the 2024 budget year; calls on the Commission, in close cooperation with the managing authorities, to consider flexibility in the calendar for the closure of the 2014-2020 MFF in order to avoid a possible loss of European funds, which are necessary for the territories and populations;*

Amendment 55
Motion for a resolution
Paragraph 24 b (new)

Motion for a resolution

Amendment

24b. Calls for the 2024 EU budget to pay particular attention to the needs of, and relations with, the Outermost Regions (ORs) and Overseas Countries and Territories (OCTs), as they are particularly affected by the social and economic consequences of the current crises and are more vulnerable to the adverse impact of climate change; stresses, furthermore, that access to funding needs to be facilitated for the ORs and OCTs, as they possess limited administrative resources and expertise due to their special status and size;

01.3.2023

LETTER OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: Opinion on Guidelines for the 2024 budget – Section III (2022/2184(BUI))

Dear Chair,

Dear Mr Van Overtveldt,

The coordinators of the Committee on the Environment, Public Health and Food Safety (ENVI) decided on 1 December 2022 that ENVI would provide an opinion on the Guidelines for the 2024 budget - Section III (2022/2184 (BUI)) in the form of a letter. Therefore, both as ENVI Chair and as Standing Rapporteur for the Budget, let me provide you with ENVI's contribution in the form of resolution paragraphs, which was adopted by ENVI at its meeting¹, of 1 March 2023 and which I kindly request will be taken into account by your committee:

- Underlines that the Russian war of aggression against Ukraine has reminded us that the green energy transition is key to ensuring the Union's strategic independence, its access to clean energy sources, and addressing energy poverty, while ensuring a just transition leaving no one behind, with the aim of making the EU climate neutral by 2050 at the latest;
- Recalls that the Recovery and Resilience Facility (RRF) should contribute to the mainstreaming of biodiversity and climate action in Union policies; further recalls that national recovery and resilience plans should devote at least 37% of their total expenditure to investments and reforms that support climate objectives; urges the Commission to take all necessary measures to effectively monitor, control and enforce these targets; stresses that the implementation of the RePowerEU Plan is key to accelerate the deployment of

¹ The following were present for the final vote: Bas Eickhout (Vice-Chair), Anja Hazekamp (Vice-Chair), César Luena (Vice-Chair), Maria Arena, Bartosz Arłukowicz, Margrete Auken, Simona Baldassarre, Aurélie Beigneux, Hildegard Bentele, Sergio Berlato, Alexander Bernhuber, Michael Bloss, Delara Burkhardt, Traian Băsescu, Sara Cerdas, Mohammed Chahim, Tudor Ciuhodaru, Beatrice Covassi, Maria Angela Danzi, Marie Dauchy, Christian Doleschal, Cyrus Engerer, Agnès Evren, Luke Ming Flanagan, Heléne Fritzon, Malte Gallée, Gianna Gancia, Andreas Glück, Catherine Griset, Martin Hojsík, Jan Huitema, Yannick Jadot, Adam Jarubas, Romana Jerković, Marina Kaljurand, Ewa Kopacz, Alice Kuhnke, Stelios Kypouropoulos, Peter Liese, Sylvia Limmer, Javi López, Marisa Matias, Liudas Mažylis, Marina Mesure, Tilly Metz, Dolors Montserrat, Alessandra Moretti, Dan-Ștefan Motreanu, Ville Niinistö, Ljudmila Novak, Grace O'Sullivan, Jutta Paulus, Jessica Polfjård, Stanislav Polčák, Erik Poulsen, Luisa Regimenti, María Soraya Rodríguez Ramos, Katarína Roth Nevedálová, Christine Schneider, Ivan Vilibor Sinčić, Maria Spyraiki, Nils Torvalds, Véronique Trillet-Lenoir, Edina Tóth, Achille Variati, Idoia Villanueva Ruiz, Petar Vitanov, Alexandr Vondra, Mick Wallace, Pernille Weiss, Emma Wiesner, Michal Wiezik, Anna Zalewska, Esther de Lange, Nicolae Ștefănuță

renewable energy sources and to speed up the climate transition; calls on the Commission and Member States to ensure that the execution of the REPowerEU Plan accounts for climate and environmental impacts and includes robust measures to safeguard the application of the ‘do no significant harm’ principle; calls for stringent and continued monitoring of the implementation throughout the lifecycle of the investments and reforms financed through the RRF; underlines the agreement reached by the co-legislators on the allocation of 30% of Member States spending under RePowerEU to multi-country measures, addressing existing bottlenecks in energy transmission, distribution and storage as well as increasing cross-border flows;

- Stresses that the 2024 Union budget should be aligned with the Union’s ambitions of making the EU climate neutral by 2050 at the latest and the obligations under the Paris Agreement and in particular to deliver on the financial commitments made for international climate financing and in particular the Loss and Damage Fund; underlines the importance of this commitment in view of the poor results of the 2022 UN Climate Change Conference (COP27), particularly in the context of the objective to pursue efforts to limit the temperature increase to 1.5 degree as recalled in Glasgow in 2021; underlines that the 2024 Union budget should also be aligned with the obligations of the Union under the new Montreal Agreement of the COP15 signed in December 2022;
- Stresses the need for continuous work towards the achievement of climate and biodiversity mainstreaming targets² laid down in the Interinstitutional Agreement of 16 December 2020 (the ‘Interinstitutional Agreement’ - IIA³) in the Union budget and the European Union Recovery Instrument expenditures and asks for increased efforts in the 2024 budget to achieve these levels of spending; regarding the mainstreaming targets in the Common Agricultural Policy (CAP), insists on the importance of the CAP Strategic Plans, and in particular calls on the Commission to review the weighted climate contributions on the basis of scientific evidence as well as the performance audit from November 2022; underlines that further efforts must be made within the 2024 Union budget to ensure that biodiversity spending target set for the years 2026 and 2027 are met; highlights, that the biodiversity financing gap over the period 2021 and 2030 is around €18.69 billion per year⁴ and should be remedied as soon as possible;
- Welcomes the efforts for a more transparent, reliable and comprehensive reporting in the budgetary documents as well as the performance website, and emphasises the need to carry out sufficient ex-post evaluations with a particular focus on impact; calls on the Commission to carefully take into account the conclusions of the special report of the European Court of Auditors on climate spending in the 2014-2020 EU budget; Insists on the need to accurately track climate and biodiversity-related expenditure; welcomes the advance made in the preparation of the EU budget 2023 regarding biodiversity mainstreaming and calls on the Commission to conclude the update of the tracking methodology for biodiversity spending for the EU budget 2024 as well as to publish a

² 30 % of Union expenditure contributing to climate objectives, and annual spending levels for biodiversity of at least 7.5 % in 2024, increasing to 10 % in 2026 and 2027.

³ IIA= Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.LI.2020.433.01.0028.01.ENG>)

⁴ <https://op.europa.eu/en/publication-detail/-/publication/793eb6ec-dbd6-11ec-a534-01aa75ed71a1/language-en/format-PDF/source-258471562> (pg 14)

“fiche” detailing the expected contribution of each program for both the target in 2024 and how the target on 2026 will be reached as well as an action plan to outline the necessary measures needed to be taken at program level for each program to ensure the needed upscale of the target is met;

- Reminds the Commission of its engagement and obligation according to IIA to monitor the climate mainstreaming efforts at mid-course and to make corresponding proposals in case the targets are not met; expects the Commission to publish the methodology together with the mid-term revision following consultation with the Parliament and relevant stakeholders;
- Stresses the need to ensure consistency between climate and biodiversity funding and calls on the Commission to publish the expenditure when presenting the draft budget; stresses the urgent need to ensure the respect of the ‘Do No Significant Harm’ principle through the entire budget and to take necessary corrective measures if and when needed without undue delay;
- Welcomes the Commission's work on a new classification to measure the gender impact of Union spending as set out in the IIA; stresses, in this regard, the need for systematic collection and analysis of gender-disaggregated data;
- Welcomes the agreements reached by the co-legislators on a significant part of the files of the ‘Fit for 55 package’; calls on the Commission and Member States to adopt the measures needed to ensure a fast and effective implementation of the new rules that should accelerate the reduction of GHG emissions by 2030 and beyond in order to achieve the goals of EU Green Deal as soon as possible and climate neutrality by 2050 the latest; reiterates the significance and need for the EU investment in research and innovation in green technologies, processes and skills;
- Recalls the need to assign sufficient human and financial resources for the implementation of the 2030 Biodiversity Strategy, of the Farm to Fork Strategy, of the Circular Economy Action Plan, of the Chemical Strategy for Sustainability, of the Zero-pollution Action Plan, of the Pharmaceutical Strategy and of Europe’s Beating Cancer Plan in the Union budget; in this line, calls to increase the budgetary support for the LIFE programme, the EU4Health programme, the Just Transition Fund and all other relevant programmes; stresses the need to use existing funds more efficiently; furthermore calls on the Commission to increase specifically the staffing level of DG for Environment and DG Climate Action, which must correspond with the workload stemming from the EU Green Deal agenda;
- Furthermore, calls for an increase both financial and personal resources of the European Environmental Agency (EEA), in particular to ensure its ability to deliver on its tasks linked to ‘Fit for 55 package’ and in particular related to the substantial increase of workload related to the monitoring the Union’s goals for, inter alia, climate neutrality, circular economy and nature restoration;
- Recognises the need to address the issue of food price inflation in Europe; highlights that the chain of disruptions caused by the COVID-19 pandemic, extreme weather conditions and climate change, the Russian war of aggression against Ukraine and its inflating impact on fossil inputs used agriculture have resulted in higher consumer prices, that are now decreasing;
- Stresses the need for better preparedness by putting in place climate adaptation measures as well as adaptation stress tests performed at the Union level on all relevant projects to be

funded by EU financial instruments in order for the Union to be able to respond to emergencies such as recent floods, fires, the pandemic and other unforeseen events; underlines the continuous importance of ensuring the adequate funding of the Union Civil Protection Mechanism;

- In the aftermath of the COVID-19 pandemic the co-legislators have been able to agree on a new regulation on cross-border threats to health and on the reinforcement of the European Centre for Disease Prevention and Control (ECDC) and the European Medicines Agency (EMA) through the improvement and extension of their mandates; recalls in this sense the need to significantly increase their resources for the implementation of the new regulations and in response to the ongoing global pandemic, particularly regarding the permanent staff of the agencies; stresses the importance of strengthening the sustainability and resilience of health systems whilst reducing disparities in equal and equitable access to health care and medication; stresses that health related expenditure should follow the “One Health” and “Health in all policies” approaches; highlights the absence of and need to establish a common global vision on the “One Health” approach and pandemic preparedness; reiterates that one of the best ways to tackle new COVID-19 variants is to ensure a high vaccination rate and reinforce public healthcare systems; additionally stresses the need for bolstering therapies, and promoting and strengthening the use of non-medical interventions; emphasizes that the COVID-19 pandemic highlighted how vital public health and affordable and accessible care services are; Recognises the importance of Union programmes, in providing investment and support to prevent health crises and strengthen the resilience of healthcare systems and infrastructure;
- Stresses that currently the majority of funding of the EMA comes from private sources paid by industry fees (86% in 2022⁵); stresses the need to ensure independence and integrity of the Agency and hence guarantee sufficient financial resources of the Agency regardless of the amounts of fees collected;
- Reiterates its concern that over 50% of the EU4Health budget was allocated for operational expenditures of the Commission’s European Health Emergency and Response Authority (DG HERA) and stresses the importance of appropriate funding to be allocated to the activities as foreseen by the EU4Health Regulation, including sufficient support for the implementation of the European Health Data Space;
- Stresses the necessity to continue the EU’s fight against cancer aligned with the Beating Cancer Plan and by ensuring adequate funding, with a strong focus on actions delivering tangible results for citizens;
- Stresses the importance of an enhanced system of EU own resources such as the financial transactions tax and the digital services tax capable of addressing the challenges of and the contribution to the Union’s goals on health, the environment and the climate, and contributing to NextGeneration EU’s debt recovery; welcomes the recently agreed related provisions concerning, inter alia, the EU Emission Trading System (ETS) and the Carbon Border Adjustment Mechanism (CBAM) and calls on the Member States to adopt, as soon as possible, the new own resources first package proposed by the European Commission on 14 December 2021; calls for stronger linkage of EU’s own resources with environmental policies in the second own resources package;
- Emphasises that the Union budget is at the heart of efforts to make a just transition towards

⁵ <https://www.ema.europa.eu/en/about-us/how-we-work/governance-documents/funding>

a greener, sustainable, socially inclusive, more resilient and competitive Union;

I have sent a similar letter to Mr Janusz Lewandowski, general rapporteur for the 2024 Budget.

