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REPORT

on general guidelines for the preparation of the 2025 budget, Section III –
Commission
(2023/2220(BUI))

Committee on Budgets

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CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3
ANNEX: ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT.....	19
LETTER OF THE COMMITTEE ON FOREIGN AFFAIRS	20
LETTER OF THE COMMITTEE ON DEVELOPMENT.....	22
LETTER OF THE COMMITTEE ON BUDGETARY CONTROL.....	27
LETTER OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS.....	31
LETTER OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY	40
LETTER OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY	46
LETTER OF THE COMMITTEE ON TRANSPORT AND TOURISM	50
LETTER OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT ..	55
LETTER OF THE COMMITTEE ON CULTURE AND EDUCATION.....	58
LETTER OF THE COMMITTEE ON CONSTITUTIONAL AFFAIRS	61
LETTER OF THE COMMITTEE ON WOMEN'S RIGHTS AND GENDER EQUALITY ..	64
INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE.....	68
FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE	69

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on general guidelines for the preparation of the 2025 budget, Section III – Commission (2023/2220(BUI))

The European Parliament,

- having regard to Article 314 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to the revised Council Regulation (EU, Euratom) xxx laying down the multiannual financial framework for the years 2021 to 2027 (MFF Revision),
- 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 2027¹,
- 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 2027²,
- having regard to Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021-2027³ 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 interim report on the proposal for a mid-term revision of the multiannual financial framework 2021-2027⁶,
- having regard to its resolution of 27 February 2024 on the draft Council regulation amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027⁷,
- having regard to its resolution of 10 May 2023 on the impact on the 2024 EU budget of increasing European Union Recovery Instrument borrowing costs⁸,
- having regard to its resolution of 15 December 2022 on upscaling the 2021-2027 multiannual financial framework: a resilient EU budget fit for new challenges⁹,

¹ OJ L 325, 20.12.2022, p. 11.

² OJ C 445, 29.10.2021, p. 240.

³ OJ L 433 I, 22.12.2020, p. 11.

⁴ OJ C 444 I, 22.12.2020, p. 4.

⁵ Texts adopted, P9_TA(2020)0357.

⁶ Texts adopted, P9_TA(2023)0335.

⁷ Texts adopted P9_TA(2024)0082.

⁸ Texts adopted, P9_TA(2023)0194.

⁹ OJ C 177, 17.5.2023, p. 115.

- having regard to the Commission 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 the introduction of new own resources¹⁰,
- having regard to Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union¹¹,
- having regard to the Commission proposal of 22 December 2021 for a Council decision amending Decision (EU, Euratom) 2020/2053 on the system of own resources of the European Union (COM(2021)0570) and its position of 23 November 2022 on the proposal¹²,
- having regard to Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis¹³,
- 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 budget¹⁴,
- having regard to the Commission communication of 11 December 2019 entitled ‘The European Green Deal’ (COM(2019)0640) and its resolution of 15 January 2020 responding to it¹⁵,
- 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),
- 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 the Interinstitutional Proclamation on the European Pillar of Social Rights of 13 December 2017¹⁶ and its resolution of 19 January 2017 thereon¹⁷, to the Commission Action Plan of 4 March 2021 on the implementation of the European Pillar of Social Rights and to the Porto declaration on social affairs adopted by the members

¹⁰ OJ L 433 I, 22.12.2020, p. 28.

¹¹ OJ L 424, 15.12.2020, p. 1.

¹² OJ C 167, 11.5.2023, p. 162.

¹³ OJ L 433 I, 22.12.2020, p. 23.

¹⁴ OJ L 433 I, 22.12.2020, p. 1.

¹⁵ OJ C 270, 7.7.2021, p. 2.

¹⁶ OJ C 428, 13.12.2017, p. 10.

¹⁷ OJ C 242, 10.7.2018, p. 24.

of the European Council in May 2021,

- having regard to the EU gender equality strategy 2020-2025,
- having regard to the special report of the European Court of Auditors “Gender mainstreaming in the EU budget: time to turn words into action” 2021,
- having regard to the United Nation’s Sustainable Development Goals,
- 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 proposal of 20 June 2023 for a regulation of the European Parliament and of the Council on establishing the Strategic Technologies for Europe Platform (‘STEP’) and amending Directive 2003/87/EC, Regulations (EU) 2021/1058, (EU) 2021/1056, (EU) 2021/1057, (EU) No 1303/2013, (EU) No 223/2014, (EU) 2021/1060, (EU) 2021/523, (EU) 2021/695, (EU) 2021/697 and (EU) 2021/241 the Union (COM(2023)335);
- having regard to the proposal of 20 June 2023 for a regulation establishing the Ukraine Facility;
- having regard to the general budget of the European Union for the financial year 2024¹⁸ and the joint statements agreed between Parliament, the Council and the Commission annexed hereto,
- having regard to the Council conclusions of ... on the 2025 budget guidelines (00000/2024),
- having regard to Rule 93 of its Rules of Procedure,
- having regard to the letters from the Committee on Foreign Affairs, the Committee on Development, the Committee on Budgetary Control, the Committee on Employment and Social Affairs, the Committee on the Environment, Public Health and Food Safety, 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 report of the Committee on Budgets (A9-0068/2024),

A people-centred EU budget 2025: Investments tailored to improving people’s lives and boosting the Union’s competitiveness

1. Is adamant that, in times of geopolitical and institutional change, financial pressure, climate change and societal challenges, a reliable, robust, flexible, investment oriented EU budget remain instrumental for the implementation of the Union’s policies and central in responding to people’s increasing needs, leaving no-one behind through the green and digital transitions, in delivering prosperity and security for people and in

¹⁸ OJ L 207, 22.2.2024, p. 1.

boosting the competitiveness of the EU economy;

2. Highlights the difficult circumstances of the 2025 budget procedure, which is taking place at a moment of high international tensions and uncertainties, and in an election year when Parliament and the Commission will have to manage the transition of the legislature; is fully aware of the severe yet unavoidable calendar constraints and calls on all actors to take them duly into account with a constructive mindset;
3. Deeply regrets the fact that the Council did not succeed in reaching an agreement on the revision of the multiannual financial framework (MFF) before the end of 2023; notes, therefore, that it had to launch the budgetary procedure in the absence of certainty on several crucial elements in the financial programming for 2025, and is keenly aware of the regrettably very tight, and, in some instances, negative margins under the MFF ceilings;
4. Considers the outcome of the MFF revision to be below the initial aspirations of the EP; underscores that a revision of the MFF regulation is an essential prerequisite for ensuring medium-term financial support to Ukraine, for enabling increased funding for targeted policy priorities, including the promotion of the EU's strategic autonomy, and for safeguarding Union programmes and the budget's flexibility in the light of higher-than-forecast interest rates and therefore higher-than-programmed Union borrowing costs; notes that the 2025 annual budgetary procedure will be the first exercise based entirely on the revised MFF regulation;
5. Recalls that the Joint Declaration agreed by the three institutions as part of the 2020 MFF agreement, whereby expenditure to cover NGEU financing costs "shall aim at not reducing programmes and funds", still applies and serves as a reference point for the budgetary authority, notably for mobilising the EURI instrument to cover at least part of the NGEU borrowing cost shortfall; intends, therefore, to ensure that all programmes are properly resourced and the budget's flexibility and response capacity maintained throughout the annual budgetary procedure; insists on the need for the Commission to provide reliable, timely and accurate information on NGEU borrowing costs and on expected Recovery and Resilience Facility disbursements throughout the budgetary procedure;
6. Calls on Council and Commission to apply Regulation (EU, Euratom) 2020/2092 on a general regime of conditionality for the protection of the Union budget in full; stresses in particular that compliance with the rule of law is a fundamental pre-requisite to access EU funds; stresses that funds cannot be disbursed if Member States do not comply with all relevant requirements; reiterates that systemic issues with the rule of law, such as the violation of the principle of separation of powers or recent attempts in some Member States to attack the independence of the judiciary constitute clear risks to the financial interests of the EU and the protection of the EU Budget and calls on the Commission to allow no backsliding on achievements in the area of rule of law; reiterates its call on the Commission to ensure as a matter of urgency that suspended EU funds reach citizens, businesses, regional and local authorities, non-governmental organisations and any other relevant stakeholders via local governments and civil society organisations, in accordance with the Rule of Law Conditionality mechanism;

7. Underlines that repayment of the European Union Recovery Instrument (EURI) borrowing costs is a legal obligation for the EU and a non-discretionary expenditure item in the EU budget; notes that borrowing costs depend on the pace of disbursements under the Recovery and Resilience Facility (RRF) as well as on market fluctuations in bond yields and are therefore inherently unpredictable and volatile; reiterates its position that EURI borrowing costs should have been placed fully in a EURI special instrument over and above the MFF ceilings with a view to restoring some margin within Heading 2b and protecting budgetary space in the Flexibility and Single Margin Instruments; will strive to ensure that the application of the EURI cascade mechanism in the revised MFF will not result in arrangements that cause undue collateral damage to programmed expenditure or availabilities under the non-thematic special instruments;
8. Recalls that the European economy is forecast¹⁹ to grow very modestly (0.9 % in 2024 and 1.7 % in 2025), while inflation is expected to remain substantially above the 2 % which is used as an automatic deflator for the MFF (3.0 % in 2024 and 2.5 % in 2025); acknowledges that this means continued loss of purchasing power for a budget which must remain in balance and which is capped by absolute amounts; highlights the very low call rate for the Gross National Income (GNI)-based own resource in recent years (0.46 % in the draft budget 2024), as a result of the combined effect of inflation, low levels of payment appropriations and higher income from some other own resources; recalls its position that rebates and other correction mechanisms should be permanently abolished and that, until their permanent abolition, gross reductions to GNI-based national contributions should be subject to a fixed deflator of up to 2% per year;
9. Deplores the absence of progress in the Council on the reform of the own resources system; recalls its position on the amended Commission proposals, which endorses the introduction of new own resources; considers that the introduction of fresh genuine revenue sources, in line with the roadmap in the interinstitutional agreement, would serve to cover the additional budgetary burden arising from NextGenerationEU borrowing and would thereby shield the margins and flexibility mechanisms, which in turn would facilitate budgetary decision-making on unforeseen needs as well as new strategic foresight initiatives; urges, furthermore, the Commission to continue the efforts to identify fresh, new and preferably genuine own resources and other revenue sources for the EU budget beyond the IIA;
10. Regrets the fact that the capacity to respond to unforeseen events or to launch new initiatives is severely affected by budgetary scarcities and intends to rectify this situation to the extent possible and also taking account of the increased expectations by EU citizens; recalls that it is necessary to establish an additional special instrument over and above the MFF ceilings so that the EU budget can better adapt and quickly react to crises and their social and economic effects;
11. Is determined, despite these numerous constraints, to maintain a coherent and unified position which reflects its established policy priorities and institutional interests, including boosting the Union's competitiveness, reducing strategic dependencies, accelerating clean energy deployment, ensuring the achievement of the Union's climate and biodiversity mainstreaming targets, enhancing its security and defence capabilities

¹⁹ European Commission, '[Winter 2024 Economic Forecast: A delayed rebound in growth amid faster easing of inflation](#)', 2023.

as well as contributing to the green and digital transitions while minimising negative impacts on flagship programmes and maximising the spill-over benefits of economic growth for all people in the EU;

An equitable, fair and inclusive budget that offers better opportunities to all EU citizens and ensures economic growth

12. Observes that affordable living and societal cohesion continue to be persistent challenges across EU Member States and their regions and recalls the role of high quality and accessible public services in this regard; wishes to accentuate inclusiveness and accessibility to funding wherever appropriate and in accordance with pertinent eligibility criteria, and maximise funding possibilities by leveraging existing funds; considers that the social dimension of EU spending, as a necessary feature for its legitimacy, should continue to be a cross-cutting criterion for all policy areas;
13. Underlines that the EU budget is above all an investment budget with leverage effect, able to boost the Union's objectives and policymaking, complementing national policies and, thereby, responding to the needs of all people in the EU; recalls the importance of the Recovery and Resilience Facility in increasing the resilience of the Union and mitigating the socio-economic impacts of the past and ongoing crises; believes that no effort should be spared to ensure that these two major sources of EU funding are spent effectively and without further delay;
14. Is firmly determined to use the EU budget to make a tangible and visible difference to citizens, to the economy in the single market and for achieving the objectives of the Green Deal by supporting quality job creation in cutting-edge industries, future-proofing the labour market through skills development and talent booster schemes, fighting unemployment, enhancing European competitiveness and increasing the Union's defence readiness; considers that technological autonomy and sustainable growth are key to reaching the Union's long term energy and climate objectives; reiterates its call to maintain adequate funding to support small and medium-sized enterprises (SMEs) as the backbone of the European economy, start-ups and young people, farmers, teachers and transport workers; underlines the need to further improve the energy and transport infrastructure, invest in upgrading public health and welfare services, social and territorial cohesion and inclusion, and in supporting vulnerable, remote and rural communities including smart villages; points out that the budget needs to ensure the green transition while supporting quality agriculture, ensuring access to quality health and education;
15. Stresses the significant impact of research and innovation on competitiveness, long-term growth and employment in the European Union; recalls the long-standing initiative to push EU research & development investment intensity to 3% of GDP; recognises the existing gap between the objective and the actual funding provided; underlines that European technology leadership is essential to implement the Green Deal and the Health Union as it creates high-skilled jobs in the Union along the entire value chain, and strengthens excellence of research and innovation within the Union; is deeply concerned that the funds available only cover a fraction of all applications submitted, resulting in high levels of oversubscription of programmes and researchers leaving the Union for competing regions;

16. Stresses that sustainable and long-term solutions must be provided in order to successfully fight structural demographic challenges, as well as to mitigate brain drain in less developed regions and cities of the EU; emphasises the need for financial resources to revitalise regions suffering from population decline through investments in social and demographic policies that support families and to provide ageing populations in Europe with adequate support in terms of access to healthcare, mobility and public services;
17. Insists that a maximum of possible funding should be mobilised through Erasmus+ and the European Solidarity Corps to promote learning and entrepreneurship and to improve young people's skills, formal, non-formal and informal education as well as employability, as well as promoting social inclusion; reiterates the need to ensure that both programmes guarantee equal opportunities, with a special focus on people from disadvantaged backgrounds across the EU and associated countries; maintains its view that mobility grants in Erasmus+ must be further supported in order to cover the increases in living costs and to ensure accessibility, equal opportunity and inclusive participation in particular by increasing the minimum grant per participant to an appropriate level;
18. Underlines the importance of implementing the European Pillar of Social Rights and calls on the Commission to start reflections on a methodology for tracking social expenditure in the EU budget under the next programming period; highlights the crucial role of the EU budget in contributing to initiatives that reinforce social dialogue and strengthen local and regional social actions and provide access for all to vital key services; reiterates the need for a European strategy for elderly people, with specific actions to combat marginalisation, loneliness and isolation; recalls, furthermore the need for full implementation of the strategy for the rights of persons with disabilities 2021-2030 to improve their living conditions in the Union; highlights the case of European hauliers that are confronted with different challenges in each Member State, from rising costs to capacity shortages, and the need for flexibility and better working conditions; stresses the need to reinforce existing rules for their protection and allocate additional resources to monitor working conditions across the Member States; underlines in this regard the benefits of developing IT-tools at EU-level that help improve the implementation of bureaucratic requirements and the standardisation of certificates;
19. Calls on the Commission and the Member States to allocate adequate resources for the effective implementation of EU rules on social security coordination in order to facilitate labour mobility and easier transfer of social security benefits; calls for EU funds to be used to develop the Electronic Exchange of Social Security Information system and to support further digitalisation of the social security systems for fair labour mobility;
20. Acknowledges that technology and Artificial Intelligence (AI) are rapidly changing the employment landscape; highlights the economic potential human-centred trustworthy AI technologies can bring to Europe's economic growth while improving the lives of citizens in a number of areas such as health, agriculture, energy, transport and security; calls for this to be reflected in EU programmes and policies through the allocation of adequate financial resources; stresses the need to improve basic digital skills of the

citizens to match the needs of companies and to equip the citizens against disinformation; supports the EU measures complementing the national employment strategies for job reconversion and mobility at EU level in a coordinated way, embracing the potential of these changes for a thriving, adaptable workforce including via fostering job reskilling and mobility, thereby ensuring a smooth transition into new and emerging job sectors;

21. Is alarmed by the increasing number of extreme weather events, such as severe fires, floods and other natural disasters linked to the worsening climate change throughout Europe; highlights, therefore, the need to ensure sufficient funding for the EU civil protection mechanism and calls for a better consolidation of the EU's emergency response capacities by strengthening the joint medical and emergency intervention teams; calls on the Commission to ensure that resources can also be made available swiftly through the EUSF and the EAR;
22. Underlines the importance of appropriate funding to be allocated to the activities laid down in the EU4Health Regulation; acknowledges that the price of medicines and health technologies has a major impact on patients' ability to access them; stresses that unaffordable medicine costs represent a real barrier to treatment and calls for the implementation of specific measures to tackle these challenges; calls in this respect for better coordination at EU level and joint procurement of medicines in order to reduce costs; underlines the importance of tackling child diseases with special focus on rare diseases;; stresses, in particular, the importance of the Beating Cancer Plan; calls for an ambitious budget for 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; acknowledges that cardiovascular disease (CVD) remains the leading cause of death in the EU; considers that addressing CVDs by investing in actions targeted at personalised medicine and eHealth is key as this will increase prevention and treatment standards, and allow all citizens equal access to healthcare; underlines the need to prevent medicine shortages faced in some member states in the recent years; recognises that health inequalities need to be reduced to provide equitable health for all women, including access to sexual and reproductive health, and reminds that it is essential for women's health to remain a policy and research priority;
23. Recalls the need to tackle the skills deficit, the issue of brain drain and the correlation between market needs and skills, not least in the perspective of the situation in different EU regions; considers that for the EU workforce to remain competitive in the future, defining key areas for training and reskilling is necessary, especially for the promotion of green and digital skills; stresses further investment is required to modernise the Union's education systems, create talent booster schemes and incentivise young entrepreneurs; calls for the implementation of the European Year of Skills and the European Education Area to be accelerated; calls on the Commission to rapidly implement the solutions identified as key during the European Year of Skills, highlighting the need for better cooperation with companies, including the EU youth test and banning unpaid internships; following the recommendations adopted in the Conference on the Future of Europe, recalls the importance of establishing a European education plan with financial resources to support quality education and teacher training, and to reduce early school dropout rates;

24. Underlines the added value of funding programmes in the areas of democracy and rights and values recalls the importance that the EU budget plays in the promotion of European values enshrined in Article 2 TEU, culture and citizens' rights and building resilient societies, and supporting the key principles of democracy, rule of law, solidarity, inclusiveness, justice, non-discrimination and equality including gender equality; wishes to see the relevant budget lines and bodies strengthened in order to address polarisation, the rise of political extremism, low institutional trust, foster participatory democracy, promote fundamental rights, prevent democratic backsliding, the erosion of the rule of law, the shrinking space for civil society organisations working in this area at local, national and Union levels and the instrumentalisation of Euroscepticism; calls for ensuring sufficient EU funds for the Citizens, Equality, Rights and Values (CERV) Programme, emphasises the valuable work carried out under the Union Values strand, which provides direct funding to civil society organisations, as well as the Daphne and Equality and Rights; reiterates that the necessary resources should be devoted to fighting gender-based violence and to supporting rights and access to safe sexual and reproductive health services, to women's rights organisations, as well as EU initiatives and bodies tackling discrimination against women; calls on the Commission to facilitate access to the CERV programme as well as to guarantee the flexibility in the re-granting process to local and grassroots organisations by operators in the Member States, in order to ensure that funding reaches those working closest with the citizens;
25. Calls on the Commission to increase the Union's support to protect citizens, minorities and religious communities and public spaces against terrorist threats, to fight against radicalisation and terrorist content online, and to counter the spike in hate speech, antisemitism, anti-Muslim hatred and racism across Europe and worldwide;
26. Highlights the ever-increasing threats and dangers of organised and targeted disinformation campaigns against the European Union by foreign stakeholders; requests funding for Horizon Europe and activities under the management of the Commission and the EEAS to fight the spread of disinformation at a large scale and develop more effective countermeasures; calls on the Union and Member States to use EU funds for activities dedicated to increasing media literacy among citizens; calls for increased funding to counter hate speech and terrorist content online; underlines the need to strengthen journalistic freedom and media pluralism through adequate resources, in line with relevant regulations, and to support journalists, including investigative journalists, human rights defenders and members of civil society faced with retaliatory actions such as strategic lawsuits against public participation (SLAPPs); calls for adequate support to the cultural sector, including for the promotion of the cross-border circulation of European films, music and video games; calls, therefore, for increased financing for the Creative Europe programme;

A budget that delivers on strategic priorities

27. Stresses the importance of reducing the Union's strategic dependencies in key sectors; welcomes the new STEP regulation but points out the need for a structural answer to the investment needs of strategic industries in order to make it easier to identify, develop and scale up breakthrough technologies; regrets that the existing level of Horizon Europe funding is insufficient in this regard and calls for increased funding for Horizon

Europe and other key Union programmes in this field, such as InvestEU, to deliver on the goal of open strategic autonomy; considers that the EU's dependency in the supply of resources represents a growing concern; calls for further EU investment in building its open strategic autonomy by securing the acceleration of renewable energy, faster permitting processes, the decarbonisation of buildings, access to critical raw materials and developing resilient value chains for EU industrial ecosystems especially in key fields such as health and defence; requests adequate funding to ensure the continuous development of the current European flagship programmes in the space sector, including Copernicus, Galileo/EGNOS, the European initiative in satellite communication (GOVSATCOM) and on Space Situational Awareness (SSA);

28. Maintains that the digital transition offers a host of opportunities to improve digital infrastructure and connectivity and to develop digital skills; points to the importance of the Digital Europe programme (DEP) and the Connecting Europe Facility (CEF-Digital) as well as the Digital Education Action Plan in this respect; reiterates the need for an AI, coding and robotics education programme designed for teachers and learners, and financed through the relevant programmes; underlines that the EU budget must adequately support the ethical and non-discriminatory use of AI, especially in the education and cultural sectors; recalls the need for EU-funded programmes to further invest in improving digital literacy in society and closing the digital gap, including the digital gender gap, in education and lifelong learning;
29. Underlines the central role of the EU budget in delivering on the European Green Deal and tackling climate change by reducing emissions, increasing the use of renewable energy, creating a circular economy, protecting ecosystems and reversing the alarming trend of biodiversity loss, while safeguarding competitiveness and creating green jobs as well as growth within the EU; underlines the central role that the LIFE programme plays in delivering on the European Green Deal, achieving the Union's climate neutrality goal, in line with the EU Climate Law and the Paris Agreement; is deeply concerned by the serious impacts of climate change including in the form of water scarcity;
30. Underlines that concerns about security of energy supply and high energy prices make the issue of energy poverty a crucial one and pose challenges for the European industry, in particular SMEs; in this regard, stresses the need to boost EU investments for the ongoing EU transition to climate neutrality, including for energy efficiency, research and innovation in sustainable low carbon and carbon-free technologies, and in particular in areas with positive impact on reducing the costs of living for households such as improving the energy efficiency for buildings, and deploying renewable energy sources; takes note of the massive investment needs for decarbonisation of transport and continued rise of the construction and raw material prices; recognises the strategic value of the extension of the TEN-T towards the eastern neighbourhood and stronger connectivity with the EU's strategic partners; highlights the importance of the CEF-Transport programme and its positive role for achieving the Green Deal objectives and the clean energy transition;
31. Underscores that the 2025 budget must be aligned with the Union's policy objectives and international commitments; stresses the need for continuous work to achieve the climate and biodiversity mainstreaming targets for Union budget spending laid down in

the IIA, as part of the broader aim of making the Union climate-neutral by 2050 at the latest; recalls the provision in the IIA to identify relevant measures to be taken in case the periodic stock taking indicates insufficient progress towards achieving applicable targets; is concerned by the Commission's assessment that the 10 % target for biodiversity-related spending in 2026 and 2027 will most likely not be reached and by the absence of a clear path towards reaching the agreed targets; calls on the Commission to monitor the implementation of the 'do no significant harm' principle and to take necessary corrective measures when necessary;