Yours sincerely,

Pascal Canfin

9.3.2023

OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

for the Committee on Budgets

on guidelines for the 2024 budget – Section III
(2022/2184(BUI))

Rapporteur for opinion: Christian Ehler

SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Recalls the increasing number of ambitious new EU initiatives, including the European chips act, the New European Bauhaus and the secure connectivity programme; recalls that energy prices are at an all-time high, as well as the continuing challenges arising from Russia's war on Ukraine and its expected aftermath, the impact of higher than anticipated inflation on key EU programmes, the challenges posed to industry by the United States Inflation Reduction Act (IRA) and the proliferation of similar protectionist policies globally; points out that as of 2024, no commitment appropriations will be available from the NextGenerationEU (NGEU) package to boost the Union budget, despite the continuing socioeconomic, energy and environmental challenges for people and businesses; insists that a comprehensive and timely revision of the multiannual financial framework (MFF) as well as the full implementation of the interinstitutional agreement (IIA) of 16 December 2020 on new own resources is the only sustainable way to meet these challenges and embrace the opportunities of the energy and digital transitions by means of an ambitious budget for 2024;
2. Takes note of the announcement by Commission President von der Leyen of a Net-Zero Industry Act; welcomes this initiative as it gives a renewed opportunity for the Commission to develop a real industrial policy that fosters European industrial competitiveness; recalls that if new initiatives require funding, this should be financed through fresh funding;
3. Calls on the Commission and Member States to ensure Recovery and Resilience Facility resources are used to the maximum extent possible under the current legislative framework to address the weaknesses in European support for our industry exposed by the IRA, such as the lack of cross-border energy infrastructure projects;
4. Considers it essential for any proposals for new funding instruments, such as the expected proposal for a European sovereignty fund, to respond to real needs, to be based on a clear assessment of the costs and investment gaps and to provide for fresh

money; insists that any new fund should be adopted under to the ordinary legislative procedure and be incorporated into the MFF, thereby ensuring full oversight by Parliament; considers that the MFF ceilings and the annual budget should be adjusted to accommodate all new funds, political initiatives, objectives or tasks funded through the EU budget; underlines that potential new spending to support industrial competitiveness should strengthen the internal market, support the deployment of ecosystems and infrastructures to improve connectivity and the supply of affordable energy and help accelerate the twin transition;

5. Calls on the Commission and the Council to provide sufficient funds to support the most innovative sectors and help create new, ambitious and sustainable European projects aligned with the Union's digital and climate objectives, as well as to foster industrial competitiveness; highlights the importance of encouraging the emergence of European leaders in strategic industrial sectors, which boost European employment levels and global competitiveness while fostering the unity of the single market and thus improve competitiveness and prosperity across the Union;
6. Reiterates that investments in research and innovation are fundamental to supporting European digital and technological projects and to fostering Europe's leadership in key digital technologies and European industrial competitiveness in general, as well as to improving the EU's ability to tackle pressing societal challenges, including climate change adaptation and mitigation, improving the quality of jobs and living standards and achieving the Sustainable Developments Goals.
7. Points out that while funding is being paid out from the European Innovation Council Fund, Parliament will monitor whether it delivers on legislators' expectations of ensuring the prudent and efficient mobilisation of this funding for 2024;
8. Reiterates its call for all available decommitments to be allocated to Horizon Europe, making full use of the possibility provided for by Article 15(3) of the Financial Regulation; recalls that this could partly offset the drop in available commitment appropriations resulting from the time-limited financing from NGEU, albeit in an limited way;
9. Highlights the need to embrace the digital revolution, which aims to create new business models and concepts and to transform technologies; calls for adequate support for efficient digital infrastructure under the Digital Europe Programme;
10. Recalls that the budget for the chips act has not been financed yet and that for the 2023 budget, the Commission has already implemented the cuts to certain parts of Horizon Europe and Digital Europe Programme it proposed as part of the chips act; will not accept any further cuts to these programme parts in the 2024 Union budget; calls for a suitable solution to be found as soon as possible, including the use of decommitments and unallocated margins under the MFF ceilings or mobilised through other instruments, for the financing of the Chips Act in order to ensure it can be properly incorporated into the 2024 budgetary procedure;
11. Underlines that given the current economic situation, it is highly important to strengthen support mechanisms and lessen economic and administrative burdens for microenterprises and small and medium-sized enterprises (SMEs); calls, therefore, for

sufficient funding for this in the 2024 budget, as well as for improved access to finance and technology in order to help increase microenterprise and SME productivity and promote better labour conditions;

12. Stresses that the 2024 Union budget should be aligned with the Paris Agreement goals, the EU's climate neutrality target and the Green Deal's objectives, while ensuring that adequate support is provided to the citizens and undertakings that have been most affected by the multiple crises and their social and economic consequences; insists on the need to increase private and public investments to face this challenge;
13. Underlines the importance of continuing to fund efforts to achieve the climate and biodiversity spending targets under this MFF;
14. Reiterates its call to continue work on the tracking methodologies for climate and biodiversity-related expenditure, applying a more robust, transparent and comprehensive methodology; calls for the full involvement of Parliament in the development of these methodologies and looks forward to the annual consultation on the climate and biodiversity targets laid down in the IIA;
15. Calls on the Commission to effectively address the rise in energy prices and the consequences of the rise of inflation on industry and unemployment rates, especially on SMEs; calls for the development of an energy supply framework that prevents such critical situations in the future
16. Stresses the importance of the transition towards a highly energy efficient and fully renewable-based energy system through enhanced interconnectivity, reducing the EU's energy dependence and thus improving stability and affordability of energy prices; emphasises the need to substantially invest in energy saving and efficiency measures, the ramp-up of domestic renewable energy capacities and the decarbonisation of industrial processes in line with the EU sectoral integration strategy;
17. Calls on the Commission, in this regard, to provide funding and concrete recommendations to Member States on how to speed up the deployment of renewables for households, such as solar panels and heat pumps, especially in Member States lagging behind on this;
18. Stresses that the impact and consequences of COVID-19 demonstrated existing weaknesses in health systems and made a clear case for the need for public investment in health research;
19. Calls for sustainable funding and staffing of all EU agencies and bodies involved in industry, research and energy, and in particular of the European Institute of Innovation and Technology, as its latest Knowledge and Innovation Community will become fully operational in 2024.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	9.3.2023
Result of final vote	+ : 50 - : 3 0 : 5
Members present for the final vote	Nicola Beer, Hildegard Bentele, Tom Berendsen, Vasile Blaga, Michael Bloss, Marc Botenga, Cristian-Silviu Buşoi, Jerzy Buzek, Ignazio Corrao, Beatrice Covassi, Ciarán Cuffe, Josianne Cutajar, Nicola Danti, Christian Ehler, Valter Flego, Niels Fuglsang, Lina Gálvez Muñoz, Claudia Gamon, Jens Geier, Nicolás González Casares, Bart Groothuis, Christophe Grudler, Henrike Hahn, Robert Hajšel, Ivo Hristov, Romana Jerković, Seán Kelly, Łukasz Kohut, Miapetra Kumpula-Natri, Marisa Matias, Dan Nica, Angelika Niebler, Ville Niinistö, Johan Nissinen, Mauri Pekkarinen, Tsvetelina Penkova, Morten Petersen, Manuela Ripa, Robert Roos, Maria Spyrali, Riho Terras, Grzegorz Tobiszowski, Patrizia Toia, Marion Walsmann, Pernille Weiss
Substitutes present for the final vote	Andrus Ansip, Pascal Arimont, Izaskun Bilbao Barandica, Franc Bogovič, Martin Buschmann, Jakop G. Dalunde, Matthias Ecke, Cornelia Ernst, Jens Gieseke, Jutta Paulus, Emma Wiesner
Substitutes under Rule 209(7) present for the final vote	Agnès Evren, Tilly Metz

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

50	+
ECR	Grzegorz Tobiszowski
PPE	Pascal Arimont, Hildegard Bentele, Tom Berendsen, Vasile Blaga, Franc Bogovič, Cristian-Silviu Buşoi, Jerzy Buzek, Christian Ehler, Agnès Evren, Jens Gieseke, Seán Kelly, Angelika Niebler, Maria Spyraiki, Riho Terras, Marion Walsmann, Pernille Weiss
Renew	Andrus Ansip, Izaskun Bilbao Barandica, Nicola Danti, Valter Flego, Claudia Gamon, Bart Groothuis, Christophe Grudler, Mauri Pekkarinen, Morten Petersen
S&D	Beatrice Covassi, Josianne Cutajar, Matthias Ecke, Niels Fuglsang, Lina Gálvez Muñoz, Jens Geier, Nicolás González Casares, Robert Hajšel, Ivo Hristov, Romana Jerkovič, Lukasz Kohut, Miapetra Kumpula-Natri, Dan Nica, Tsvetelina Penkova, Patrizia Toia
Verts/ALE	Michael Bloss, Ignazio Corrao, Ciarán Cuffe, Jakop G. Dalunde, Henrike Hahn, Tilly Metz, Ville Niinistö, Jutta Paulus, Manuela Ripa

3	-
ECR	Johan Nissinen, Robert Roos
Renew	Emma Wiesner

5	0
NI	Martin Buschmann
Renew	Nicola Beer
The Left	Marc Botenga, Cornelia Ernst, Marisa Matias

Key to symbols:

+ : in favour

- : against

0 : abstention

2.3.2023

OPINION OF THE COMMITTEE ON TRANSPORT AND TOURISM

for the Committee on Budgets

on guidelines for the 2024 Budget – Section III
(2022/2184(BUI))

Rapporteur for opinion: Ciarán Cuffe

SUGGESTIONS

The Committee on Transport and Tourism calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas the transport sector is essential for the Union's economic and social development and cohesion and for ensuring mobility, accessibility and connectivity for all citizens and all regions, and particularly the EU's outermost regions, which are highly dependent on air and maritime connections;
- B. whereas mobility is a right for all EU citizens and efforts are required to ensure that it does not become a luxury, while recognising that there is no one-size-fits-all solution and everybody's needs and preferences must be respected; whereas transport poverty is a reality for many people, negatively affecting their socio-economic status, and effective policies are needed to combat this;
- C. whereas the current transport, travel and tourism sectors are an important part of the EU's economy in terms of their GDP contribution, as well as the number of people that they employ; whereas they also generate major costs for society in the form of external costs¹, such as climate change, noise and air pollution, congestion, accidents and habitat damage;
- D. whereas the transport sector accounts for a quarter of the emissions in the EU and must contribute significantly to efforts to reach Union-wide climate neutrality by 2050, ensuring the accomplishment of the intermediate targets set in EU legislation;
- E. whereas parts of the transport sector are experiencing labour shortages and in some cases working and safety conditions need to be improved;
- F. whereas transport is a key sector in the just, digital and green transitions and, to avoid

¹ European Commission, Directorate-General for Mobility and Transport, Essen, H., Fiorello, D., El Beyroudy, K., et al., *Handbook on the external costs of transport: version 2019 – 1.1*, Publications Office, 2020, <https://data.europa.eu/doi/10.2832/51388>.

anyone being left behind, it is essential to ensure that transport is affordable for all and respects the principle of technological neutrality; whereas sustainable transport could also increase economic competitiveness in the EU;