32. Stresses the importance of the European Urban Initiative and its adequate funding to fulfil all its objectives; calls for more direct funding for local authorities in order to strengthen their capacity building, technical support and exchange of best practices; calls on reinforcing resources for relevant agencies, which must correspond with the workload stemming from the EU Green Deal agenda, in particular the 'Fit for 55 package';
33. Highlights the essential contribution of farmers and fishermen to society and underlines, therefore, the central importance of the common agricultural policy (CAP) and the common fisheries policy for food security and greater EU autonomy in high-quality food production; underlines the role of CAP in ensuring a sustainable and decent income for EU farmers, notably small-scale and young farmers; calls for concrete measures to address the root-causes of farmers' discontent across the EU and in particular calls for immediate resources and measures to help farmers cope with the impact of inflation, fuel costs, new production standards and changes in the global food market; emphasises the need to help new and young farmers, thereby ensuring generational renewal, while addressing labour and skills shortages in the agri-food sector; points out that European farmers face many challenges, notably excessive red tape and administrative burden, increasing regulatory overlap, shortages, as well as difficult working conditions; stresses the need to better address the impact of increasing frequency and intensity of floods, droughts and wildfires on the sectors through dedicated support measures; calls for adequate income for all in the agricultural sectors; underlines the need for appropriate support for research and innovation, and for the respect of labour standards, as well as for appropriate investments to offer alternative income sources, and to facilitate the transition towards a more sustainable and affordable food system in particular through innovation, preserving farmer's income, while avoiding a situation where European farmers face unfair competition from imports that do not meet our standards; expects the strategic dialogue on the future of agriculture to address all relevant issues including preventive aspects;
34. Reiterates that all EU programmes, policies and activities should be implemented in such a way that promotes gender equality in the delivery of their objectives; welcomes, in this regard, the Commission's work on gender budgeting and stresses the need to further develop its gender tracking methodology to measure the gender impact of Union spending as set out in the Interinstitutional Agreement; calls on the Commission to demonstrate results of this methodology for the 2025 budget accompanied by the systematic collection, reporting and evaluation of gender-disaggregated data;

A future-fit budget for a changing world

35. Reiterates the need to implement a migration and asylum policy that is based on solidarity, shared responsibility and respect for human rights, in line with Union values and international commitments; stresses that effective, humane and fair management and protection of the Union's external borders are key to ensuring the security of the Union, guaranteeing the smooth and efficient implementation of the Union's migration and asylum policy in particular in order to prepare the entry into application of the new Migration and Asylum Pact including as regards effective, safe and dignified reception, integration and return and readmission procedures; underlines the vital role that the Asylum, Migration and Integration Fund (AMIF) and the Border Management and Visa Instrument (BMVI) play in that regard; recalls the need to preserve the free movement of people within the Union; recalls that Romania and Bulgaria have joined Europe's borderless Schengen travel zone by March 2024 and reiterates the importance of urgently concluding and operationalising a complete accession, including land and train connections; will strive to maximise the availabilities in the 2025 budget for these purposes; considers that the EU must work closely with its neighbours and third countries of origin and transit to boost stable, sustainable and inclusive development and address the root causes of migration, thereby preventing irregular migration and protecting vulnerable people from smuggling and trafficking networks, as well as death at sea; highlights in particular the increasing responsibilities of agencies in charge of border surveillance and management, support to Member States in carrying out their tasks under the Common European Asylum System and fundamental rights compliance; stresses the need for adequate funding, staffing and staff training for all agencies operating in the fields of security, justice, law enforcement, asylum and migration as well as border management in order to be able to fulfil their mandate; calls for particular focus on the accurate implementation and management of large-scale EU IT systems, which contribute to the Union's security landscape;
36. Stresses that the security environment surrounding the EU remains very volatile; continues to put strong emphasis on European security and defence capabilities to better respond to the unprecedented geopolitical challenges; believes that the EU budget is instrumental in the context of a common EU defence strategy and strengthened security and defence coordination between the Member States; wishes to reinforce its most successful and pertinent programmes such as the European Defence Fund and its agencies to boost European sovereignty; wishes to underline the synergies and efficiency of EU-level investments in the area of defence, especially in the field of military mobility, protection and interoperability of infrastructure; underscores the necessity of addressing issues such as disinformation as a growing political and security challenge, particularly following the Russian war on Ukraine, cybercrime or organised crime with a cross-border dimension;
37. Reiterates its condemnation of Russia's war against Ukraine, and stresses that Russia's war against Ukraine has brought back war to the European Union's neighbourhood and has impacted supply chains, trade and economic relations; reiterates its full support for Ukraine in the fight for its freedom and democracy; deplores the terrible impact on lives, the suffering of the Ukrainian People, as well as the substantial economic and social consequences for the people of Europe caused by the unprovoked and unjustifiable Russian war of aggression; considers that the 2025 budget should contribute to mitigating the impact of the cost of living crisis and inflation; recalls that certain Member States, in particular frontline ones, and vulnerable sectors of the

economy, remain particularly exposed to the consequences of Russia's war of aggression against Ukraine and deserve support in areas such as agriculture or infrastructure, but also military mobility in the spirit of EU solidarity;

38. Remains determined to help and support Ukraine through the proposed Ukraine Facility, which will provide support in the form of grants and loans for Ukraine's repair, recovery and reconstruction, macro-financial assistance, institutional, social, economic and environmental upward convergence and public investments, as well as for its EU accession path; stresses the urgency and the opportunity of combining the support for Ukraine and the reconstruction efforts with a constructive pre-accession process that fosters reforms and a progressive move towards the EU *acquis*; recalls that humanitarian aid for Ukraine will not be covered by the Facility and therefore underlines that sufficient resources for humanitarian aid will need to be provided in this context also in Budget 2025;
39. Considers that support for the Western Balkan countries remains important in view of EU enlargement and welcomes the Commission's new Growth Plan for the Western Balkans as a good step to further support Western Balkan countries in economic convergence with the EU's single market; underlines the importance of sustained support for candidate countries in implementing the necessary accession-related reforms notably regarding the rule of law, anti-corruption and democracy and in enhancing their resilience and preventing and countering hybrid threats;
40. Welcomes the decision to grant Ukraine and the Republic of Moldova candidate country status and insists on the need to deploy the necessary funds to support their accession process; stresses that the allocation for the Instrument for Pre-accession Assistance (IPA III) and pertinent budget lines under the NDICI - Global Europe in 2025 should catalyse the cooperation with Moldova as well as with Georgia in line with the agreement on the MFF revision;
41. Underlines that the Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe is a vitally important instrument for the Union's position as a leading global power and to fulfil its role as a peaceful stabilising force throughout the world, thereby reinforcing the Union's geopolitical interests in the world; urges that its financial cushion has been depleted and should benefit from urgent reinforcements;
42. Highlights, moreover, the importance of the NDICI programme for the support to global challenges, the promotion of human rights, freedoms and democracy, as well as, for capacity building of civil society organisations and for delivering on the Union's international climate and biodiversity commitments, within a comprehensive monitoring and control system;
43. Stresses the importance of reinforcing the Southern and Eastern Neighbourhood lines in order to support political, economic and social reforms in the regions, to provide assistance to refugees, notably by ensuring continuous, reinforced and predictable funding for the relevant actors and agencies commensurate to the level of needs to reach the people on the ground through a prudent distribution mechanism fully in line with EU rules to prevent illegal use of European funds;

44. Recalls that the EU's humanitarian aid for civilians in dire need is indispensable and contributes to building stability and peace in the affected regions and that the provision of urgently needed basic services and humanitarian assistance must be guaranteed and not impeded in line with international rulings, accompanied by the usual screening and monitoring procedures; expects the financial needs for humanitarian aid to further increase as a consequence of wars, increasing geopolitical instability, persistent extreme poverty and more frequent natural disasters; considers, based on these assumptions, that the EU will have to reinforce significantly the humanitarian aid to respond to the intensified needs on the ground, notably to the people in need in the Middle East region;
45. Reiterates that it condemns unequivocally the brutal terrorist attacks perpetrated by Hamas against Israel and its people on 7 October and expresses its deepest sorrow for the innocent victims on both sides; underlines that the Union budget must continue to provide support to build peace and stability in the region, to combat hate, political extremism and fundamentalism and to promote human rights;
46. Recalls its resolution adopted on 18 January 2024 acknowledging the role of the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), which is providing shelter currently for over one million internally displaced persons and is the largest platform for providing humanitarian assistance to the population of the Gaza Strip, where the whole population faces deteriorating humanitarian conditions including shortages of shelter, clean water, food and medical assistance; reiterates, therefore, the importance of continued and predictable EU funding; welcomes the fact, that the UN launched an investigation without delay, following the serious allegations regarding individuals that were part of the UNRWA staff purportedly involved in the terrorist attacks against Israel of 7 October, and the information provided and prompt actions taken by the agency, notably to immediately terminate the existing contracts; notes the Commission's call for an external audit reviewing thereby the pillar assessment of the UN control systems, agreed by UNRWA; supports the control, monitoring and scrutiny systems implemented by the Commission reminding that the use of EU funds by beneficiaries must respect EU rules and safeguards and international law; welcomes, in this regards, that the Commission's review of EU aid to Palestine concluded that the controls and existing and effective safeguards in place work well and that no evidence has been found to date that money has been diverted for unintended purposes, as well as the risk assessment and related additional measures;

Boosting the implementation of programmes

47. Recalls Parliament's full support for the cohesion policy in delivering on EU policy priorities and boosting the EU economy by contributing to fair, inclusive and sustainable growth and development, promoting economic and social convergence between Member States and their regions, supporting the green and digital transitions, and fostering innovation and employment; reiterates its conviction that the objectives of cohesion policy can only be achieved if delays in programme execution are tackled head on and as a matter of urgency; considers that such an approach to accelerating absorption and implementation would also be the most effective way of making the added value of EU spending visible and tangible for the people in the EU; recalls the need for increased technical assistance to further promote Member States' absorption capacities;

48. Stresses that EU budget funds need to reach EU citizens and SMEs; reminds that the simplification of administrative procedures, user-friendly and comprehensive websites and portals, the reduction of red tape and the creation of one-stop shops are essential for making EU programmes more accessible to local and regional authorities, civil society organisations, young entrepreneurs and SMEs;
49. Urges the Member States and the Commission to speed up the implementation of operational programmes under shared management funds and to ensure swift budgetary execution, notably of cohesion funds; notes that the share of funds under the 2014-2020 programmes that remained unused should be reallocated to Member States in order to further continue to reduce regional disparities; calls for speedy implementation of recovery and resilience plans, including an evaluation by the Commission regarding the implementation process, barriers and results; is concerned that under-implementation, unless swiftly mitigated, will result in a payment crisis, i.e. a mismatch of payment needs and available space under the MFF payment ceiling in 2026 and 2027;
50. Believes that due diligence, accountability and respect of the Union's values should apply to all beneficiaries of EU funds and implementing partners, in order to protect the EU's financial interests and avoid undue interference, reiterates the importance of effective and thorough monitoring and control bodies that reveal, investigate, prosecute and bring to justice crimes against the financial interests of the EU as the money spent on fighting corruption yields a huge net return to the EU; considers therefore that these bodies should be adequately resourced and properly staffed in order to perform their tasks the most effective way; underlines, in a similar vein, that adequate EU oversight is necessary to ensure the financial sector works for the benefit of citizens and consumers; demands, in view of a healthy, inclusive and resilient financial sector, that the resources for the European financial supervisory authorities and agencies, mandated with supervisory tasks or the elaboration of technical regulatory standards in this respect, are fully adjusted to take into account all the new regulatory tasks the completion of these policy aims entail;
51. Calls for additional efforts by all actors involved to boost project implementation and absorption of eligible funding and thus to diminish the abnormal *reste à liquider* (RAL); considers that 2024 and 2025 should be used to identify and rectify any bottlenecks that impede a more effective implementation; calls for adequate budget resources to accelerate the implementation of programmes through additional capacity building and technical assistance for Member States, especially for those facing increased absorption difficulties including for RRF funds, as well as measures to expedite fair, competitive and efficient procurement and tendering procedures to boost implementation efforts;
52. Underlines the importance of effective communication and visibility of EU policies and programmes in raising awareness of the added value that the EU brings to the citizens, businesses and partners; calls for ensuring adequate allocations in this regard;
53. Recalls that a proper implementation of well-designed programmes is only possible with the support of a dedicated administration; emphasises the essential work carried out by bodies and decentralised agencies and considers that they must be properly staffed and adequately resourced so that they can perform their tasks; emphasises that their tasks evolve in line with policy priorities, such as the green and digital transitions,

and stresses that new responsibilities, as well as the extension of their mandates, must be proportionately accompanied by fresh resources;

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

**ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

Pursuant to Article 8 of Annex I to the Rules of Procedure, the rapporteur declares that he has received input from the following entities or persons in the preparation of the report, until the adoption thereof in committee:

Entity and/or person
Europol - Edoardo Boggio, Liaison Officer in Brussels
European Public Prosecutor Office - Titus Poenaru, Counsellor for Interinstitutional Relations
Special Olympics - Christo Velkov, Vice President Strategic Development
European Trade Union Confederation - Esther Lynch, General Secretary

The list above is drawn up under the exclusive responsibility of the rapporteur.

24.1.2024

LETTER OF THE COMMITTEE ON FOREIGN AFFAIRS

Mr Johan Van Overtveldt
Chair
Committee on Budgets

Subject: Opinion on Guidelines for the 2025 Budget – Section III (2023/2220(BUI))

Dear Mr Chair,

Under the procedure referred to above, the Committee on Foreign Affairs has been asked to submit an opinion to your committee. At its meeting of 28 November 2023, the committee decided to send the opinion in the form of a letter.

The Committee on Foreign Affairs considered the matter at its meeting of 23 January 2024¹. 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.

Yours sincerely,

David McAllister

SUGGESTIONS

1. Notes that the majority of external action spending is concentrated under the Neighbourhood, Development and International Cooperation Instrument - Global Europe

¹ The following were present to the vote: David McAllister (Chair), Željana Zovko (Vice-Chair), Alexander Alexandrov Yordanov, Attila Ara-Kovács, Maria Arena, Petras Auštrevičius, Adam Bielan, Theresa Bielowski, Krzysztof Brejza, Reinhard Bütikofer, Włodzimierz Cimoszewicz, Özlem Demirel, Anna Fotyga, Michael Gahler, Giorgos Georgiou, Sunčana Glavak, Raphaël Glucksmann, Klemen Grošelj, Christophe Grudler, Bernard Guetta, Márton Gyöngyösi, Arba Kokalari, Dietmar Köster, Andrius Kubilius, Georgios Kyrtos, Ilhan Kyuchyuk, Jean-Lin Lacapelle, Katrin Langensiepen, Miriam Lexmann, Nathalie Loiseau, Leopoldo López Gil, Antonio López-Istúriz White, Karsten Lucke, Thierry Mariani, Erik Marquardt, Vangelis Meimarakis, Alessandra Moretti, Javier Nart, Matjaž Nemec, Juozas Olekas, Demetris Papadakis, Kostas Papadakis, Tonino Picula, Thijs Reuten, Bert-Jan Ruissen, Christian Sagartz, Nacho Sánchez Amor, Isabel Santos Mounir Satouri, Jordi Solé, Tineke Strik, Dominik Tarczyński, Hermann Tertsch, Viola von Cramon-Taubadel, Thomas Waitz, Mick Wallace, Isabel Wiseler-Lima, Tomáš Zdechovský, Bernhard Zimniok

(NDICI-Global Europe) and the Instrument for Pre-Accession Assistance (IPA III); reiterates the urgent need to increase funding, particularly in crisis regions where the needs are greatest; reiterates therefore its call for a substantial increase in Heading 6 to address the various challenges in the neighbourhood, invest in partnerships and strengthen the geopolitical position of the EU; deplores the fact that the MFF review has not been completed and deems this to be insufficient; underlines the vital importance of a stronger, more unified and coherent communication by the EU institutions with regards to the funds provided by the Union;

2. Emphasises the need for continued efforts to finance the immediate funding needs for Ukraine, following the unprovoked and unjustified war of aggression by Russia; therefore welcomes the Ukraine Facility for a total amount of up to EUR 50 billion for the period 2024 to 2027 and urges the European Council to find agreement;
3. Reiterates that an adequate level of funding should be maintained for the Southern Neighbourhood in 2025 to support political, economic and social reforms in the region; highlights the pressing need to vastly increase humanitarian aid to Palestinian civilians in the Gaza strip due to the unfolding humanitarian crisis, matched with a prudent distribution mechanism fully in line with EU priorities to prevent criminal use of European funds;
4. Insists on continuous and sustained financial and administrative support to the accession countries; recalls the need to upgrade the existing accession tools, their funding and conditionality with an improved monitoring mechanism in all fields underlined in recent EU evaluation reports to speed up beneficiaries' transformation and sustainable incremental progress towards EU membership which achieving better compliance with EU norms, with due attention to rule of law reforms, for a more seamless accession; in this context insists on a mid-term review of the IPA III, increasing accession-related support for the Western Balkans and the inclusion of Moldova and Ukraine among its beneficiaries;
5. Underlines the need for the DG NEAR and the European External Action Service to be provided with adequate financial and human resources in order to promote peace, prosperity, security, and the EU values and interests in its neighbourhood and across the globe; while adhering to their own commitments on coherent representation and efficient use of resources; recalls that their administrative expenditure should be covered under the Heading 7.

25.1.2024

LETTER OF THE COMMITTEE ON DEVELOPMENT

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: Opinion on the Guidelines for the 2025 Budget – Section III (2023/2220(BUI))

Dear Mr Van Overtveldt,

Under the procedure referred to above, the Committee on Development has been asked to submit an opinion to your committee. At its meeting of 28 November 2023, the committee decided to send the opinion in the form of a letter.

The Committee on Development considered the matter at its meeting of 24 January 2024. At that meeting², it decided to call on the Committee on Budgets, to incorporate the following suggestions into its motion for a resolution.

Yours sincerely,

Tomas Tobé

² The following were present for the final vote: Pierrette Herzberger-Fofana (1st Vice-Chair), Mercedes Bresso (2nd Vice-Chair), Stéphane Bijoux (3rd Vice-Chair), Erik Marquardt (4th Vice-Chair), Alessandra Basso, Hildegard Bentele, Dominique Bilde, Catherine Chabaud, Christophe Clergeau, Antoni Comín i Oliveres, Mónica Silvana González, György Hölvényi, Rasa Juknevičienė, Beata Kempa, Karsten Lucke, Janina Ochojska, Eleni Stavrou, Riho Terras (for Christian Sagartz pursuant to Rule 209(7)), Miguel Urbán Crespo, Bernhard Zimniok and Carlos Zorrinho.

SUGGESTIONS

Fallout from the MFF revision on EU budget 2025

1. Reiterates its call to equip the EU with resources that ensure its relevance in an increasingly complex geopolitical context and match its ambitions and global commitments stemming from the European Consensus on Development, the SDGs and the goals of the Paris Agreement;
2. Is concerned, therefore, that the Member states' approach to the MFF revision as set out in the MFF negotiating box presented by the President of the European Council on 15 December 2023 will result in a 2025 budget that does not allow the EU to protect its positive impact on the global stage, increase its geopolitical influence, respond to the expectations of partner countries and reinforce its status as a reliable ally in development cooperation nor to meet the unprecedented humanitarian needs globally; is alarmed that such a revision will lead to redeployments from budget lines that sustain cooperation with the Global South; reiterates its concern that the EU is losing influence and visibility to alternative offers made by China and Russia;
3. Recalls that Parliament has been consistently advocating for sufficient EU capacity to address acute global challenges and consistently requesting a higher budget for external action under Heading 6 "Neighbourhood and the World" and that its resolution of 12 December 2023 on the implementation of the Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI-GE) stresses that the 2024 mid-term review of the MFF should, under no circumstances, result in the NDICI-GE funds being cut or reallocated between the long-term thematic and geographic programmes; points out that the NDICI-GE Regulation states, i.a., that 'the financial envelopes envisaged for the Neighbourhood and Sub Saharan Africa geographic programmes should only be increased, given the particular priority the Union gives to these regions';
4. Recalls the political commitment related to the budgetisation of the European Development Fund - in terms of flexibility, predictability and carryovers - and is concerned that it will be negated by the redeployments among budget lines as envisaged by the Council approach to the MFF revision;
5. Recalls the commitment made by the EU and the Member States to increase their ODA to 0,7 % of gross national income by 2030 and calls on the Commission and the Member states to honour it in the 2025 budget and the MFF revision; notes that the Member States that joined the EU after 2002 committed to striving to increase their ODA/GNI to 0,33 %; welcomes the efforts that these and other Member States have made so far to gradually scale up their ODA spending; encourages them to continue on this track;
6. Recalls the target for biodiversity spending of 10% for the years 2026 and 2027 and the target for climate spending of 30% in the current MFF as well as the need to fulfil its global financial commitments under the UN framework and the pledges to the Loss and Damage Fund;

7. Reaffirms the commitment outlined in the NDICI-GE Instrument to addressing the root causes of irregular migration and forced displacement; is of the opinion that, without prejudice to unforeseen circumstances, the commitment within the Instrument to dedicate an indicative 10 % of the Instrument's financial envelope to actions supporting the management and governance of migration and forced displacement within the objectives of the Instrument should be respected and that this clause should not be reopened; notes, however, that 14 % of the funds committed in 2021 contributed to the migration spending target; expects to receive regular substantial updates on the state of play;
8. Against this background, requests a clear analysis from the Commission with detailed breakdowns of the fallout of the MFF revision on the remaining financial programming under Heading 6;

Rising humanitarian needs versus shrinking EU capacity

9. Recalls that humanitarian needs increased dramatically during last years because of crises and natural disasters worldwide, significantly increasing inequalities and causing global spillover effects, and that as a consequence humanitarian aid remains one of the most pressured instruments under the EU external action policy and that it continuously relies on ad-hoc budgetary reinforcements;
10. Is alarmed, therefore, by the proposal to split the Solidarity and Emergency Aid Reserve (SEAR) in a way that will only benefit the European Solidarity Reserve (EUSF) and reduce resources for humanitarian aid by substantially diminishing possible SEAR reinforcements to the humanitarian aid instrument (HUMA), resulting in a reduction of around 15% for HUMA compared to the 2021-2023 average;
11. Recalls that humanitarian needs are at an all-time high¹ and that according to the Commission estimates the actual needs are exceeding the initial Humanitarian Aid envelopes by EUR 7, 9 billion over the period 2024 to 2027 while Team Europe humanitarian funding decreased from 45% (2019) to 30% (2022) of global humanitarian response; reminds that women and children, older persons and persons with disabilities are particularly vulnerable groups that bear the greatest consequences of limited access to humanitarian aid;
12. Calls on the Council to honour its Conclusions of May 2022 on Closing the humanitarian funding gap and, furthermore, in view of the lack of reserves, emphasises the need to increase HUMA in the 2025 EU annual budget; underlines, moreover, the urgent need for increased efforts to broaden the resource base for humanitarian action, drawing on the resources of traditional, emerging and potential donors, the private sector as well as other stakeholders;

Cushion depletion and no flexibilities to respond to unexpected needs

13. Is concerned by the early depletion of the NDICI-GE 'Emerging challenges and priorities' cushion, of which 80 % was already used or allocated as of March 2023 and

¹ According to the UN, 363 million people are in need of humanitarian assistance today – which is approximately 150% more than in 2019 and 32% more than at the beginning of 2022.

this trend would only aggravate as per the 15 December 2023 MFF revision negotiation box; points out that this negates the rationale of the cushion as a flexible reserve to respond to unexpected needs as well as the political commitment related to the budgetisation of the European Development Fund and is worried that in view of the Samoa agreement with the ACP countries, the credibility of the EU could be at stake;

14. Reaffirms its unwavering support for Ukraine, in all its dimensions, including humanitarian assistance, recovery, reconstruction and modernisation, in the face of the ongoing Russian war of aggression; stresses, however, that this support should not come at the expense of the Global South; notes that the financing of assistance for Ukraine through the mobilisation of the cushion, rather than through the appropriate budgetary instrument, has exhausted much of the cushion, leaving the NDICI-GE with limited ability to respond to unforeseen challenges; welcomes the Commission proposal on establishing the Ukraine Facility which should ensure sustainable long-term financing for Ukraine while preserving the Instrument's ability to cope with future challenges;
15. Is concerned that Heading 6 flexibilities and reserves were already substantially consumed and mobilised ahead of the MFF revision, leaving the 2025 budget severely constrained to respond to any new challenges let alone make new investments or pledges towards global common goods. Points out that the Commission identified very limited redeployment opportunities - as the NDICI-GE in 2025 to 2027 is constrained by decreasing financial programming profile and that any further redeployments would impact bilateral cooperation with partner countries;
16. Warns that Next Generation EU interest rate projections suggest that without a revision of the MFF there will be no flexibilities available in the special instruments in 2025 and onwards. This and the depletion of the cushion constrain the capacity of the EU in external action and humanitarian aid.

**ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

The rapporteur declares under his exclusive responsibility that he did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

15.2.2024

LETTER OF THE COMMITTEE ON BUDGETARY CONTROL

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: Opinion on General guidelines for the preparation of the 2025 budget, Section III
– Commission (2023/2220(BUI))

Dear Mr Chair,

Under the procedure referred to above, the Committee on Budgetary Control has been asked to submit an opinion to your committee. At its meeting of 23 January 2024, the Coordinators decided to send the opinion in the form of a letter.

The Committee on Budgetary Control considered the matter at its meeting of 22 February 2024. 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:

1. Recalls its strong commitment to the fundamental principles and values enshrined in the Treaty on European Union (TEU) and the Treaty on the Functioning of the European Union (TFEU); encourages the Commission to keep working on gender budgeting and its new methodology to measure the gender impact of Union spending;
2. Stresses that the sound and timely implementation of the budget contributes to addressing more efficiently and effectively the needs and challenges faced by the Union and its citizens in different policy areas; warns that the implementation of the budget under time pressure may lead to an increase in errors and irregularities;
3. Recalls the crucial role the Union budget played in 2022 to address several unforeseen crisis, and that as a result all available flexibility measures in the EU Budget for 2022 had been used; stresses the need for flexibility in the EU Budget for 2025 to address potential new circumstances where EU action is necessary;
4. Stresses the need to protect the EU Budget from any misuse, particularly fraud and corruption, and calls on the Commission to continue to be vigilant and proactive in the current and future cases when the lack of respect for Union values and the Rule of Law affect or threaten to affect the Union's financial interests using all the tools at its disposal, in particular the conditionality mechanism, in a firmly manner; stresses the need to provide sufficient resources and to strengthen the role of the European anti-fraud office (OLAF), the European Public Prosecutor's Office (EPPO), the European Union Agency for Criminal Justice Cooperation (Eurojust) and the European Union Agency for Law Enforcement Cooperation (Europol) in the fight against fraud and

corruption; further underscores the importance of establishing a new European authority for countering money laundering and financing of terrorism (AMLA) which will have powers to impose sanctions and penalties; highlights the importance of providing sufficient resources for the authority in order for it to successfully fulfil its mandate;

5. Is concerned that at the end of 2022, total outstanding commitments reached a record high of EUR 450 billion (2021: EUR 341,6 billion); notes that outstanding commitments stayed just below the projected EUR 460 billion in 2023 and are projected to decrease after 2024, when NGEU draws to a close; recalls that repayment of the EU Recovery Instrument borrowing costs is an obligation for the Union and its costs depend both on the market fluctuations in bond yields and the pace of disbursements under the Recovery and Resilience Facility (RRF) and thus, the costs are inherently unpredictable; stresses that this situation creates risks for agreed EU policies and programmes and for the budget's ability to respond to emerging needs; insists on the need for the Commission to provide the budgetary authorities with timely and detailed information on the borrowing costs;
6. Recalls the importance of protecting the Union's own resources from any fraudulent irregularity and, to that end, stimulate the cooperation between anti-fraud services and customs agencies to detect, prevent and correct fraud affecting Union revenue; recalls its position on the amended Commission proposals endorsing the introduction of new own resources;
7. Is concerned that the late adoption of several sectoral regulations governing different Union policies, such as the Cohesion policy, resulted in a significant delay in the implementation of the 2021-2027 programming period; highlights Parliament's full support for the cohesion policy and urges the budgetary authorities to take all the necessary measures in the 2025 EU Budget, such as technical and administrative support, to continue to speed up the implementation of the policies on the ground, while keeping a high focus on compliance with the rules, achievement of results and protection of the financial interests of the Union;
8. Notes the increasing number of legislative proposals for performance based-instruments, which require a specific audit scope to allow the budgetary authorities to effectively track EU funding; stresses the importance of providing such instruments with provisions on the collection and accesses to data on the recipient of the funds for the purpose of audit and control and thus, ensuring the protection of the EU's financial interests; notes that such proposals have been pushed through inter-institutional negotiations with unnecessary pace;

Yours sincerely,

Monika Hohlmeier

CONT Chair

Isabel García Muñoz

Rapporteur for the Commission discharge

**ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

The rapporteur declares under her exclusive responsibility that she did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

24.1.2024

LETTER OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

Mr Johan van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: Opinion in the form of a letter on Guidelines for the 2025 Budget - Section III
(2023/2220(BUI))

Dear Chair,

Under the procedure referred to above, the Committee on Employment and Social Affairs has been asked to submit an opinion to your committee. At its meeting of 30 November 2023, the committee decided to send the opinion in the form of a letter.

The Committee on Employment and Social Affairs considered the matter at its meeting of 23 January 2024 and adopted its opinion in the form of a letter, drawn-up under the lead of EMPL rapporteur for opinion Romana Tomc (EPP), at that meeting¹. It decided to call on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its report.

Yours sincerely,

Dragoş Pîslaru

¹ The following were present for the final vote: Dragoş Pîslaru (Chair), Leila Chaibi (2nd Vice-Chair), Romana Tomc (3rd Vice-Chair and rapporteur for opinion), Katrin Langensiepen (4th Vice-Chair), Alex Agius Saliba, João Albuquerque, Atidzhe Alieva-Veli, Catherine Amalric, Dominique Bilde, Gabriele Bischoff, Vilija Blinkevičiūtė, Milan Brglez, Jordi Cañas, Özlem Demirel, Jarosław Duda, Estrella Durá Ferrandis, Cindy Franssen, Lina Gálvez Muñoz (for Alicia Homs Ginel), Agnes Jongerius, Stelios Kypourouopoulos, Miriam Lexmann, Sara Matthieu, Max Orville, Sandra Pereira, Kira Marie Peter-Hansen, Wolfram Pirchner, Jessica Polfjård, Dennis Radtke, Elżbieta Rafalska, Eugenia Rodríguez Palop, Daniela Rondinelli, Monica Semedo, Maria Walsh, Tomáš Zdechovský, Lucia Ďuriš Nicholsonová and Mohammed Chahim (for Marc Angel), Paolo De Castro (for Elisabetta Gualmini), Delara Burkhardt (pursuant to Rule 209(7)).

SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Budgets, as the Committee responsible, to take into account the following suggestions:

1. The EMPL Committee recalls 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.
2. The EMPL Committee highlights that investments in high levels of employment and quality job creation, upskilling and reskilling, tackling unemployment, inclusion policies, swifter labour market integration, and offering quality and sustainable opportunities for young people while preserving purchasing power, in particular for the most vulnerable, deprived and disadvantaged groups, such as children and youth, people in poverty, unemployed, families in all their diversity, persons with disabilities, older persons, people with migrant background and Roma people, and supporting public housing construction, will improve the standard of living in the EU. The EMPL Committee recalls that homelessness is affecting a growing number of adults and children, and that local, regional, national and European institutions must continue their effort in order to achieve the EU goal of eradicating homelessness by 2030.
3. Furthermore, the committee recalls the EPSR Action Plan that aims for the EU to achieve specific targets by 2030, including having at least 78% of individuals aged 20 to 64 in employment, ensuring at least 60% of all adults participate in training annually, and reducing the number of people at risk of poverty or social exclusion by at least 15 million, including 5 million children. However, even achieving these targets is becoming increasingly challenging in the context of projected increases in poverty and unemployment 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.
4. The EMPL Committee recalls that ESF+ is expected to contribute to the implementation of the EPSR Action Plan but draws attention to the fact 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. Expresses its concern about the very limited margins available and insists on ensuring that the implementation of the EPSR Action Plan and achievement of the Porto Declaration targets is prioritised. Highlights, in the light of the increase in the cost of living, and in particular of rising food prices, the need for an 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.
5. The EMPL Committee 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. 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. Insists that the rules governing the use of Union funds must ensure and enhance compliance with the highest social rights and democratic principles, be aligned with the EPSR, the SDGs, the Green deal and the fundamental rights of workers and calls for the provisions to allow public money only to those employers respecting workers' rights and applicable working conditions. Further calls for more effective social conditionalities in rules on public procurement and concessions and for them to be backed with effective sanctions. Is however concerned that the extent of the current crises and their impact will require a robust budgetary response in 2025 and beyond; calls therefore on the Commission to propose an ambitious budget for 2025.

6. The EMPL Committee 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.
7. The EMPL Committee considers crucial the protection and promotion of the multilingualism principle, which promotes the quality of democratic participation and transparency. In this regard, the committee further highlights the need to support policies aimed at increasing citizen participation across the Union, in particular the youth, in order to allow for the citizens' greater engagement with the Union policies and more effective measures developed in a place-based approach.
8. Furthermore, believes 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.
9. The EMPL Committee also recalls that the prevailing conditions of high inflation difficulties in supply chain provisioning of energy and raw materials and multiple crises are straining available Union's budgetary resources, these should be adequately used in order to efficiently address ongoing and future challenges within the EU. The ongoing crises are negatively affecting the EU's socio-economic landscape, impacting working and living conditions, thereby threatening sustainable growth and employment. The 2025 EU budget needs to effectively address evolving needs, particularly in the face of rising inflation, increased housing, food and energy prices, growing vulnerabilities, widening social and economic inequalities, and escalating and aggravating poverty, including energy poverty, affecting the most vulnerable populations. Wage stagnation in relation to inflation heightens the risk of reduced purchasing power for workers, potentially worsening living conditions as well as mental health. This situation will further strain the capacity of social policies and automatic stabilizers, including national unemployment schemes. 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.

10. The EMPL Committee 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.
11. The EMPL Committee stresses that women, especially in the context of the crises and the war in Ukraine, face heightened employment and social risks. Achieving the employment target from the Porto Declaration requires ambitious national goals to include women in the workforce by creating incentives, building social infrastructure and removing barriers and discrimination. The committee calls for mainstreaming of a gender responsive budget to better align policies and activities that promote the equal participation and treatment 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.
12. Furthermore, the EMPL Committee expresses concern about higher youth unemployment rates in the EU compared to overall unemployment. It urges Member States and the Commission to prioritize combating youth unemployment, leveraging existing initiatives like the European Social Fund Plus (ESF+) and the Youth Guarantee. The committee calls all Member States to invest in youth employment. Recognizing the pivotal role of vocational education and training (VET) and traineeships, in providing the knowledge, skills and competencies necessary for young people entering the labour market. The committee stresses the importance of investing in their quality and attractiveness through ESF+ and the reinforced Youth Guarantee while improving the working conditions and the attractiveness of entry level positions. It expresses concern about early career precariousness due to abusive labour practices, which undermine young people's independence, work-life balance and ability to access housing. Notes that women and young workers with low education levels are more prone to suffering from early career precariousness. The EMPL Committee considers that detecting social risks and taking into account the divergent employment effects and long-term unemployment across particular industries should be adequately addressed.
13. The EMPL Committee considers that detecting social risks and taking into account the divergent employment effects and long-term unemployment across particular industries and sectors should be adequately addressed through training, reskilling and upskilling and the creation of attractive, quality jobs accessible to all in line with the objectives of the green and digital transitions. Such measures could help overcome structural differences between regions and help address the issue of brain drain, as well as social inequalities, including inequalities between women and men.
14. In 2022, 24.7% of EU children faced poverty or social exclusion, noting that the child poverty rate is on the rise again and is concerned about their worsening in coming years. The Commission and Member States should effectively utilize available funds such as ESF+ the ERDF and InvestEU as well as ReactEU, RRF to eradicate child poverty, emphasizing the importance of the European Child Guarantee for the safeguard of essential rights and key services such as high quality healthcare, early childhood education and care and education, effective access to healthy nutrition, and adequate housing. The committee calls for an urgent increase of funding for the European Child Guarantee with a dedicated budget of at least EUR 20 billion. Furthermore, 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.