- G. whereas the sustainable and smart mobility strategy sets clear targets for modal shift, particularly towards rail, by 2030 and 2050; whereas accomplishing these targets is important in order for the transport sector to contribute to the Union's emission reduction targets, which are set out within the European Climate Law²;
- H. whereas the Social Climate Fund has an important role to play in making the transport system more sustainable and accessible, and particularly in making zero- and low-emission mobility more affordable for poor and vulnerable transport users;
- I. whereas, as connection points, cities are key components of the trans-European transport network (TEN-T), the backbone of the single European transport area and essential for a well-functioning single market;
- J. whereas the Commission has submitted a proposal to revise Regulation (EU) No 1315/2013³, with a view to building a sustainable, effective and high-quality TEN-T;
- K. whereas, in light of the consequences of the current energy crisis, rising inflation, the continuing challenges arising from Russia's war on Ukraine and its expected aftermath for all households, and for low-income ones in particular, urgent action is needed to reduce fossil fuel usage and move to a smart, sustainable and resilient transport system, while acknowledging technological neutrality as a guiding principle to steer decarbonisation efforts and taking into account the social impact, such as rising unemployment, transport poverty and social inequalities;
- L. whereas specific funding for sustainable rural mobility is essential in view of decarbonisation efforts, as well as to prevent transport poverty, which has also increased in urban and peri-urban areas;
- M. whereas the transport and tourism sectors and businesses therein are among those that have been hardest hit by successive crises such as Russia's illegal and unjustified war against Ukraine and the COVID-19 pandemic, which require a coordinated response at EU level, backed by adequate budgetary means; whereas transport, in particular, has shown itself to be a vital lifeline for Ukraine; whereas Russia's war of aggression against Ukraine highlights the fact that the EU transport network cannot be viewed in isolation;
- N. whereas higher fuel costs are having a direct impact on the price of goods and services and the recovery of the transport and tourism sectors from the COVID-19 pandemic and

² Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law'), OJ L 243, 9.7.2021, p. 1.

³ Commission proposal of 14 December 2021 for a regulation of the European Parliament and of the Council on Union guidelines for the development of the trans-European transport network, amending Regulation (EU) 2021/1153 and Regulation (EU) No 913/2010 and repealing Regulation (EU) 1315/2013 (COM(2021)0812).

other recent challenges;

- O. whereas tourism is an important sector of the EU economy, especially in certain regions; whereas the modernisation of the sector, particularly through a shift to more sustainable models such as long-stay tourism or ecotourism, is urgently required and would enhance the quality of jobs in the sector⁴;
 - P. whereas the shift to sustainable mobility can also create jobs; whereas the challenge remains managing this transition to ensure fairness and that no one is left behind;
 - Q. whereas Europe is one of the most urbanised areas of the world⁵, with a huge variety of towns and cities that are major hubs of economic and social activity;
 - R. whereas, when it comes to urban planning and quality of life, the rest of the world often looks up to European cities as attractive places to visit and in which to live, study, work and do business, with mobility and transport as key drivers;
 - S. whereas many European cities are global front-runners when it comes to transport innovation, sustainable urban mobility planning and the implementation of ambitious climate and road safety targets;
 - T. whereas decarbonising, cleaning up, digitalising and modernising urban mobility requires significant efforts to develop and test new solutions, as well as investment in zero- and low-emission mobile assets and infrastructures;
 - U. whereas Russia's war against Ukraine has exposed the EU's severe underpreparedness in the field of military mobility;
1. Welcomes the Commission's legislative proposals on transport and infrastructure, especially concerning the digital and green transitions, interconnectivity, cohesion, safety, security and efficiency; reiterates the need for sufficient funding to ensure that these policies are a success, particularly with regard to the EU's outermost regions, owing to their remoteness and dependence on air and maritime connections;
 2. Calls on the Commission to urgently carry out an economic and social assessment of the impact of Russia's illegal and unjustified war of aggression against Ukraine on all modes of transport and the tourism sector in the EU market; calls on the Commission, furthermore, to swiftly provide support where necessary, including through further legislative and/or financial measures within the multiannual financial framework (MFF), in order to mitigate the negative effects and simultaneously ensure a level playing field between and within modes of transport and facilitate the smooth functioning of the European transport and tourism sectors;
 3. Calls on the Commission to continue to explore ways to support the transport of

⁴ Study conducted for the Committee on Transport and Tourism – 'Overtourism: impact and possible policy responses', European Parliament, Directorate-General for Internal Policies of the Union, Policy Department B – Structural and Cohesion Policies, 15 October 2018:

[https://www.europarl.europa.eu/RegData/etudes/STUD/2018/629184/IPOL_STU\(2018\)629184_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2018/629184/IPOL_STU(2018)629184_EN.pdf).

⁵ 70.9 % of people in Europe live in urban areas: see <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/edn-20200207-1>.

passengers or goods towards/from Ukraine and its neighbouring EU countries and to provide for the necessary relief measures;

4. Stresses that sufficient investment in research and development, as well as incentives for smart and zero- and low-emission technologies and sustainable alternative fuels and related infrastructure, while respecting technological neutrality and modal shift, are crucial for ensuring that transport contributes to climate neutrality by 2050, in line with the European Climate Law and the European Green Deal; emphasises the need to make these technologies available, efficient and affordable for all, and notes that they will contribute to the sector's recovery from the COVID-19 pandemic and other challenges; points out that, in order to ensure continuous progress towards climate neutrality, energy efficiency and a circular economy, all transport infrastructure projects financed by the EU budget must be consistent with climate and socio-economic objectives and in line with Directive (EU) 2021/1187⁶; notes that, in order to maximise the environmental benefits of public transport, the service should be widely available and accessible; takes note of the experiences in certain cities, regions and Member States where free, discounted or nearly free services have been offered;
5. Stresses that the 2024 Union budget should be aligned with the Union's commitments to implement the Paris Agreement and the UN Sustainable Development Goals, as well as with the European Green Deal objectives and the European industrial strategy, while strengthening the EU economy, supporting businesses, securing jobs and fostering social inclusion and regional cohesion; stresses, in particular, the importance of it reflecting the current geopolitical situation and unprecedentedly high inflation, and the consequent new priorities and challenges related to Russia's illegal and unjustified war against Ukraine in terms of humanitarian aid, connectivity with the members of the Eastern Partnership and the common European security and defence policy; stresses that adequate support must be provided to achieve a just transition based on solidarity and fairness; recommends that transport projects be assessed with regard to their impact on relevant external costs;
6. Reiterates that the green transition should be just, inclusive and non-discriminatory in order to ensure that citizens and businesses, including SMEs and the transport sector's workforce, can adjust to this transition and to support the regions and communities most affected; asks that national specificities be taken into account in the process and that particular attention be paid to the EU's outermost regions due to their remoteness, as well as to ensuring a higher level of cohesion between the Member States;
7. Stresses that the development of smart and multimodal mobility also has the power to make the transport network safer and more sustainable, resilient and efficient; calls on the Commission, in that regard, to increase investments in innovation, digitalisation and related upskilling and reskilling;
8. Stresses that the economic, social and employment-related challenges in the transport sector caused by the pandemic and the energy crisis have had differing impacts on Member States, regions, businesses and social groups, with the most vulnerable being

⁶ Directive (EU) 2021/1187 of the European Parliament and of the Council of 7 July 2021 on streamlining measures for advancing the realisation of the trans-European transport network (TEN-T), OJ L 258, 20.7.2021, p. 1.

affected disproportionately; recalls, therefore, that the 2024 Union budget will play an essential role in strengthening the Union's economy and competitiveness, while ensuring that no one is left behind and fostering economic, social and territorial cohesion; considers that the social dimension should be taken into consideration in transport and tourism funding;

9. Recognises the importance of training, upskilling and reskilling workers in the transport and tourism sectors to enhance the digital transition and safety;
10. Highlights the need to increase the attractiveness of the transport sector and address the shortages in the labour force by promoting high-quality employment, with better safety and working conditions, which would also improve women's participation;
11. Reiterates the crucial role of the Connecting Europe Facility (CEF), including its Cohesion Fund envelope, in fostering the timely completion of a TEN-T in which sustainable, interconnected, safe, secure, efficient and affordable modes are prioritised, with rail as the backbone; believes that funding for transport projects should provide European added value and must not, under any circumstances, compromise the Union's high standards and principles on environmental protection; considers that the current financial envelope does not adequately reflect the Union's needs and objectives;
12. Highlights that the completion of the TEN-T will foster growth and cohesion and create jobs throughout the Union, and that investment needs for the TEN-T are estimated at EUR 500 billion to complete the core network by 2030 and EUR 1 500 billion for the entire network by 2050; recognises the strategic value of the TEN-T and CEF for meeting new objectives, particularly the extension of the TEN-T towards the eastern neighbourhood and stronger connectivity with the EU's strategic partners, as regards the EU sustainable and smart mobility strategy and the complementarities between the TEN-T and the trans-European networks for energy (TEN-E);
13. Considers it important for there to be transparency in the accounting of expenditure related to climate objectives, such as the target of a minimum of 60 % of spending within the CEF transport envelope contributing to climate objectives;
14. Notes that EU funds, including potentially the CEF, could support the development of the EuroVelo network;
15. Regrets the fact that the current MFF does not increase the CEF transport envelope and consequently does not send a strong signal to encourage infrastructure investments and the completion of the TEN-T; notes, furthermore, that the MFF reflects the priorities of the Union at the time of its adoption in 2020; stresses that the geopolitical situation in Europe has changed since then, that further adjustment of the MFF is necessary and that the EU's new priorities should be matched with additional money and not come at the expense of other transport programmes and priorities;
16. Notes the slight increase in the Cohesion Fund contribution to the CEF for transport in 2023, which is unfortunately not sufficient to compensate for the decrease observed in 2021 and the high inflation that is forecast; strongly recommends increasing the level of such funding accordingly from 2024, in order to ensure that the CEF can effectively contribute to achieving the objectives set for the TEN-T;

17. Urges the Member States to make completing the core TEN-T network a key priority; stresses that the timely completion of the core TEN-T network is essential for the completion of the extended and comprehensive networks;
18. Emphasises that the TEN-T relies on urban mobility for ‘first and last mile’ connections for both passengers and freight; is convinced that cities and regions need to play an even bigger role in the TEN-T of the future in order to improve mobility and transport flows; believes that this can be achieved by ensuring that urban nodes fit better into the overall framework and that the local authorities are better involved in the governance of the TEN-T;
19. Stresses the importance of sufficient funding for reopening, building or upgrading cross-border rail links, also at regional level, as well as for improving the supply of rolling stock, for the full electrification of railways in the core network and for the deployment of the European Rail Traffic Management System (ERTMS) by 2030; highlights that this process has been ongoing for more than 20 years and calls on the Member States to explain the delays in the ERTMS’s deployment and immediately put forward national plans in this regard; considers that removing such bottlenecks and interoperability constraints, together with through-ticketing, is crucial in order to unleash the full potential of international rail travel in Europe and foster cohesion;
20. Recalls the Commission communication of 12 May 2022 on EU-Ukraine ‘solidarity lanes’⁷, which outlines several transport infrastructure challenges facing the EU and its neighbours; highlights the importance of addressing these challenges in order to support, among other things, global food security and the recovery of the Ukrainian economy; stresses that, in the communication, the Commission proposed assessing the extension of TEN-T corridors towards partners in the eastern neighbourhood;
21. Notes the Commission’s intention to use the CEF to support interoperability and connectivity projects linking the EU and Ukrainian transport networks; asks that a separate envelope for solidarity lanes between the EU and Ukraine be established within the CEF budget; stresses the need to increase the current CEF budget for the 2021-2027 period and calls on the Commission to create an additional budget envelope, dedicated to ‘external transport’, in the CEF III as part of the next MFF, in order to increase cooperation with non-EU countries, including on cross-border projects;
22. Emphasises the need to improve the EU’s capacity to assess and control ownership and investments in the field of strategic infrastructure, as a key aspect in guaranteeing the security of the EU and its citizens;
23. Calls on the Commission to find and present solutions to significantly increase the military mobility budget line, in order to strengthen European security, and consequently to significantly increase the whole transport funding envelope, in order to ensure that all the priorities remain sufficiently funded; stresses that spending in this area should be directed towards transport infrastructure for dual (civil and defence) use;
24. Calls on the Commission to include military mobility infrastructure within the TEN-T;