15. The EU faces demographic challenges with an ageing population due to declining fertility rates and extended life expectancies. Highlighting the impact of economic uncertainties severely impact older people, the committee emphasizes the lack of policy responses to the impact of demographic change. It underscores the importance of investing into adequate and affordable housing, quality and public care facilities, and sufficient care and support services by addressing shortages of critical infrastructures personnel – including, but not limited to caretakers and health professionals. In this context, welcomes the European Care Strategy and calls for its adequate funding in budget 2025.
16. The EMPL Committee 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. To such end, the EMPL Committee highlights the importance of the Just Transition Fund, which covers the upskilling and reskilling, including training, of the affected workers in the designated regions across the Member States, as well as other activities in the areas of education and social inclusion including, investments in infrastructure for the purposes of training centres, child- and elderly-care facilities. The Fund helps the affected workers embrace to new employment opportunities as well as provides any appropriate form of support to jobseekers, including job search assistance and their active inclusion into the labour market.
17. The EMPL Committee 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.
18. Due regard shall be paid to all the citizens at risk of energy poverty, which is a major challenge for the Union. The Social Climate Fund aims to ensure that the selected measures and investments are particularly targeted towards households in energy poverty or vulnerable households, vulnerable micro-enterprises and vulnerable transport users, which is key for the just transition towards climate neutrality. The EMPL Committee 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 and 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.

19. The EMPL Committee stands for family-policies and social policies that help children to get a better start in life and ensure work-life balance to all workers. This is particularly important for carers and parents, especially for women whose participation on the labour market must be ensured. It insists on the importance of adequately paid maternity, paternity, parental and care leaves as well as breastfeeding policies, and encourages flexible working arrangements on a voluntary basis including teleworking and the adaptation of working hours and schedules to better accommodate work and personal lives.
20. The EMPL Committee points out that the ESF+ is one of the key drivers 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).
21. The EMPL Committee considers mental health at work as a new major issue of social policy. The world of work is changing rapidly. The pandemic has accelerated new realities, new forms of work brought by digitalisation, including artificial intelligence (AI), have affected workers' occupational safety and health. In this perspective, welcomes the European Commission initiative to launch a comprehensive approach on mental health and recalls its position calling for a Directive on the right to disconnect and teleworking rules, as well as a Directive on psychological risks and well-being at work.
22. The EMPL Committee considers that investment in lifelong learning, reskilling and upskilling is essential to address the green and digital transition is essential for achieving green and digital transitions and enhancing the Union's sustainable competitiveness and resilience against external shocks. While several sectors, including care services, are lacking skilled workforce, having more suitable skills not only creates new opportunities, ensures workers swifter integration and transition in the labour market, fosters social inclusion and can be a source of self-fulfilment empowers individuals to actively engage in the labour market. The European Year of Skills seeks to address the skills shortage affecting 77 % of companies in the Union through reskilling and upskilling initiatives. The goal is to support sustainable growth in the Union's social market economy, boost competitiveness, in particular SMEs and contribute to the creation of quality jobs in a socially fair, inclusive and just manner. Takes note of the Talent Booster Mechanism as a new dedicated and comprehensive initiative to boost "talent" in regions facing or at risk of facing a "talent development trap".

23. The EMPL Committee considers the Strategic Technologies for Europe Platform (STEP) is important component of the European strategy to bolster investments in critical and emerging technologies. This initiative addresses labour shortages and skills needs, by setting up dedicated training programmes through Net Zero Industry Academies, aiming to enhance European sovereignty and security while boosting the Union's competitiveness in the green and digital transitions. It also reiterates its call for a fully-fledged European Sovereignty Fund to ensure the EU's strategic autonomy, including investment in human capital and skilled labour, promote inclusive access to quality jobs and address shortages of labour and skills critical to key economic and industrial sectors.
24. The EMPL Committee recalls the essential work carried out by the five EU agencies and authorities active in the social and employment policy areas, namely the European Labour Authority, the European Foundation for Living and Working Conditions, the European Agency for Safety and Health at Work, the European Centre for the Development of Vocational Training and the European Training Foundation. It considers that these agencies and authorities must be properly staffed and adequately resourced, while taking into account inflation, so that they can fulfil their mandate, achieve their objectives and perform their evolving tasks. Recalls that the tasks of agencies evolve in line with policy priorities and stresses that new responsibilities must be accompanied by corresponding resources.
25. The EMPL Committee 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 however 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 repeated disappointment over the poor and unclear assessment of the proposals in the recent years and asks the Commission to provide 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.
26. The EMPL Committee emphasizes the need for adequate support for social dialogue and for the capacity of social partners as well as the need to guarantee adequate support for information and training measures. It therefore calls on the Commission not to reduce allocations for these budget lines in its draft budget for 2025 as it has been the case in the last 2 years. Recognizing the importance of social partners, the EU should promote their role, considering national diversity, and facilitate social dialogue and collective bargaining in accordance with Article 152 TFEU. 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 and calls for an effective and meaningful consultation with social partners in the programming, evaluation, and implementation of the relevant EU funds.
27. The EMPL Committee 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 condition.

28. The EMPL Committee welcomes the new social partner summit in Val Duchesse to be held in 2024. It considers this summit as an opportunity to raise awareness and find solutions on social policies; it insists on the European Parliament's active involvement in the discussions.

**ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

The rapporteur declares under her exclusive responsibility that she did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

05.2.2024

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 2025 budget – Section III (2023/2220(BUI))

Dear Chair,

Dear Mr Van Overtveldt,

The coordinators of the Committee on the Environment, Public Health and Food Safety (ENVI) decided on 28 November 2023 that ENVI would provide an opinion on the Guidelines for the 2025 budget – Section III (2023/2220(BUI)) in the form of a letter. Therefore, as both ENVI Chair and 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 24 January 2024 and which I kindly request will be taken into account by your committee:

– Emphasises that the instability and insecurity caused by Russia's aggression against Ukraine requires not only a more united and supportive Union, but also an energy independent Union that leads the green and just transition, leaving no one behind and addressing energy poverty; notes that the serious geopolitical situation must not divert attention or slow down the efforts towards achieving the climate neutrality target set for 2050 at the latest;

– Points out that the EU's long-term budget for 2021-2027, together with NextGenerationEU, is aimed at implementing the EU's long-term priorities in various areas, including climate and

¹ The following were present for the final vote: Pascal Canfin (Chair), Bas Eickhout (Vice-Chair), Anja Hazekamp (Vice-Chair), César Luena (Vice-Chair), Mazaly Aguilar, Catherine Amalric, Maria Arena, Katarina Barley, Hildegard Bentele, Sergio Berlato, Michael Bloss, Daniel Buda, Delara Burkhardt, Sara Cerdas, Mohammed Chahim, Asger Christensen, Christophe Clergeau, Nathalie Colin-Oesterlé, Ana Collado Jiménez, Maria Angela Danzi, Marie Dauchy, Matthias Ecke, Pietro Fiocchi, Hélène Fritzson, Malte Gallée, Gianna Gancia, Paola Ghidoni, Catherine Griset, Teuvo Hakkarainen, Martin Hojsík, Jan Huitema, Martin Häusling, Peter Jahr, Karin Karlsbro, Billy Kelleher, Ska Keller, Petros Kokkalis, Danilo Oscar Lancini, Peter Liese, Javi López, Thierry Mariani, Lydie Massard, Sara Matthieu, Liudas Mažylis, Nora Mebarek, Dace Melbārde, Marina Mesure, Silvia Modig, Dolors Montserrat, Alessandra Moretti, Ville Niinistö, Ljudmila Novak, Nikos Papandreou, Francesca Peppucci, Jessica Polfjård, Stanislav Polčák, Erik Poulsen, Nicola Procaccini, Frédérique Ries, Manuela Ripa, María Soraya Rodríguez Ramos, Maria Veronica Rossi, Silvia Sardone, Günther Sidl, Ivan Vilibor Sinčić, Sara Skyttedal, Maria Spyraiki, Edina Tóth, Achille Variati, Idoia Villanueva Ruiz, Petar Vitanov, Alexandr Vondra, Veronika Vrecionová, Thomas Waitz, Mick Wallace, Jörgen Warborn, Emma Wiesner, Michal Wiezik, Stefania Zambelli, Esther de Lange, Margarita de la Pisa Carrión, Elżbieta Katarzyna Łukacijewska, Michaela Šojdrová.

the environment; highlights, specifically, that EUR 401 billion has been earmarked for natural resources and the environment, while 30 % of total EU expenditure is allocated to climate-related projects; welcomes, in this regard, the intention to increase funds by EUR 10 billion in the mid-term review of the 2021-2027 multiannual financial framework, especially in relation to environmental and climate priorities; supports the need for an additional EUR 1 billion under Heading 3 ‘Natural Resources and Environment’, which includes expenditure and investment related to agriculture, maritime sectors, climate, environmental protection, food security and rural development², in order to address the environmental challenge with more flexibility³;

– Recalls that the green and digital transitions are two of the main objectives of NextGenerationEU and that its centrepiece – the Recovery and Resilience Facility (RRF) – is expected to guide the EU towards a more sustainable future by providing over EUR 700 billion in grants and loans to Member States; stresses the need to ensure that the RRF contributes to the mainstreaming of climate action and environmental sustainability and the achievement of the EU’s goal of climate neutrality by 2050 by supporting Member State reforms in green technologies and capabilities, including sustainable mobility, energy efficiency, renewable energy, climate change adaptation, circular economy and biodiversity; recalls that, in order to receive these funds, Member States must prepare plans that devote at least 37 % of their total expenditure to investments and reforms in support of climate objectives; calls on Parliament to exercise its oversight function over the RRF by assessing that national plans are in line with climate and environmental objectives⁴;

– Underlines that the Union’s budget for 2025 should be aligned with the European Climate Law’s ambition of making the EU the first climate-neutral continent by 2050 and the Paris Agreement’s goal of keeping the global average temperature increase below 2°C compared to pre-industrial times;

– Welcomes the commitment of the Commission, Parliament and the Council to strengthen the EU budget’s contribution to the fight against climate change, as agreed in the Interinstitutional Agreement in December 2020⁵; emphasises the need to secure essential resources for climate and biodiversity mainstreaming, which ensures that all European programmes in any field take climate and biodiversity priorities into account in their design, implementation and evaluation; recalls the importance of reaching the climate spending target of 32.6 % of the EU budget of EUR 578 billion; underlines the importance of ensuring the functioning of the Carbon Border Adjustment Mechanism, which will allow the Commission to take compensatory action to close any gaps in achieving the overall climate spending target for the EU budget⁶;

² European Commission, ‘Heading: spending categories’, available at https://commission.europa.eu/strategy-and-policy/eu-budget/long-term-eu-budget/2021-2027/spending/headings_en.

³ Karoline Kowald, ‘Mid-term revision of the 2021-2027 MFF: Interim report on Commission proposal’, available at [https://www.europarl.europa.eu/thinktank/en/document/EPRS_ATA\(2023\)753945](https://www.europarl.europa.eu/thinktank/en/document/EPRS_ATA(2023)753945).

⁴ https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/green.html.

⁵ 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>).

⁶ European Commission, ‘Climate Mainstreaming’, https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/horizontal-priorities/green-budgeting/climate-mainstreaming_en.

– Points out, with regard to biodiversity mainstreaming, the need to tackle biodiversity loss and restore ecosystems through significant investment and the achievement of the target of allocating at least 7.5 % of annual expenditure to biodiversity targets in 2024 and 10 % in both 2026 and 2027; underlines that further efforts must be made within the 2025 Union budget to ensure that the biodiversity spending targets set for the years 2026 and 2027 are met; stresses that the EU budget must be a key factor in the implementation of the 2030 Biodiversity Strategy, according to which biodiversity action requires at least EUR 20 billion per year from ‘public and private funding at national and EU level’⁷;

– Insists on the need to transparently monitor climate and biodiversity-related expenditures through reliable and comprehensive reporting in budget documents and on the performance website, and emphasises the need for sufficient *ex post* evaluations with a focus on impact; calls for the methodology for climate spending to differentiate between climate mitigation and adaptation where feasible; expects and stresses the need for the Commission to deliver a comprehensive and effect-based methodology based on EU climate coefficients and to provide annual reporting on past and future expenditures for all seven years of the MFF to ensure meaningful and well-designed climate and biodiversity mainstreaming; underlines the importance of avoiding misleading approximation of the spending contribution to climate and biodiversity objectives, including lack of explicit targets; urges the Commission to check the quality of expenditure at programme level; reminds the Commission to publish the mid-term review after consulting Parliament and stakeholders and to present a related proposal if the targets are not met;

– Calls for the commitment to the ‘do no (significant) harm’ (DNH) principle to be respected in every EU budgetary programme; stresses the need to practice the DNH principle by restricting expenditure with potentially negative climate and environmental impacts⁸; further stresses that compliance with the principle should be ensured throughout the budget and that necessary corrective measures should be taken, without undue delay;

– Calls on the co-legislators to swiftly conclude the outstanding legislative dossiers in the ‘Fit for 55’ package and further emphasises the need to implement this legislation in order to achieve the intermediate target of a 55 % reduction in greenhouse gas emissions by 2030; calls on the Commission and the Member States to ensure the swift and effective implementation of new rules and reforms;

– Recalls the need to ensure that one third of the EUR 1.8 trillion investment from the NextGenerationEU recovery plan and the EU’s seven-year budget will finance the European Green Deal and related initiatives; highlights, in this regard, the need to allocate sufficient human and financial resources for the implementation of the EU Climate Law, the EU Strategy on Adaptation to Climate Change, the EU Biodiversity Strategy for 2030, the Farm to Fork Strategy, the European Industrial Strategy, the Circular Economy Action Plan, the Batteries and Waste Batteries Regulation⁹, the EU Chemicals Strategy for Sustainability, the EU Forest

⁷ European Commission, ‘Biodiversity Mainstreaming’, https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/horizontal-priorities/green-budgeting/biodiversity-mainstreaming_en.