⁷ Communication of 12 May 2022 entitled ‘An action plan for EU Ukraine Solidarity Lanes to facilitate Ukraine’s agricultural export and bilateral trade with the EU’ (COM(2022)0217).

stresses that further efforts are also required to identify the gaps and bottlenecks in the physical transport infrastructure in the Member States and to reduce the gap between the TEN-T and the EU military networks through the TEN-T revision and by securing funds in the CEF military mobility envelope to support dual-use projects; considers that current efforts should focus on ensuring that infrastructure can be used in the most effective way when military forces have to move; calls for increased infrastructure capacity and for its use to be optimised for both civilian and military purposes; calls therefore for an adequate budget envelope that meets the strategic needs, including providing highly resilient infrastructure, supporting technologies and access to energy, and allowing military forces to move substantial capacity at very short notice;

25. Regrets the reduction of the budget for military mobility under the CEF II programme for 2021-2027 from EUR 5.9 billion, as agreed in 2020, to EUR 1.69 billion; calls for a rapid increase in the allocation for military mobility in order to improve the dual use of transport infrastructure across the Union;
26. Regrets the reduction in financing for the InvestEU programme compared to 2022; regrets, in particular, the impact on European SMEs, whose financing capabilities are currently significantly reduced by the unprecedentedly high inflation and the aftermath of the COVID-19 pandemic; stresses the need to increase the allocation to the InvestEU programme within the 2024 budget, given its role in fostering sustainable and safe infrastructure, which would contribute to structurally overcoming the difficult socio-economic context facing the EU; calls for an increase in the use of EU funds for public investment in sustainable transport infrastructure;
27. Stresses the importance of the Recovery and Resilience Facility, the related national plans and their role in the green transition towards climate neutrality, digital transformation, territorial, social and economic cohesion, and competitiveness; regrets, however, the lack of progress in important transport and infrastructure projects; calls on the Commission to accelerate its work to employ the unused funds for priority transport projects, particularly those involving rail and alternative fuel infrastructure; requests, furthermore, that these projects' implementation reflect the crucial role that transport policy plays in enhancing territorial, social and economic cohesion within the Union;
28. Calls on the Commission to take all the necessary action and mobilise sufficient funding to reinforce transport safety and security, in particular by improving the maintenance of infrastructure, rolling out safe and secure parking areas and better integrating road safety into the guidelines for sustainable urban mobility plans;
29. Stresses the importance of the Social Climate Fund in cushioning the negative social impact of extending emissions trading to the building and road transport sectors, in particular with regard to energy and transport poverty;
30. Calls for dedicated funding for active mobility within Union regional funds and for the active mobility industry within EU transport and industrial funding instruments;
31. Recalls the importance of ensuring that industrial alliances, as well as the joint undertakings established under the Horizon Europe research and innovation programme for 2021 to 2027, are free of conflicts of interest, inclusive and based on transparency, in order to prevent any potential domination by private actors and safeguard the public

interest;

32. Believes that grants should remain the main funding tool for rail projects – be it through the CEF or the European Structural and Investment Funds; believes that EU funding should be used as a mechanism to boost the EU economy and contribute to the reindustrialisation of Europe;
33. Stresses the importance of continuing to provide financial support for sustainable urban mobility investments both in the EU and beyond, including for smart and sustainable urban mobility projects in cities through the Horizon Europe programme;
34. Urges the Commission to provide sufficient funding for the development of renewable propulsion technologies in the European maritime sector and sustainable aviation fuels;
35. Calls for dedicated EU funding for sustainable forms of tourism and for this funding to reflect the needs and importance of the sector, create high-quality job opportunities and take into account the current and future economic, social and environmental impacts of the tourism and travel sectors; reiterates its call on the Commission to develop a new strategy for the tourism sector and a roadmap for tourism;
36. Calls on the Commission to propose a crisis management mechanism to ensure that the tourism sector is adequately prepared for future crises; takes note of the EU funding possibilities available to the tourism ecosystem; calls for significant reinforcement of the support for tourism SMEs in the 2024 budget and reiterates its call for the creation of a European agency for tourism, to be responsible for providing technical and administrative support to microenterprises and SMEs, in order to increase their ability to access and make use of EU funding and financial instruments;
37. Requests that the funding for European transport agencies and joint undertakings match their level of responsibility;
38. Notes that the EU Agency for Railways (ERA) continues to deliver on its tasks concerning EU rail interoperability, safety and harmonisation; welcomes the ERA's continued commitment to the objective of creating a single European railway area; insists that the budget of the ERA be set at least as high as the budgets of other transport-related agencies and that funding for Europe's Rail Joint Undertaking be increased significantly, in line with the Union's strategic priority of shifting to rail, following on from the Shift2Rail Joint Undertaking;
39. Highlights the importance of ensuring sufficient dedicated funding for the European Maritime Safety Agency to be able to properly comply with its expanded remit, including in terms of emissions monitoring, reporting and verification, implementing the transition to renewable and low-carbon fuels in maritime transport and overseeing the response to marine pollution caused by shipping, oil and gas;
40. Stresses the need to ensure sufficient resources to enable the EU Aviation Safety Agency (EASA) to guarantee a high level of safety and sustainable air transport worldwide and meet decarbonisation objectives, while facing challenges such as crises and the process of certifying innovative technologies; commends the guidance issued to the aviation sector by the EASA throughout the COVID-19 crisis; commends the fact

that the funding for the Single European Sky Air Traffic Management Research (SESAR) and Clean Sky 2 joint undertakings has been maintained at the same level;

41. Underlines the importance of dedicating EU funding to further research on the non-CO₂ effects of aviation, as well as concrete measures to mitigate them, including field testing on safety and environmental aspects, with a view to reducing aromatic and sulphur content without compromising safety; welcomes the pilot project to establish a European body for jet fuel standards and safety certification and highlights the importance of prolonging it;
42. Notes European Court of Auditors (ECA) Review No 05/2021, which identified specific challenges for the Commission concerning large transport infrastructure projects; believes that transport project implementation should be improved by using simplified grant procedures, reducing the high administrative burden, implementing a risk-based approach to monitoring, and aligning EU and national transport strategies; reiterates, nevertheless, that appropriate funding for transport projects is instrumental in boosting the sector's recovery from the COVID-19 pandemic and other challenges and accelerating the shift to sustainable and smart mobility; believes that transport spending under shared management should be improved, that blending mechanisms with other investment tools should be encouraged and that the Commission and Member States should ensure a clearly defined and complementary approach to improve the sound and adequate long-term funding of EU projects and the timely completion of the TEN-T; calls, in this regard, for the implementation of the recommendations contained in the ECA's Special Report 10/2020, which highlighted the room for improvement in the Union's transport funding system; notes the conclusion that large infrastructure projects are often confronted with significant cost overruns, as well as inaccurate forecasts of traffic, environmental gains and multimodal effects;
43. Considers that ex ante socio-economic cost-benefit analyses are essential for transport projects and should be based on a recognised methodology and a life-cycle approach that takes into account all the relevant social, economic, climate-related and environmental benefits and costs; believes, in this sense, that transport projects should be subject to climate proofing, based on the latest available best practice and guidance, in order to ensure that transport infrastructures are resilient to the adverse impacts of climate change, and that this should include a climate vulnerability and risk assessment, relevant adaptation measures, and the integration of the costs of greenhouse gas emissions into the cost-benefit analysis;
44. Calls on the Commission to establish a common methodology for socio-economic cost-benefit analyses of projects, in order to ensure comparability between projects, minimise their impact on the environment and determine the European added value;
45. Stresses the importance of guaranteeing a transparent and competitive tendering process for large-scale transport infrastructure projects financed by the EU; insists that contracting authorities and bidders for these large-scale projects must enter into integrity pacts under which third parties monitor their compliance with commitments to best practice and transparency; stresses, furthermore, that people or entities that have previously been found guilty of fraud or corruption in relation to projects financed by the EU must not be eligible to bid in future tender procedures;

46. Considers that EU funds for transport infrastructure should also be invested in the completion of smaller-scale missing cross-border rail links, as well as in promoting sustainable rural mobility, which would benefit a larger number of citizens on a daily basis; highlights the need to build on the success of the Union-funded SMARTA pilot projects on rural mobility and ensure dedicated, structured funding for zero- and low-emission rural mobility, alongside the promotion of sustainable rural mobility plans.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	1.3.2023
Result of final vote	+: 33 -: 1 0: 1
Members present for the final vote	Magdalena Adamowicz, Andris Ameriks, José Ramón Bauzá Díaz, Erik Bergkvist, Karolin Braunsberger-Reinhold, Ciarán Cuffe, Jakop G. Dalunde, Karima Delli, Ismail Ertug, Gheorghe Falcă, Mario Furore, Isabel García Muñoz, Jens Gieseke, Elsi Katainen, Elena Kountoura, Peter Lundgren, Benoît Lutgen, Elżbieta Katarzyna Łukacijewska, Caroline Nagtegaal, Jan-Christoph Oetjen, Philippe Olivier, Rovana Plumb, Bergur Løkke Rasmussen, Massimiliano Salini, Barbara Thaler, István Ujhelyi, Achille Variati, Henna Virkkunen, Petar Vitanov, Lucia Vuolo, Roberts Zīle
Substitutes present for the final vote	Valter Flego, Ljudmila Novak, Andrey Novakov, Andreas Schieder

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

33	+
ECR	Roberts Zīle
NI	Mario Furore
PPE	Magdalena Adamowicz, Karolin Braunsberger-Reinhold, Gheorghe Falcă, Jens Gieseke, Elżbieta Katarzyna Łukacijewska, Benoît Lutgen, Ljudmila Novak, Andrey Novakov, Massimiliano Salini, Barbara Thaler, Henna Virkkunen, Lucia Vuolo
Renew	José Ramón Bauzá Díaz, Valter Flego, Elsi Katainen, Caroline Nagtegaal, Jan-Christoph Oetjen, Bergur Løkke Rasmussen
S&D	Andris Ameriks, Erik Bergkvist, Ismail Ertug, Isabel García Muñoz, Rovana Plumb, Andreas Schieder, István Ujhelyi, Achille Variati, Petar Vitanov
The Left	Elena Kountoura
Verts/ALE	Ciarán Cuffe, Jakob G. Dalunde, Karima Delli

1	-
ECR	Peter Lundgren

1	0
ID	Philippe Olivier

Key to symbols:

+ : in favour

- : against

0 : abstention

2.3.2023

LETTER OF THE COMMITTEE ON REGIONAL DEVELOPMENT

Mr Johan Van Overtveldt
Chair of the Committee on Budgets
WIE 05U012
BRUSSELS

Subject: **Opinion on the draft report on general guidelines for the preparation of the 2024 budget, Section III – Commission ((2022/2184(BUI))**

Dear Mr Van Overtveldt,

Under the procedure referred to above, the Committee on Regional Development has been asked to submit an opinion to your committee. The committee's opinion, in letter form, was adopted by its Coordinators on 27 February 2023.

The Committee on Regional Development calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

* * *

- A. whereas pursuant to Article 174 of the TFEU, in order to promote its overall harmonious development, the Union shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion. In particular, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions. Among the regions concerned, particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as islands, outermost, cross-border and mountain regions;
1. Considers that, as the EU's main long-term investment instrument, cohesion policy is based on solidarity, creates sustainable growth and jobs across the Union and contributes to delivering key Union objectives and priorities, including its climate and energy targets, fighting biodiversity loss, as well as smart, sustainable and social inclusive economic growth, while helping to deliver the European Pillar of Social Rights and to tackle demographic challenges;
 2. Takes note of the advances made in the preparation of the EU budget 2023 regarding biodiversity mainstreaming and calls on the Commission to conclude the update of the tracking methodology for biodiversity spending for the EU budget 2024; stresses the need to ensure the respect of the 'Do No Significant Harm' principle throughout the EU budget and asks for increased efforts towards the achievement of climate and biodiversity mainstreaming targets in the 2024 budget; welcomes the efforts for more transparent and comprehensive reporting of these targets and emphasises the need to

carry out sufficient ex-post evaluations of their impact;

3. Welcomes cohesion policy measures that contribute to stronger, more resilient and more prosperous rural areas and communities, such as the Smart Villages concept; calls for greater public investments in digital education, technologies and innovations accessible to all, which in turn should result in higher standards of living, and support better and equal access to culture, public and essential social services for citizens, high quality education, better and efficient use of resources, less impact on the environment and new opportunities for rural SMEs;
4. Reiterates that, while sufficient funds will help to achieve these goals, they will also contribute towards an ambitious, fair and inclusive transition and a climate-neutral Europe; stresses in this regard that cohesion policy should not undergo any transfers which could jeopardize the structural and investment funds' ability to deliver on their goals, in line with the 'Do No Harm to Cohesion' principle;
5. Notes that the Just Transition Fund (JTF) needs adequate financial resources and a long-term perspective to ensure its effectiveness in supporting regions transition towards climate neutrality;
6. Believes that achieving consistency, complementarity and synergies between cohesion policy and NGEU represents a very big challenge; hence, it is critical to avoid overlaps and inconsistencies in the programming of the projects on the ground; reiterates the need for coordination at budgetary level amongst all the financial instruments supporting cohesion policy such as the ERDF, ESF+, React-EU, JTF, CRII and CRII+, to ensure that the programmes do not weaken one another; furthermore, the pressure for quick absorption, as well as prioritizing RRF over cohesion policy funding, has resulted in reduced attention and capacity to deal with the programming and implementation of cohesion policy funding for 2021-2027, contributing to further delays that can result in under-implementation, underuse and unrealised projects;
7. Welcomes the Commission's work on a new classification to measure the gender impact of Union spending; calls on the Commission to ensure that this classification focuses on an accurate and comprehensive representation of the impact of programmes on gender equality; moreover calls for an extension of that classification to all MFF programmes in order to demonstrate results for the 2024 budget; stresses, in this regard, the need for systematic collection and analysis of gender-disaggregated data;
8. Reaffirms that national, regional, local and other authorities must collaborate and develop a dialogue with civil society organizations and all relevant stakeholders, including universities and innovation centres, in order to fulfil cohesion policy objectives; moreover, reiterates the necessity of strengthening the administrative ability and capacity of local, regional and national authorities, which are key components in the proper planning and implementation of initiatives and projects on the ground;
9. Recalls that cohesion policy, used in line with its objectives, has proven to be a helpful tool to tackle challenges in various crises, such as the Russian war of aggression against Ukraine and its effects on energy supply, high costs of living, inflation, caring for refugees and displaced persons; notes at the same time how inflation and the rising costs of materials have hampered the implementation of cohesion policy projects on the

ground and invites the Commission to consider adopting proposals for mitigating any obstacles or delays;

10. Emphasises the existing link between respect for the rule of law and the efficient implementation of the Union budget in accordance with the principles of sound financial management – economy, efficiency and effectiveness –, as laid down in the Financial Regulation;
11. Calls on the Commission and Member States to ensure that Union resources are used in a transparent, fair and responsible manner.

Yours sincerely,

Younous OMARJEE

2.3.2023

OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

for the Committee on Budgets

on Guidelines for the 2024 Budget – Section III
(2022/2184(BUI))

Rapporteur for opinion: Juozas Olekas

SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Highlights the crucial role that agriculture and rural development policies play in achieving the Union's objectives of food security, sustainable growth, social inclusion, animal welfare and combating climate change, while helping to diversify agricultural production, preserve biodiversity and develop local economies;
2. Stresses that, in view of the economic impact of Russian aggression in Ukraine, a properly functioning agricultural sector is of vital importance in securing EU food supplies;
3. Recalls that the implementation of common agricultural policy (CAP) strategic plans began in January 2023, putting in place the CAP's new green architecture and representing an important step in the transition towards more sustainable food systems in the EU; highlights the need to adapt the CAP to the real requirements of the EU agri-food market and thereby achieve a balanced outcome that benefits farmers, consumers and the environment alike; stresses that the new model for the CAP's implementation in all the Member States requires adequate periods of adjustment and that care must be taken to ensure that there are no disincentives to taking up or continuing agricultural activity; calls on all the Member States to ensure that eco-schemes are ambitious and well designed and achieve their goals, in order to encourage the adoption of climate-, biodiversity- and environment-positive practices;
4. Stresses the need for continuous work towards the achievement of the climate and biodiversity mainstreaming targets¹ laid down in the Interinstitutional Agreement of

¹ At least 30 % of Union expenditure contributing to climate objectives, and annual spending levels for biodiversity of at least 7.5 % in 2024, increasing to 10 % in 2026 and 2027.

16 December 2020², and asks for increased efforts in the 2024 budget to achieve these levels of spending and impact by means of both the Union budget and expenditure through the EU Recovery Instrument;

5. Stresses the importance of the CAP in achieving the budget-wide goal of 30 % climate spending in the current multiannual financial framework (MFF); calls on the Commission to carefully take into account the conclusions of the European Court of Auditors Special Report on climate spending in the 2014-2020 EU budget³, in particular with regard to the mainstreaming of the targets in the CAP; reiterates the importance of the CAP strategic plans in this regard and calls on the Commission to revise the climate weightings applied on the basis of scientific evidence of the impact that the support will make, in order to ensure more precise tracking of expenditure on environmental and climate-related objectives in the new CAP;
6. Recalls the Union's responsibility to track its biodiversity-related financial flows in order to fulfil its reporting obligations under the UN Convention on Biological Diversity; welcomes in this regard the increasing ambition in relation to biodiversity expenditure in the current MFF, with 7.5 % of EU spending to be dedicated to biodiversity in 2024, rising to 10 % in 2026 and 2027; calls on the Commission to finalise the update to the tracking methodology for biodiversity spending for the 2024 EU budget and stresses the importance of extending an effective, transparent, comprehensive and evidence-based tracking methodology to the CAP;
7. Points out that many projects undertaken in the framework of LIFE, the EU's funding instrument for the environment and climate action, are complementary to CAP goals because, among other things, they improve efficiency in the use of resources and benefit the development of rural areas; stresses that ambition must be shown in the allocation of resources to LIFE programmes supporting climate and biodiversity action, and that the implementation of the Just Transition Mechanism needs to be accelerated;
8. Points out the negative effects of Russia's war of aggression against Ukraine on global food security and final food prices for consumers, which have jeopardised food affordability, especially in regions of the world that are highly dependent on staple food imports from Ukraine; stresses further the rapidly increasing importance of food and feed sovereignty, as the war in Ukraine has impacted the whole agri-food chain, causing a decline in domestic production and hence diminishing agricultural exports and contributing to rising commodity prices; emphasises the importance of the Fund for European Aid to the Most Deprived in providing food and basic material assistance within the EU; recalls that Russia has been deliberately and methodically destroying Ukraine's agricultural infrastructure, including farmland, farm buildings, fuel depots and agricultural machinery, with the intention of causing famine and a global food crisis;

² Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources, OJ L 433I , 22.12.2020, p. 28.

³ Special Report 09/2022 of 30 May 2022 entitled 'Climate spending in the 2014-2020 EU budget – Not as high as reported', <https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=61103>.

9. Calls on the Commission to support farmers in the Member States bordering Ukraine, who are the most affected by the market disturbances caused by Russia's illegal war;
10. Emphasises the negative effects of rapid inflation and increases in input prices on farmers, especially small-scale or family farmers and young farmers, who are already beset by difficulties in technological upgrades and the struggle to prevent a decline in profitability, not to mention financial problems, all of which have affected the diversity of production by small and medium-sized farms; calls for reinforced efforts to redistribute CAP support in order to ensure adequate living conditions for small-scale and family farmers; highlights the fact that the CAP budget in the 2021-2027 MFF is already lower than in the previous planning period and that the current high inflation further decreases the value of the funding available to farmers through the CAP budget; stresses that this should be addressed in the MFF mid-term review by adjusting the fixed deflator and preserving an ambitious multiannual budget under Heading 3; urges the Commission, in this context, to ensure an increase in the budget in the first revision of the MFF, scheduled for the end of 2023, with a view to compensating for the decline in the purchasing power provided by subsidies;
11. Welcomes the Commission's interventions to date to mitigate the effects of the crisis on food markets, including the EUR 500 million package and the temporary crisis framework allowing State aid measures for producers affected by soaring production costs, as well as the increased provision of direct payments to farmers in advance, temporary derogations for fallow land and the temporary relaxation of animal feed import requirements; calls for appropriate flexibility to be upheld within the CAP national strategic plans for as long as necessary to maintain food production and reinforce the EU's leading position as a global food exporter;
12. Recalls that disparities in external direct payments, owing to the lack of progress in the so-called convergence process, distort the conditions of competition in the EU's common market; calls on the Commission and the Council to ensure that the Member States receiving the lowest direct payments reach the EU average by 2027;
13. Calls for additional support for farmers in the Member States with the lowest direct payments in order to strengthen their capacity to withstand inflationary pressures and increased input prices, in particular with a view to the mid-term review of the MFF and especially in the countries that have been most affected by Russia's war of aggression against Ukraine; underlines that the use of State aid by some Member States could further undermine the position of these farmers and hamper the functioning of the internal market;
14. Underlines the need for further measures to support the agri-food sector, such as additional funding for investment in modern technologies and equipment, training and upskilling programmes, improved access to the market and measures to meet real market needs;
15. Notes the importance of speeding up and finalising the process of external convergence to empower farmers in Member States where this process has not yet been completed, thereby helping them to cope with the present challenges;
16. Stresses the need to find funding from outside the CAP to lend ad hoc support to sectors

affected by external political or health-related constraints;

17. Urges the Member States to tackle the need for generational renewal in rural areas and the agricultural sector, the swifter diversification of agricultural production, a more pronounced increase in agricultural competitiveness and sustainability and a growing number of active farmers in the future; stresses, in this regard, that the Member States should strengthen their support measures to make farming a more attractive profession, improve access to land and credit and thereby encourage young and new farmers to enter the sector; calls also for training schemes to be set up for young farmers and for continuous training to be ensured for farmers throughout their careers; calls on the Council and the Commission to maintain levels of support for young farmers in the general budget for 2024;
18. Highlights the importance of stepping up funding for research and innovation in agriculture and the agri-food sector and ensuring strong farmer participation in relevant projects in order to meet the needs of sectors facing climate and environmental challenges, in particular through the Horizon Europe programme and the European Innovation Partnerships; stresses the need to boost agricultural output by increasing investment in research and innovation in order to develop new technologies and more sustainable production methods that are tailored to the circumstances on the ground in different markets, as well as by intensifying research into biotechnology, molecular biology and nutritional quality;
19. Emphasises the importance of ensuring that farmers are involved in research and that its results reach farm level, including through EU advisory, training and technical assistance services that effectively share technologies and research findings with farmers and open direct channels of communication between researchers and farmers; underlines the role of stronger agricultural knowledge and innovation systems, as well as the Farm Sustainability Data Network, in encouraging innovation projects and promoting the use of innovative solutions;
20. Urges the Commission and the Member States to formulate guidelines and organise information sessions on the importance of attracting additional EU funding, especially joint funding under various EU policy headings;
21. Emphasises the important role of agri-cooperatives and calls on the Member States to provide greater support for the cooperative sector and to develop incentive schemes to motivate local communities to set up new cooperatives, thereby helping to boost the competitiveness of the agri-food sector and the economic and social development of rural areas; stresses that this collaboration can help cooperatives' members to adapt more easily to climate change, increase their efficiency and diversify their production;
22. Stresses the need to combat persistent unfair trading practices in food supply chains, of which small-scale farmers are the main victims; points out that farmers' weakened bargaining position in supply chains lowers agricultural productivity and profitability and widens the rural-urban income gap, which diminishes the overall attractiveness of living and working in rural areas; stresses, therefore, that the unequal division of profits from the sale of agricultural products must be addressed as a matter of urgency;
23. Highlights the importance of redistributive income support mechanisms in supporting

small and medium-sized farms and ensuring the fair and equitable distribution of Union funds;