⁸ SWD(2022)0225, https://commission.europa.eu/system/files/2023-06/swd_2022_225_climate_mainstreaming_architecture_2021-2027.pdf.

⁹ Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries, amending Directive 2008/98/EC and Regulation (EU) 2019/1020 and repealing Directive 2006/66/EC, OJ L 191, 28.7.2023, p. 1.

Strategy for 2030 and the Nature Restoration Law, and to guarantee clean, affordable and secure energy¹⁰;

- Stresses the need to show a more ambitious increase in the allocation of funds for each programme, such as LIFE, to finance climate and environment-related projects as well as the Just Transition Fund to help the most vulnerable carbon-intensive regions facing the economic and social costs of the climate transition; calls for the ‘greening’ of all other relevant programmes and funds, including a proactive integration of climate and biodiversity finance into programming activities¹¹;

- Emphasises the need for better prevention and preparedness through the implementation of climate adaptation measures to enable the Union to prevent and respond to emergencies such as the recent floods, fires, droughts and other unforeseen events; stresses the continued importance of ensuring adequate funding of the Union’s civil protection mechanism;

- Recalls that the Commission is responsible for making sure that all EU countries properly apply EU law and thus urges the Commission to ensure that there is sufficient funding and staff capacity to monitor the implementation;

- Underlines the importance of allocating sufficient financial and human resources to the European agencies under ENVI’s remit, such as the European Environment Agency (EEA), the European Chemicals Agency (ECHA), the European Food Safety Authority (EFSA), the European Centre for Disease Prevention and Control (ECDC) and the European Medicines Agency (EMA), to ensure that they can play their key role in European policymaking in response to the crises facing the EU;

- Stresses the importance of prevention and of being better prepared to combat future health threats; stresses the need to ensure the continued availability and affordability of medicines to preserve the health and wellbeing of citizens; highlights the EU’s current dependency on active pharmaceutical ingredients (APIs) and chemical raw materials imported from non-EU countries and further stresses the need to achieve a more independent and open strategic autonomy in the pharmaceutical supply chain;

- Further stresses the importance of strengthening the sustainability and resilience of health systems while reducing disparities in equal and equitable access to healthcare and medicine; 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; recalls the danger of shortages of essential medicines and calls for immediate measures to be taken to ensure continued supply and the availability and affordability of the most critical medicines and components¹²;

- Reiterates its concern that over 50 % of the EU4Health budget was allocated for operational expenditures of the Commission’s European Health Emergency Preparedness and Response Authority (DG HERA) and stresses the importance of allocating adequate funding for the

¹⁰ COM(2019)0640.

¹¹ SWD(2022)0225, https://commission.europa.eu/system/files/2023-06/swd_2022_225_climate_mainstreaming_architecture_2021-2027.pdf.

¹² COM(2023)0672.

activities under the EU4Health programme, including sufficient support for the implementation of the European Health Data Space;

– Underlines, in this regard, that many epidemics are linked to the rise of infectious diseases and that the Union's efforts to combat antimicrobial resistance should be significantly increased; further stresses the need for stronger cooperation with international partners with regards to reaching a global agreement on the use of and access to antimicrobials;

– Highlights the need to continue the EU's fight against cancer by ensuring the implementation of Europe's Beating Cancer Plan through adequate funding; welcomes the use of funds from the EU4Health programme and other EU instruments that will provide substantial financial support of EUR 4 billion to Member States in their efforts to make their health systems more robust and capable of tackling cancer¹³;

– Emphasises the importance of an enhanced EU own resources system capable of meeting the challenges and contributing to the Union's health, environment and climate goals, and to NextGenerationEU's debt recovery; recalls that the EU budget is complementary to Member States' national budgets and allows the EU to maintain and even strengthen its role as a global player in tackling today's challenges;

I have sent a similar letter to Mr Victor Negrescu, general rapporteur for the 2025 budget.

Yours sincerely,

Pascal Canfin

¹³ Europe's Beating Cancer Plan: Communication from the commission to the European Parliament and the Council, available at https://health.ec.europa.eu/system/files/2022-02/eu_cancer-plan_en_0.pdf.

ANNEX: ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR FOR THE OPINION HAS RECEIVED INPUT

The Chair in his capacity as rapporteur for the opinion declares under his exclusive responsibility that he did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

23.1.2024

LETTER OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

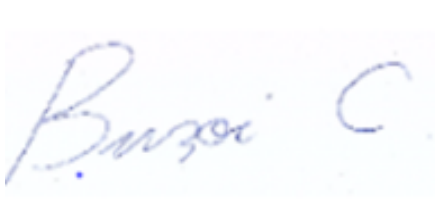
Subject: Opinion in the form of a letter on Guidelines for the 2025 Budget - Section III
(2023/2220(BUI))

Dear Mr Chair,

Under the procedure referred to above, the Committee on Industry, Research and Energy has been asked to submit an opinion to your committee. At its meeting of 28 November 2023, the committee decided to send the opinion in the form of a letter.

The Committee on Industry, Research and Energy considered the matter at its meeting of 23 January 2024. 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.

Yours sincerely,



Cristian-Silviu Buşoi
Chair



Christian Ehler
Rapporteur

SUGGESTIONS

1. Recalls that the Union Budget for 2025 must reflect the political priorities of the new legislative term, which should focus on fully implementing the programmes agreed in the current MFF and on implementing the ambitious climate neutrality and digital objectives within these programmes; rejects the notion that new challenges or unexpectedly high interest payments can be funded by cutting existing flagship programmes like Horizon Europe, Digital Europe Programme and the European Defence Fund;
2. Stresses that sufficient additional EU funding is needed to deliver on the objectives set by new EU legislation in support of the energy and environmental and the digital transitions, in particular the Strategic Technologies for Europe Platform (STEP), which shall provide funding to support the Net Zero Industry Act and the Critical Raw Materials Act, and ensuring the successful implementation of the European Green Deal's Fit for 55 legislative packages, on electricity market design and renewable and natural gas and hydrogen markets; insists that EU initiatives like the New European Bauhaus, Secure Connectivity, the European Chips Act and the Hydrogen Bank, should be allocated additional budget, in order to secure their continuity and increase their level of ambition; underlines specifically the agreed targets under the Renewable Energy Directive and the Energy Performance of Buildings Directive, which need to be supported by national and EU funding including the Connecting Europe Facility, the Recovery and Resilience Facility, as well as the Social Climate Fund;
3. Insists that the Union budget for 2025 must continue addressing the consequences of Russia's war of aggression, by providing direct support and cooperation programmes for Ukraine, and more generally by strengthening the Union's open strategic autonomy, energy independence, competitiveness with a specific focus on SMEs, midcaps and start-ups, digital transition, cyber security and defence capabilities;
4. Reminds of the need to strengthen the resilience of the EU economy and the competitiveness of Union industries, with future EU industrial policies contributing at achieving social and green objectives; believes therefore that the Union Budget for 2025 should invest strongly in industrial competitiveness, creating pathways towards decarbonisation of industrial sectors, while securing EU supply chains for a range of strategic sectors and technologies; considers that technological autonomy, sustainable growth and quality job creation are key to reaching the Union's long term energy and climate objectives; notes with concern the impact of the energy crisis on energy intensive industries and related sectors; in this context, calls on the Commission to provide recommendations on the request and swift approval of State Aid; reiterates the call to maintain visible, dedicated funding to SMEs mid-caps and start-up programmes, in order to confirm the European Union's commitment to support their role in promoting innovation, sustainable and inclusive growth, employment, and social cohesion; stresses that green and social investments are needed at EU and at national level to achieve a socially just green transition;
5. Recalls that the 2025 budget for Horizon Europe will be the first annual budget under the Second Strategic Plan for Horizon Europe; emphasises that Horizon funding should be sufficient to deliver on the short term objectives for 2030, while also maintaining sufficient investment in early research to ensure Europe has the knowledge base it needs for the challenges of 2040 and 2050; regrets that the existing level of Horizon Europe funding is insufficient to

develop the ideas and technologies necessary for the green and digital transitions, or to deliver on the goals of sustainable growth and open strategic autonomy; calls for an increase in the 2025 budget for Horizon Europe, allowing each sub-programme to fund at least 50% of all “excellent” proposals, whereas currently over 70% of such proposals are rejected due to insufficiency of funds; supports continued investments in Horizon Europe strategic initiatives such as the New European Bauhaus; insists that all available decommitments under Article 15 (3) of the Financial Regulation should be used;

6. Underlines that security of energy supply concerns, high energy prices, and the ongoing EU transition to climate neutrality mean that the issue of energy poverty will be a crucial one in the months and years to come; stresses that alleviation of energy poverty requires European and national investments;

7. Calls for adequate funding and staffing for all agencies and Union bodies in the policy areas of industry, research, energy and cybersecurity, in order to cope with increased workload and new regulatory obligations.

**ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

The rapporteur declares under his exclusive responsibility that he did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

23.01.2024

LETTER OF THE COMMITTEE ON TRANSPORT AND TOURISM

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: **Opinion on the Guidelines for the 2025 Budget – Section III
(2023/2220(BUI))** Dear Mr Chair,

Under the procedure referred to above, the Committee on Transport and Tourism has been asked to submit an opinion to your committee. At its meeting of 29 November 2023, the committee decided to send the opinion in the form of a letter.

The Committee on Transport and Tourism considered the matter at its meeting of 23 January 2024. At that meeting¹, it decided to call on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution.

Yours sincerely,

(signed) Karima Delli

¹The following were present for the final vote: Karima Delli (Chair), Andris Ameriks (Vice-Chair), Magdalena Adamovicz, Izaskun Bilbao Barandica, Ciarán Cuffe, Markus Ferber, Carlo Fidanza, Mario Furore, Isabel García Muñoz, Vlad Gheorghe, Roman Haider, Pär Holmgren, Elsi Katainen, Kateřina Konečná, Bogusław Liberadzki, Elżbieta Łukacijewska, Peter Lundgren, Marian-Jean Marinescu, Tilly Metz, Cláudia Monteiro de Aguiar, Caroline Nagtegaal, Ljudmila Novak, Philippe Olivier, Rovana Plumb, Tomasz Piotr Poręba, Bergur Løkke Rasmussen, Dominique Riquet, Dorien Rookmaker, Thomas Rudner, Vera Tax, Achille Variati, Petar Vitanov, Viola von Cramon-Taubadel (for Anna Deparnay-Grunenberg pursuant to Rule 209(7)), Elissavet Vozemberg-Vrionidi, Lucia Vuolo.