24. Points out the significant potential of results-based carbon farming, in particular for tackling climate change through carbon sequestration and the preservation of biodiversity and ecosystems and providing new and complementary sources of income to farmers as part of a new business model for agriculture and forestry; stresses the need for public and private certification schemes to establish new, financially attractive incentives to facilitate or accelerate the uptake of carbon farming by setting up ecosystem service payments under public funding, as well as allowing private funding to support the various benefits of carbon removal certification; notes that this new business model will ultimately be market-based rather than dependent on public funding; underlines the need to identify, at European level, additional resources to be made available to farmers for sustainable farming practices such as regenerative agriculture, sound nutrient management, improving soil quality and crop diversification;
25. Stresses that adequate resources must be provided in the next financial year for the EU's agricultural promotion policy, which should treat all agricultural and food products in a non-discriminatory manner, taking into account the cultural and regional diversity of European food and diets, as well as consumers' needs and their right to make free and informed choices;
26. Welcomes the acceleration of digital transformation in agriculture and rural areas to make agricultural systems in the EU more precise, efficient and sustainable and enhance their environmental impact; believes that this will help to increase agricultural productivity, as well as boosting the attractiveness of employment in agriculture and rural communities to younger generations by offering better connectivity and access to information and services for farmers and rural communities; notes the continued importance of support for investments in modernisation and innovation in the agriculture sector in order to contribute to meeting the targets of the European Green Deal and the biodiversity strategy and implement 'farm-to-fork' measures; stresses that small farms and the most remote regions are often excluded from digitalisation processes and highlights the need for measures to tackle this problem and ensure that digital transformation also works to their advantage;
27. Calls for the digital agenda to be used to support farmers by reducing red tape and lessening the burden on them;
28. Encourages the Member States to improve the quality of data and indicators reported to the EU institutions, in particular the Commission, to ensure that current and future data collection instruments in agriculture, including under the proposed regulation as regards conversion of the Farm Accountancy Data Network into a Farm Sustainability Data Network⁴, focus on the analysis of economic, environmental and social indicators on farms; stresses that better data and indicators should thereby help to improve the monitoring and evaluation of agricultural performance, make public policymaking more effective and responsive to the real needs of the farming sector, realise the full potential

⁴ Commission proposal of 22 June 2022 for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1217/2009 as regards conversion of the Farm Accountancy Data Network into a Farm Sustainability Data Network (COM(2022)0296).

of the new performance-based CAP and accurately assess its impact; notes, nevertheless, that data collection at farms should not add to farmers' administrative burden and should respect the protection of privacy;

29. Emphasises the value that the circular economy and the agricultural sectors that work according to its principles can bring in achieving the goals set in the European Green Deal; encourages pilot projects to improve knowledge and increase the understanding of the possible benefits of circular economy principles for European food systems;
30. Reaffirms the significance of the Union's school fruit, vegetables and milk scheme to help children follow a healthy diet, with a focus on nutrition; invites the Member States to fully use their allocations under that scheme and prioritise sustainable, local and high-quality production;
31. Calls for EU programmes to focus on projects that safeguard existing jobs in the agricultural sector and promote and enhance the creation of high-quality jobs that uphold workers' rights and provide stable and regulated pay and working conditions, as well as projects that effectively and incisively combat poverty and social exclusion in rural areas;
32. Calls on the Member States to provide measures to support farmers in managing and mitigating the increase in production costs caused by inflation, prioritising reduced use of and dependence on fossil fuel-derived inputs and energy wherever possible, in order to help curb the rise in food prices;
33. Calls on the Commission to maintain an adequate level of funding in order to preserve the high sanitary and phytosanitary status in the EU, and opposes any decrease in co-financing rates for sanitary programmes and combating emerging diseases, which could jeopardise animal and plant health and thus human health in the EU.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	28.2.2023
Result of final vote	+: 37 -: 4 0: 5
Members present for the final vote	Clara Aguilera, Álvaro Amaro, Attila Ara-Kovács, Carmen Avram, Adrian-Dragoş Benea, Daniel Buda, Asger Christensen, Ivan David, Paolo De Castro, Herbert Dorfmann, Luke Ming Flanagan, Paola Ghidoni, Dino Giarrusso, Francisco Guerreiro, Martin Häusling, Martin Hlaváček, Krzysztof Jurgiel, Jarosław Kalinowski, Elsi Katainen, Camilla Laureti, Norbert Lins, Elena Lizzi, Chris MacManus, Colm Markey, Marlene Mortler, Maria Noichl, Juozas Olekas, Daniela Rondinelli, Bronis Ropè, Bert-Jan Ruissen, Petri Sarvamaa, Simone Schmiedtbauer, Veronika Vrecionová, Sarah Wiener
Substitutes present for the final vote	Asim Ademov, Rosanna Conte, Marie Dauchy, Charles Goerens, Claude Gruffat, Zbigniew Kuźmiuk, Gabriel Mato, Alin Mituța, Christine Schneider, Michaela Šojdrová, Achille Variati
Substitutes under Rule 209(7) present for the final vote	Jan-Christoph Oetjen

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

37	+
ECR	Krzysztof Jurgiel, Zbigniew Kuźmiuk, Veronika Vrecionová
ID	Marie Dauchy, Ivan David
NI	Dino Giarrusso
PPE	Asim Ademov, Álvaro Amaro, Daniel Buda, Herbert Dorfmann, Jarosław Kalinowski, Norbert Lins, Colm Markey, Gabriel Mato, Marlene Mortler, Petri Sarvamaa, Simone Schmiedtbauer, Christine Schneider, Michaela Šojdrová
Renew	Asger Christensen, Charles Goerens, Martin Hlaváček, Elsi Katainen, Alin Mituța, Jan-Christoph Oetjen
S&D	Clara Aguilera, Attila Ara-Kovács, Carmen Avram, Adrian-Dragoș Benea, Paolo De Castro, Camilla Laureti, Maria Noichl, Juozas Olekas, Daniela Rondinelli, Achille Variati
The Left	Luke Ming Flanagan, Chris MacManus

4	-
Verts/ALE	Claude Gruffat, Francisco Guerreiro, Martin Häusling, Sarah Wiener

5	0
ECR	Bert-Jan Ruissen
ID	Rosanna Conte, Paola Ghidoni, Elena Lizzi
Verts/ALE	Bronis Ropé

Key:

+ : in favour

- : against

0 : abstentions

6.3.2023

OPINION OF THE COMMITTEE ON CULTURE AND EDUCATION

for the Committee on Budgets

on guidelines for the 2024 Budget – Section III
(2022/2184(BUI))

Rapporteur for opinion: Morten Løkkegaard

SUGGESTIONS

The Committee on Culture and Education calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Calls for further simplification, greater administrative efficiency and sufficient resources to ensure an optimal process in the selection and monitoring of projects, the creation of synergies and the avoidance of payment bottlenecks; insists on budget increases, with fresh money and more budgetary flexibility, for the Erasmus+, Creative Europe, European Solidarity Corps, and Citizens, Equality, Rights and Values (CERV) programmes and for the cluster on culture, creativity and inclusive societies within the Horizon Europe programme; calls on the Commission to share regularly with Parliament, including the Committee on Culture and Education, updated indicators and statistics on the absorption of funds in these programmes;

General priorities by programme

Creative Europe

2. Calls for a significant increase in all strands of the budget for Creative Europe, the only European Union support programme explicitly dedicated to the cultural and creative sectors and industries, including the media sector, in order to safeguard artistic and media freedom, ensure continued recovery from the repercussions of the pandemic, cushion against the impact of high energy prices, inflation and the loss of purchasing power, and support the cultural and creative sectors and industries, given their economic relevance and their role in strengthening democracy, representing cultural diversity, enhancing society's well-being and fighting disinformation;

Erasmus+

3. Recalls the value of the opportunities for mobility granted under the Erasmus+ programme; emphasises that the Union budget should provide for a significant increase in the 2024 Erasmus+ programme, given the impact of the crises on its implementation, supplying it with fresh funds so that education and training systems can cope with the

new challenges, and learners, teachers, schools, youth organisations and non-governmental organisations can benefit from adequate resources, thus enabling a significantly higher participation rate with a focus on diversity and inclusion;

European Solidarity Corps

4. Calls for the European Solidarity Corps to focus on issues raised during the European Year of Youth, such as active citizenship, the digital and green transitions, and mental health; recalls the importance of the European Solidarity Corps programme, given the opportunities it offers to young people and its promotion of European values; stresses the need for increased funding for the programme, which is massively oversubscribed by young people, as a flat-rate budget increase would not be adequate to mitigate inflation rates and would curtail the participating organisations' ability to comply with the highest standards and inclusion measures set out in the programme;

CERV

5. Requests an increase in the budget for town twinning and town networks in the CERV programme to boost the number of projects building democratic resilience, mutual understanding and awareness of European values;

Specific priorities by programme

Creative Europe

6. Regrets the fact that the 2023 budget for the cross-sectoral strand of Creative Europe increased only slightly; emphasises the need for a substantial increase in the budget for the cross-sectoral strand in order to counter disinformation by supporting quality journalism, media independence, economic sustainability and pluralism, and in view of the envisaged implementation of the European Media Freedom Act¹;
7. Reiterates its call for a permanent EU editorial and news media fund to support independent editorial coverage, safeguard the independence of European journalists and journalism, guarantee the freedom of the press and support journalists and members of civil society faced with retaliatory actions such as strategic lawsuits against public participation (SLAPPs);
8. Emphasises the need for networks with long-term stability and for open calls supported by the 'Multimedia actions' budget line in order to guarantee consistently high-quality journalism; calls on the Commission and the Member States to consider extending support to journalism in enlargement, European neighbourhood and candidate countries, as proposed by Parliament;
9. Reiterates its call for secure funding for the Euronet Plus radio network in future, which will allow it to plan several years ahead with certainty;
10. Notes that a mid-term revision of the multiannual financial framework could contribute

¹ Proposal for a regulation of the European Parliament and of the Council establishing a common framework for media services in the internal market (European Media Freedom Act) and amending Directive 2010/13/EU (COM(2022)0457).

to a recovery in the cultural and creative sectors and industries, including by contributing to the digital and sustainable transformation and to long-term investments to enhance the resilience of cultural heritage to climate change;

11. Calls on the Commission to commit to transparency regarding what it considers to be cultural investments by Member States under the Recovery and Resilience Facility, and to examine the possibility of redirecting its unused resources or the savings it makes to culture, education, youth, sports and media, and to look into creating a European funding scheme to foster and channel public-private partnerships investing in culture;
12. Calls for continued action to mitigate the consequences of Russia's war of aggression against Ukraine, given the need to support artists, athletes, journalists, cultural workers and those working in similar professions and to reconstruct Ukraine's cultural and creative sectors and institutions;
13. Requests additional funding for video game projects under Creative Europe in order to contribute to the growth of the European gaming sector and industry and represent the linguistic, cultural and demographic diversity that enriches Europe; calls for awareness raising and other activities on the development of skills in the digital environment, where esports and video games occupy an important position, with a view to encouraging young people, in particular those from under-represented groups, to enter these sectors;
14. Stresses that additional funding is long overdue, as the Melina Mercouri Prize² is the only direct EU funding awarded to European Capitals of Culture and has had the same small endowment for years; highlights that European Capitals of Culture represent significant added value for European society;

Erasmus+

15. Calls for additional funding to bring stability to initiatives such as the European Universities initiative and the Erasmus+ Teacher Academies, and to support Jean Monnet actions, such as the Learning EU at School initiative, that focus on schools and vocational education and training institutions, including institutions providing artistic training and education;
16. Emphasises, in particular, the role of Erasmus+ in Europe's unwavering support to the Ukrainian people during Russia's war of aggression in Ukraine; recalls the need to further reinforce the Erasmus+ programme budget given the ongoing need to support Ukrainian teachers and students;
17. Emphasises the health benefits of exercise for everyone, including young Europeans; notes that sport is facing similar pressures to other sectors in the current circumstances; calls for an increase in Erasmus+ funding for sport projects;
18. Calls for the allocation of dedicated funding to the European Education Area in 2024,

² Decision No 445/2014/EU of the European Parliament and of the Council of 16 April 2014 establishing a Union action for the European Capitals of Culture for the years 2020 to 2033 and repealing Decision No 1622/2006/EC, OJ L 132, 3.5.2014, p. 1.

and for long-term funding in the future, in order to ensure the consistency of its development, governance and implementation, with a view to helping Member States meet national obligations concerning the needs of communities and educational institutions located in disadvantaged, remote and rural areas and guaranteeing equal access to all levels of education and digital education, including the development of digital skills for older people; calls on the Commission to protect academic freedom across Europe by applying recital 64 of Regulation (EU) 2021/817³;

Other aspects

19. Stresses that the increase in the unit costs of mobility actions should not decrease the budget available for individual users of the Erasmus+ and European Solidarity Corps programmes, as this would discourage participants and lead to targets, such as inclusion objectives, and expectations not being met; underlines the need to consider revising the mobility schemes of all programmes, given the current context, to reflect the needs of disadvantaged and vulnerable groups in particular;
20. Recalls that the ‘do-no-significant-harm’ principle is enshrined in the Erasmus+, Creative Europe, European Solidarity Corps and CERV programmes; stresses, therefore, the urgent need to ensure that this principle is respected in all the programmes’ activities, and to take any corrective measures that may be required without delay;
21. Recalls the importance of gender mainstreaming for getting the best gender equality impact from programmes such as Erasmus+, Creative Europe, the European Solidarity Corps and CERV; stresses, in this regard, the need for the systematic collection and analysis of gender-disaggregated data;
22. Urges the Commission to further support the financing of the system of European schools in order to address the challenges it currently faces, thus enabling the achievement of high teaching standards and the increased exchange of best practices with national education systems;
23. Suggests that in 2024, the legacy of the European Year of Youth could be linked with that of the European Year of Skills, with adequate financing being identified from relevant programmes for follow-up activities in the subsequent years; insists that no funds from the Erasmus+, Creative Europe and European Solidarity Corps programmes should be diverted to fund the European Year of Skills; reiterates its call for the Commission to evaluate the European Year of Youth and submit a report on this to Parliament as soon as possible, and by mid-2023 at the latest;
24. Calls for sufficient funding to be made available to the New European Bauhaus in the 2024 budget, in preparation for the establishment of a dedicated budget from 2025 onwards; emphasises the need to release new funds without affecting the Creative Europe budget, as the mere redeployment of existing funds will not be sufficient to achieve the initiative’s objectives; recalls the initiative’s importance for ensuring the

³ Regulation (EU) 2021/817 of the European Parliament and of the Council of 20 May 2021 establishing Erasmus+: the Union Programme for education and training, youth and sport and repealing Regulation (EU) No 1288/2013, OJ L 189, 28.5.2021, p. 1.

success of the European Green Deal and the just transition and for maintaining the European way of life;

25. Emphasises the importance of pilot projects and preparatory actions; highlights the need to ensure the sufficient financing of proposals submitted by the Committee on Culture and Education; notes their potential to support digital skills, among other benefits.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	1.3.2023
Result of final vote	+: 24 -: 2 0: 3
Members present for the final vote	Asim Ademov, Andrea Bocskor, Ilana Cicurel, Gianantonio Da Re, Laurence Farreng, Tomasz Frankowski, Romeo Franz, Alexis Georgoulis, Catherine Griset, Sylvie Guillaume, Hannes Heide, Irena Joveva, Petra Kammerevert, Niyazi Kizilyürek, Elżbieta Kruk, Niklas Nienaß, Peter Pollák, Diana Riba i Giner, Marcos Ros Sempere, Monica Semedo, Massimiliano Smeriglio, Michaela Šojdrová, Sabine Verheyen, Maria Walsh, Theodoros Zagorakis, Milan Zver
Substitutes present for the final vote	Ibán García Del Blanco, Chiara Gemma, Domènec Ruiz Devesa

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

24	+
PPE	Asim Ademov, Tomasz Frankowski, Peter Pollák, Michaela Šojdrová, Sabine Verheyen, Maria Walsh, Theodoros Zagorakis, Milan Zver
Renew	Ilana Cicurel, Laurence Farreng, Irena Joveva, Monica Semedo
S&D	Ibán García Del Blanco, Sylvie Guillaume, Hannes Heide, Petra Kammerevert, Marcos Ros Sempere, Domènec Ruiz Devesa, Massimiliano Smeriglio
The Left	Alexis Georgoulis, Niyazi Kizilyürek
Verts/ALE	Romeo Franz, Niklas Nienäb, Diana Riba i Giner

2	-
ID	Gianantonio Da Re, Catherine Griset

3	0
ECR	Chiara Gemma, Elzbieta Kruk
NI	Andrea Bocskor

Key to symbols:

+ : in favour

- : against

0 : abstention

1.3.2023

OPINION OF THE COMMITTEE ON CONSTITUTIONAL AFFAIRS

for the Committee on Budgets

on the Guidelines for the 2024 Budget - Section III
(2022/2184(BUI))

Rapporteur for opinion: Salvatore De Meo

SUGGESTIONS

The Committee on Constitutional Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas 2024 will be the year of the European Parliament elections and of a new legislative term in the EU;
 - 1. Stresses that the EU's 2024 budget must be sufficient to finance the exercise of the powers conferred upon the Union by the Treaties and to achieve the EU's strategic objectives, be focused on the common European interest and allow the Union to deliver the results that matter to all European citizens;
 - 2. Underlines that alongside the implementation of EU programmes and policy actions, effective and inclusive communication with citizens should be among the top budgetary priorities in order to foster awareness of the importance of the EU's decision-making and policies in the functioning of European democracy, so as to increase the transparency of EU policymaking and enhance its legitimacy, especially in the run-up to the 2024 European elections, the start of a new legislative term and the election of the President of the Commission; recalls in this context the importance of making content available in all official languages where possible;
 - 3. Calls for the necessary resources to be allocated for a convention following Parliament's request to amend the Treaties in line with Article 48 of the Treaty on European Union (TEU);
 - 4. Reiterates its long-standing demand for co-decision powers on the EU budget;
 - 5. Points out that more own resources are urgently needed to enable the Union to effectively exercise its powers and to repay the common debt; calls on the Council to approve the first basket of new resources in line with the roadmap of Annex II to the Interinstitutional Agreement of 16 December 2020;
 - 6. Requests that the necessary resources be safeguarded to counter disinformation and fake

news and to fight foreign interference within the EU, especially in the light of the 2024 European elections; highlights the need to secure proper financing for the structures within the EU institutions that are responsible for communicating with citizens and countering disinformation, such as the Commission Representations and the European Parliament Liaison Offices;

7. Stresses that the new budget should contribute to maintaining a high level of citizens' trust in EU institutions and decision-making processes; calls for adequate resources to be made available to ensure that the activities of interest groups, lobbies and non-governmental organisations are transparent, in particular by strengthening the Parliament's Advisory Committee on the Conduct of Members and the Joint Transparency Register Secretariat and providing them with adequate staff and financial resources; underlines that the outcomes of interinstitutional negotiations on strengthening transparency and integrity in the EU institutions should be closely monitored by setting up an independent EU ethics body and, if an interinstitutional agreement is reached, calls for sufficient resources to be provided for the establishment and functioning of such a body, including human, material and financial resources commensurate with its mandate and tasks;
8. Recalls the need to adequately finance the Union's programmes, activities and initiatives, in particular the European Citizens' Initiative and the Citizens, Equality, Rights and Values Programme, as well as other instruments that facilitate participatory democracy in the EU, build citizens' trust and enhance their understanding of EU policies; insists on the importance of adequate funding to guarantee a proper follow-up to the conclusions of the Conference on the Future of Europe; asks for financial means to be provided to enable a deeper involvement of young people in the EU's democratic processes, including, inter alia, the introduction of a 'Youth Test' for all EU policies;
9. Asks for sufficient resources to be made available for the establishment and functioning of a European Electoral Authority if the proposed European electoral law enters into force in line with Parliament's position of 3 May 2022 on the proposal for a Council Regulation on the election of the members of the European Parliament by direct universal suffrage¹;
10. Recalls that under the new Common Provisions Regulation (Regulation (EU) 2021/1060 of 24 June 2021²) Member States and the European Commission should ensure full respect for the rule of law and the safeguarding of human rights in compliance with the Charter of Fundamental Rights of the European Union (the Charter) in the implementation of EU funds; calls for Regulation (EU, Euratom) 2020/2092³ on a general regime of conditionality to be applied in full and stresses the need to ensure that the obligations flowing from both the Charter and the United Nations Convention on the rights of persons with disabilities (UNCPRD) be made a key

¹ OJ C 465, 6.12.2022, p. 171.

² Regulation (EU) 2021/1060 of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

³ Regulation (EU, Euratom) 2020/2092 of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433I, 22.12.2020, p. 1).

priority for all actors involved in projects and programmes supported by EU funds;

11. Recommends that the European Union Agency for Fundamental Rights receive the necessary resources to fulfil its recently revised mandate, which, under Regulation (EU)2022/555⁴, includes police cooperation and judicial cooperation in criminal matters, areas which are particularly sensitive with regard to fundamental rights;
12. Recalls the essential work of the Authority for European Political Parties and European Political Foundations, which independently and in close cooperation with Parliament, monitors the compliance of European political parties and foundations with the legal framework, provides transparency to citizens, and contributes to the integrity of European Parliament elections; recommends that the Authority for European Political Parties and European Political Foundations should receive the necessary resources, in particular for staffing purposes, in order to continue fulfilling its current mandate including in the light of evolving threats of foreign interference and in view of the significant enlargement of its tasks as set out in the Commission's proposal for a regulation amending Regulation (EU, Euratom) No 1141/2014 on the statute and funding of European political parties and European political foundations (COM(2017)0481); underlines in this context the importance of the 2024 European election year and the additional workload it is creating for the Authority.

⁴ Council Regulation (EU) 2022/555 of 5 April 2022 amending Regulation (EC) No 168/2007 establishing a European Union Agency for Fundamental Rights (OJ L 108, 7.4.2022, p. 1).

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	28.2.2023
Result of final vote	+: 22 -: 3 0: 0
Members present for the final vote	Gerolf Annemans, Gabriele Bischoff, Damian Boeselager, Leila Chaibi, Włodzimierz Cimoszewicz, Gwendoline Delbos-Corfield, Salvatore De Meo, Esteban González Pons, Max Orville, Giuliano Pisapia, Antonio Maria Rinaldi, Domènec Ruiz Devesa, Pedro Silva Pereira, Sven Simon, Loránt Vincze, Rainer Wieland
Substitutes present for the final vote	Pascal Durand, Jaak Madison, Niklas Nienaß, Maite Pagazaurtundúa
Substitutes under Rule 209(7) present for the final vote	Álvaro Amaro, Giuseppe Ferrandino, Vlad Gheorghe, Chris MacManus, Nadine Morano

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

22	+
PPE	Álvaro Amaro, Salvatore De Meo, Esteban González Pons, Nadine Morano, Sven Simon, Loránt Vincze, Rainer Wieland
Renew	Giuseppe Ferrandino, Vlad Gheorghe, Max Orville, Maite Pagazaurtundúa
S&D	Gabriele Bischoff, Włodzimierz Cimoszewicz, Pascal Durand, Giuliano Pisapia, Domènec Ruiz Devesa, Pedro Silva Pereira
The Left	Leila Chaibi, Chris MacManus
Verts/ALE	Damian Boeselager, Gwendoline Delbos-Corfield, Niklas Nienäß

3	-
ID	Gerolf Annemans, Jaak Madison, Antonio Maria Rinaldi

0	0

Key to symbols:

- + : in favour
- : against
- 0 : abstention

OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND GENDER EQUALITY

on Guidelines for the 2024 Budget – Section III
(2022/2184(BUI))

Rapporteur for opinion: Robert Biedroń

SUGGESTIONS

The Committee on Women's Rights and Gender Equality calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas gender equality is a core value of the European Union, as enshrined in Article 2 of the Treaty on the European Union; whereas Article 8 of the Treaty on the Functioning of the European Union states that 'in all its activities, the Union shall aim to eliminate inequalities and to promote equality between men and women', thus promoting equality as a fundamental principle of the Union and establishing the principles of gender mainstreaming and gender budgeting;
- B. whereas Parliament has repeatedly urged the Commission to promote and implement the use of gender mainstreaming, gender budgeting and gender impact assessments in all Union policy areas;
- C. whereas the EU has committed to implement the Sustainable Development Goals, including Goal 5 on gender equality; whereas narrowing the gender gap in the EU could result in an additional 10 million jobs and an increase of up to EUR 3.15 trillion in gross domestic product by 2050¹; whereas it is important to focus on enhancing women's potential in all sectors of the economy; whereas women have been disproportionately affected by the COVID-19 pandemic, particularly in precarious employment, feminised sectors and the informal economy, through increased gender-based violence and harassment, unpaid and unequal care and domestic responsibilities and restricted access to sexual and reproductive health and rights (SRHR); whereas Parliament has called for no Union funds to be allocated to Member States until authorities respect the required measures needed to ensure compliance with the rule of law²; whereas non-compliance with the rule of law in Poland has had an adverse impact on women and LGBTIQ+

¹ European Institute for Gender Equality, '[Advancing work–life balance with EU Funds. A model for integrated gender-responsive interventions](#)', Publications Office of the EU, Luxembourg, 2020.

² European Parliament resolutions of 10 March 2022 on the rule of law and the consequences of the ECJ ruling (OJ C 347, 9.9.2022, p. 168) and of 8 July 2021 on the creation of guidelines for the application of the general regime of conditionality for the protection of the Union budget (OJ C 99, 1.3.2022, p. 146).

people;

1. Stresses that a gender equality perspective should be fully integrated into and ensured in all policy areas and at all stages of the budgetary process, particularly in the light of the multiple gendered impacts of various ongoing climate, energy and social crises, including the backlash against gender equality and women's rights, especially SRHR, in several Member States and the impact of war and conflict worldwide; regrets that, as observed in the European Court of Auditors' annual report on the performance of the EU budget, gender mainstreaming is the least successfully implemented overarching policy priority³ and that currently the EU institutions lack a consistent approach and structured cooperation regarding this priority; stresses that gender impact assessments, objectives and mainstreaming should be practised in all policy areas to ensure that EU expenditure becomes an effective tool for promoting gender equality; calls on the Commission to ensure that its new classification system to measure the gender impact of the Union's spending accurately and comprehensively represents the impact of programmes on gender equality; calls for requirements to systematically collect and report accurate and comparable data to be included in upcoming legislative proposals for EU funding programmes, and as part of the performance reports in the annual budget;
2. Stresses that the citizens, equality, rights and values programme (CERV) needs separate gender-related budget lines, targets and reporting requirements, including on preventing and combating gender-based violence; recalls the requirement to allocate at least 40 % of the funds dedicated to the equality, rights and gender equality strand and the Daphne strand to activities to prevent and combat all forms of gender-based violence at all levels and at least 15 % of those funds to activities promoting women's full enjoyment of rights; recalls also that it is imperative to increase CERV's budget to better combat inequalities that have been exacerbated by ongoing crises; reaffirms its requests for the Daphne programme's resources to be increased in order to combat all forms of gender-based violence, including sexual harassment, psychological and physical violence, stalking, sexual violence, rape, forced marriage and female genital mutilation, paying particular attention to women fleeing the war in Ukraine, who face a significant risk of violence and should be protected; calls for budgetary allocations to tackle female genital mutilation throughout the EU's external action programmes, including through the Neighbourhood, Development and International Cooperation instrument – Global Europe;
3. Calls on the Commission to increase the budget allocation to civil society organisations that promote women's rights in Europe and beyond, especially those working on SRHR, including the cross-border provision of safe and legal abortions, which guarantees women's access to the fundamental right to have control over their bodies; highlights the importance of reaching smaller grassroots organisations in order to guarantee the best impact on women's rights and gender equality, and therefore welcomes new calls for organisations to redistribute funds; recalls the importance of the resources allocated to the EU4Health programme and calls for a particular focus to be put on women living in rural, sparsely populated and remote areas by providing access to mobile healthcare

³ European Court of Auditors, '[Annual report on the performance of the EU budget – status at the end of 2021](#)', Publications Office of the EU, Luxembourg, 2022.

where appropriate; highlights the necessity of EU4Health in achieving universal health coverage across the Union, including access to sexual and reproductive health services, and reducing inequalities in health;

4. Stresses the importance of investments in high-quality public services, including healthcare and social infrastructure for coping with the social and health crises, building social resilience and combating inequalities; stresses the importance of creating high-quality jobs in these sectors to achieve a just transition towards a less carbon-intensive society; notes that investments in gender equality are widely recognised as a significant driving force behind economic growth;
5. Repeats its concern about the connection between attacks on the rule of law and backlash against gender equality and women's rights in the EU; calls on the Commission to strengthen the rule of law in the Union and thus protect fundamental rights and gender equality via the rule of law conditionality mechanism for access to EU funds; calls on the Commission to not release any funds to Poland until the Polish authorities fully meet the milestones and targets outlined in Poland's recovery and resilience plan; reiterates the importance of the rule of law for women and LGBTIQ+ people; calls on the Commission to assess the core mission of any organisations receiving EU funds and to withhold funding from groups seeking to use EU funds to abet backsliding on human rights, particularly women's rights, gender equality and the rights of LGBTIQ+ people;
6. Recalls that women are over-represented in low-paid sectors, including in precarious employment, feminised sectors and the informal economy, and that they perform the majority of unpaid care and domestic work; calls for greater coordination between the instruments available and an increased percentage of the EU budget to be dedicated to advancing gender equality, improving work-life balance irrespective of age and gender and supporting women's access to the labour market, including by ensuring investments in high-quality care infrastructure and services for coping with the social and health crises; welcomes the fact that a gender equality-related expenditure tracking system was included in the European Social Fund Plus, the European Regional Development Fund and the Cohesion Fund, which will allow for better monitoring of investments related to gender equality; stresses the importance of cohesion policy in promoting gender equality and, in this regard, regrets the decision that a gender breakdown is in most cases not relevant for the European Regional Development Fund and the Cohesion Fund; stresses the importance of mitigating growing inequalities, in particular through recovery and resilience plans and cohesion policy and by ensuring gender equality in digitalisation;
7. Recalls the crucial work of the European Institute for Gender Equality (EIGE), particularly in the context of the backlash against women's rights across the Union and beyond; underlines that the EIGE plays an important role in sharing knowledge and expertise on gender mainstreaming and gender sensitive analysis and recommendations related to crises involving the climate, health, migration and war; stresses that the EIGE has proven to be a vital and effective organisation; stresses the urgent need for the EIGE's budget to be increased, so that it can employ more staff, including eight contract agents that it needs immediately, in order to cope with a sharp rise in requests for technical assistance on gender mainstreaming; underlines that, without sufficient

funding, the EIGE will not be able to fully perform its duties, which will be to the detriment of policymaking in the Member States;

8. Reiterates that the EU budget should be equipped with tools to encourage women's participation and interest in digital education, the economy and the science, technology, engineering, math and information and communications technology sectors and careers; similarly underlines the need for increased funding to improve education and vocational training, including lifelong learning, to help bridge the digital gender gap and support aspiring female entrepreneurs, engineers and technicians in the digital and artificial intelligence sectors; calls for Horizon Europe and the digital Europe programme to ensure the implementation of gender mainstreaming in their actions and to report gender-disaggregated data; calls for budgetary resources to be allocated to support women's entrepreneurship and economic independence, as well as women-led small and medium-sized enterprises.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	28.2.2023
Result of final vote	+: 24 -: 3 0: 2
Members present for the final vote	Simona Baldassarre, Vilija Blinkevičiūtė, Maria da Graça Carvalho, Margarita de la Pisa Carrión, Frances Fitzgerald, Lina Gálvez Muñoz, Arba Kokalari, Alice Kuhnke, Elżbieta Katarzyna Łukacijewska, Radka Maxová, Karen Melchior, Johan Nissinen, Maria Noichl, Carina Ohlsson, Samira Rafaela, Evelyn Regner, María Soraya Rodríguez Ramos, Christine Schneider, Michal Šimečka, Sylwia Spurek
Substitutes present for the final vote	Michiel Hoogeveen, Ewa Kopacz, Elena Kountoura, Katarína Roth Nevedálová, Pernille Weiss
Substitutes under Rule 209(7) present for the final vote	Francisco Guerreiro, France Jamet, Łukasz Kohut, Ana Miranda

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

24	+
PPE	Maria da Graça Carvalho, Frances Fitzgerald, Arba Kokalari, Ewa Kopacz, Elżbieta Katarzyna Łukacijewska, Christine Schneider, Pernille Weiss
Renew	Karen Melchior, Samira Rafaela, María Soraya Rodríguez Ramos, Michal Šimečka
S&D	Vilija Blinkevičiūtė, Lina Gálvez Muñoz, Łukasz Kohut, Radka Maxová, Katarína Roth Nevedálová, Maria Noichl, Carina Ohlsson, Evelyn Regner
The Left	Elena Kountoura
Verts/ALE	Francisco Guerreiro, Alice Kuhnke, Ana Miranda, Sylwia Spurek

3	-
ECR	Michiel Hoogeveen, Johan Nissinen, Margarita de la Pisa Carrión

2	0
ID	Simona Baldassarre, France Jamet

Key to symbols:

- + : in favour
- : against
- 0 : abstention

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	28.3.2023
Result of final vote	+: 29 -: 2 0: 2
Members present for the final vote	Rasmus Andresen, Pietro Bartolo, Olivier Chastel, Andor Deli, Pascal Durand, José Manuel Fernandes, Eider Gardiazabal Rubial, Vlad Gheorghe, Valérie Hayer, Niclas Herbst, Adam Jarubas, Fabienne Keller, Joachim Kuhs, Zbigniew Kuźmiuk, Pierre Larroustourou, Janusz Lewandowski, Margarida Marques, Siegfried Mureşan, Victor Negrescu, Andrey Novakov, Dimitrios Papadimoulis, Karlo Ressler, Bogdan Rzońca, Eleni Stavrou, Nils Torvalds, Nils Ušakovs, Angelika Winzig
Substitutes present for the final vote	Francisco Guerreiro, Monika Vana
Substitutes under Rule 209(7) present for the final vote	Karolin Braunsberger-Reinhold, Daniel Caspary, Daniel Freund, Isabel García Muñoz

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

29	+
PPE	Karolin Braunsberger-Reinhold, Daniel Caspary, José Manuel Fernandes, Niclas Herbst, Adam Jarubas, Janusz Lewandowski, Siegfried Mureşan, Andrey Novakov, Karlo Ressler, Eleni Stavrou, Angelika Winzig
Renew	Olivier Chastel, Vlad Gheorghe, Valérie Hayer, Fabienne Keller, Nils Torvalds
S&D	Pietro Bartolo, Pascal Durand, Isabel García Muñoz, Eider Gardiazabal Rubial, Pierre Larrourou, Margarida Marques, Victor Negrescu, Nils Ušakovs
The Left	Dimitrios Papadimoulis
Verts/ALE	Rasmus Andresen, Daniel Freund, Francisco Guerreiro, Monika Vana

2	-
ID	Joachim Kuhs
NI	Andor Deli

2	0
ECR	Zbigniew Kuźmiuk, Bogdan Rzońca

Key to symbols:

+ : in favour

- : against

0 : abstention