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:

1. Welcomes the agreement associating Ukraine to the Connecting Europe Facility (CEF) programme that enables Ukrainian project promoters to apply for the EU funding for projects of common interest in the transport, energy and digital realms, further improving Ukraine's connectivity to its EU neighbours that support Ukraine's integration into the EU Single Market and promoting growth, jobs and competitiveness;
2. Stresses that CEF Transport, which ensures interconnected, safe, smart and sustainable European transport system and infrastructure as well as all the new Union priorities, is a vital tool for the European economy and the Single Market, therefore, a sufficient financial envelop must be a priority; in this regard, welcomes the increase for CEF Transport in 2024 budget in order to strengthen the transport infrastructure, however, stresses that CEF Transport budget line has to further increase significantly to reflect the cuts from the previous years; takes notice of the massive investment needs for decarbonisation of transport and continued rise of the construction and raw material prices, weighing on the new transport and infrastructure projects; welcomes the integration of the Ukrainian transport projects and enhanced military mobility; in this respect, stresses the key priority of completion of the TEN-T network and extension of its corridors towards Ukraine, Moldova and the other partners in the Eastern Neighbourhood;
3. Reiterates that, in light of the illegal, unjustified Russia's war of aggression against Ukraine and the drastically increasing security threats to the Union, military mobility budget is necessary more than ever; in this context, welcomes the increase for military mobility, however, calls on the Commission to present a sustainable solution that goes beyond the Emergency Instruments; calls on restoring the total budget for military mobility to EUR 6.5 billion over 7 years, as initially foreseen; calls for increased capacity of the infrastructure and optimisation of its use both for civilian and military purposes; stresses that further efforts are necessary to identify the bottlenecks in the physical transport infrastructure of the Member States and to reduce the gaps between the TEN-T and the EU military networks, including by securing funds under the CEF Transport Military Mobility instrument to support the dual-use projects; calls to focus on ensuring the most effective use of the infrastructure when military forces need to move; calls therefore for the adequate budget envelope that meets the strategic needs, ensures high resilience of the infrastructure and supports technologies and access to energy, so that military forces can move substantial capacities within a very short notice, contributing to a well-connected military mobility network with shorter and more secure reaction times;
4. Calls for action to ensure that the funding for the European transport agencies and joint undertakings matches their level of responsibility;
5. Commends the result achieved under the Single European Sky (SES) Air Traffic Management (ATM) Research (SESAR) project – the technological pillar of the

Commission's SES initiative – aimed at modernising ATM and calls to secure the funding that would match its ambitious agenda;

6. Takes notice of the military aviation in Europe that operates in hundreds of military areas and dozens of military airfields; points out that approximately 30% of European military flights adhere to general air traffic rules, while the remainder represents operational air traffic; reminds that military flights are carried out for a wide variety of reasons, such as training exercises, national security (including sovereignty missions) and management of cross-border crises; emphasises for this reason that extensive military involvement in SESAR solutions is paramount to ensure that effective military missions and use of airspace can be aligned with other uses of airspace across Europe;
7. Calls to make it up for the cut in funding to the Clean Aviation Joint Undertaking (CAJU) as it plays a key role in reducing CO₂ emissions per passenger from air transport and in ensuring a sufficient contribution to the climate neutrality by 2050;
8. Stresses a particular need to ensure the right level of resources to the European Union Aviation Safety Agency (EASA) to guarantee a high level of safe and sustainable air transport worldwide and to comply with the decarbonisation objectives while facing, among other things, the challenge of certifying innovative technologies and of dealing with critical situations; commends the guidance that EASA provided to the aviation sector throughout the COVID-19 crisis;
9. Calls for an increase in the budget of the European Maritime Safety Agency (EMSA) to support the implementation of the newly adopted FuelEU maritime initiative and other responsibilities that may derive from the revision to the agency's mandate;
10. Insists that the budget of the European Union Agency for Railways (ERA) must be set at least as high as the budgets of the other transport-related agencies; emphasises the importance of ensuring that ERA has sufficient means to act as efficient authority, particularly with regard to the implementation of the 4th Railway Package; reminds of the role of ERA in achieving the lasting shift from road to rail together with the Shift2Rail Joint Undertaking; furthermore, stresses that funding to the Europe's Rail Joint Undertaking must be increased significantly, in line with the Union's strategic priority of shifting to rail; calls to provide additional support for completion of TEN-T, as well as for implementation of the European Rail Traffic Management System (ERTMS) and the cross-border sections;
11. Welcomes the agreement reached on 30 December 2023 by the EU Member States on lifting air and maritime internal border controls with Romania and Bulgaria; urges the Commission to analyse all possible options to defend the right of Romanian and Bulgarian citizens to free movement, ensuring seamless road transport and mobility between Romania and Bulgaria and the rest of the Union to make certain that the Single Market works for all; calls on the Member States to agree on full application of the Schengen acquis in Romania and Bulgaria and to advance discussions in order to lift controls at land borders as soon as possible;
12. Calls for a dedicated EU funding to support sustainable forms of tourism; calls on the Commission to propose a crisis management mechanism to ensure that the tourism sector is adequately prepared for future crises; reiterates its call for creation of a

European Agency for Tourism responsible for providing technical and administrative support to micro-enterprises and small and medium-sized enterprises (SMEs) in order to increase their ability to access and make use of the EU funding and financial instruments.

13. Recalls the transport workforce shortages in the EU; calls in this regard to ensure a sufficient support to safety and good working conditions of transport workers as well as to guarantee financing of safe and secure truck parking areas across the EU;
14. Stresses that in 2025, sufficient financial resources should be dedicated specifically to the rural areas across the EU Member States, to complete the missing transport links and to improve the mobility of rural population as well as the development of rural tourism and economy.

**ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

The rapporteur declares under his exclusive responsibility that he did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

08.01.2024

LETTER OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: Opinion on Guidelines for the 2025 Budget - Section III (2023/2220(BUI))

Dear Mr Chair,

Under the procedure referred to above, the Committee on Agriculture and Rural Development has been asked to submit an opinion to your committee. At its meeting of 28th November 2023, the committee decided to send the opinion in the form of a letter.

The Coordinators of the Committee on Agriculture and Rural Development adopted the letter on 24th January 2024, and decided to call on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions:

1. Underlines the uncertainties concerning the 2025 budget ceilings and possible flexibilities due to the MFF mid-term review negotiations ahead making it difficult to issue specific recommendations; stresses that the review should at least preserve an ambitious multiannual budget in Heading 3 and most importantly preserve or increase the CAP budget, given the challenges the EU agriculture is facing;
2. Highlights the central importance of the CAP to secure global food security and achieve greater EU production autonomy; recalls the fundamental role the CAP plays in the provision of affordable, safe and high-quality food as much as in ensuring the incomes of EU farmers, protecting the environment and preserving good agricultural conditions; insists on the importance of the CAP existing programmes continuity;
3. Emphasizes the estimated inflation induced losses of EUR 37 billion, or 10% for the period 2021-27, for the cluster Agriculture and Maritime policy (95% of which being covered by the EAGF and EAFRD) according to a realistic medium-inflation scenario in a recent study requested by the Committee on Budgets¹; is also concerned about the negative effects on farmers of increases in input prices; opposes strongly any proposals to re-allocate any pre-allocated funds from the CAP to other clusters as part of the MFF mid-term review;
4. Welcomes the decision to increase the agricultural reserve to respond to the crises in the agriculture sector while at the same time regrets that this was done without

¹ [*The impacts of recent inflation developments on EU finance, 2023.*](#)

consulting the Parliament in its capacity of budgetary authority; Insists on the Parliament's role in the use of the reserve; calls on the Commission to follow objective and transparent criteria in the allocation of these funds and to regularly report back on their use in order to continually improve it; calls on the Commission to ensure that sufficient funding will be available without prejudice to direct payments to farmers and, where appropriate, to explore the possibility of mobilising funds outside the CAP;

5. As a critical developing tool for rural areas, calls on Member States to increase the levels of support provided to young farmers and to improve their access conditions to land and credit;
6. Stresses the importance of research and innovation in the agri-food sector **and** the need to increase the budget for the Horizon research programme dedicated to agriculture.

As AGRI committee Chair, I would like to ask the BUDG committee to take due account of this opinion in its report.

Yours sincerely,

Norbert Lins

**ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

The Chair declares under his exclusive responsibility that he did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

24.1.2024

LETTER OF THE COMMITTEE ON CULTURE AND EDUCATION

Mr Johan Van Overtveldt
Chair
Committee on Budget
BRUSSELS

Subject: Opinion on Guidelines for the 2025 Budget –Section III (2023/2220(BUI))

Dear Mr Johan Van Overtveldt,

Under the procedure referred to above, the Committee on Culture and Education has been asked to submit an opinion to your committee. At its meeting of 28 November 2023, the committee decided to send the opinion in the form of a letter. It considered the matter at its meeting of 24 January 2024 and adopted the opinion at that meeting¹.

The Committee on Culture and Education:

Insists on simplification, administrative efficiency and synergies with other funding programmes and on fresh money to improve the overall success rate of Erasmus+, Creative Europe, European Solidarity Corps (ESC), and the third strand of the Citizens, Equality, Rights and Values (CERV).

Stresses that learning mobility grants in **Erasmus+** should cover increases in living costs to ensure widely accessible and inclusive participation. Calls for financial stability for the European Universities initiative and the Teacher Academies, together with the allocation of dedicated funding to the European Education Area (EEA) in the future. Calls for increased synergies between the EEA, the Digital Education Action Plan and the European Skills Agenda. Warns against cuts to the programme: the disappointing results obtained in the latest round of the OECD's Programme for International Student Assessment (PISA) can only be reversed by investing in education.

Calls for an increase in the 2025 **Creative Europe's** budget to avoid the detrimental impact that frontloading in the first half of the financial cycle could have on the second half. Notes that the current financial allocation cannot meet the high demand for projects. Stresses the importance of maintaining a balance between the strands: calls for the adequate financing of the music sector, and of the European Capitals of Culture by increasing the Melina Mercouri Prize (Culture strand), the support of the cross-border circulation of European films, of

¹ The following were present for the final vote: Sabine Verheyen (Chair and rapporteur for opinion), Michaela Šojdrová (Vice-Chair), Andrey Slabakov (Vice-Chair), Tomasz Frankowski, Theodoros Zagorakis, Ilana Cicurel, Laurence Farreng, Irena Joveva, Monica Semedo, Sylvie Guillaume, Hannes Heide, Petra Kammerevert, Predrag Fred Matić, Domènec Ruiz Devesa, Massimiliano Smeriglio, Niyazi Kizilyürek, Stelios Kouloglou, David Cormand, Marcel Kolaja, Diana Riba i Giner, Rob Rooken, Christine Anderson, Catherine Griset, Alessandro Panza, Andrea Bocskor, Vladimír Bilčík (for Maria Walsh), Wolfram Pirchner (for Milan Zver), Ivan Štefanec (for Peter Pollák) and Günther Sidl (for Victor Negrescu pursuant to Rule 209(7)).

cinemas and of video games (Media strand) and of quality journalism and media literacy (Cross-sectorial strand).

Calls for the secretariat of the future European Board for Media Services to be resourced adequately, in line with the future European Media Freedom Act. Reiterates the long-standing Parliament's call for a permanent EU editorial and news media fund.

Stresses the need for increased funding for the **ESC 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; given the opportunities it offers to young people and its promotion of European values, emphasizes the need for securing regular funding for label holders over several years, increase the financial support and ensure greater flexibility among the project strands to face the increasing requests for solidarity after recurrent crises.

Emphasises that a proportionate and increased budget should be foreseen, as Citizen's engagement in the **CERV programme** is crucial to address the social polarisation, the low institutional trust, the democratic backsliding, the erosion of the rule of law, the shrinking space for civil society, and the instrumentalisation of Euroscepticism.

Urges the Commission to support the system of **European schools** to enable high teaching standards and increase the exchange of best practices with national educational systems.

While acknowledging the need for redeployments, in the light of mandatory NGEU repayments, recalls the importance of Erasmus+, the European Solidarity Corps, Creative Europe and CERV, and calls for all possible efforts to keep their 7-year programme funding allocations intact.

Emphasises the importance of **pilot projects and preparatory actions**; stresses the need to ensure sufficient financing of proposals submitted by the Committee on Culture and Education.

Yours sincerely,

Sabine Verheyen

**ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

The Chair in her capacity of rapporteur declares under her exclusive responsibility that she did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

23.1.2024

LETTER OF THE COMMITTEE ON CONSTITUTIONAL AFFAIRS

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: Opinion on General guidelines for the preparation of the 2025 budget, Section III
– Commission (2023/2220(BUI))

Dear Mr Chair,

Under the procedure referred to above, the Committee on Constitutional Affairs has been asked to submit an opinion to your committee. At its meeting of 7 December 2023, the committee decided to send the opinion in the form of a letter.

The Committee on Constitutional Affairs considered the matter at its meeting of 23 January 2024. At that meeting¹, it decided to call on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution.

Yours sincerely,

Salvatore De Meo

¹ The following were present for the final vote: Salvatore De Meo (Chair and rapporteur for opinion), Gabriele Bischoff (1st Vice-Chair), Charles Goerens (2nd Vice-Chair), Giuliano Pisapia (3rd Vice-Chair), Loránt Vincze (4th Vice-Chair), Gerolf Annemans, Damian Boeselager, Gilles Boyer, Ana Collado Jiménez, Jonás Fernández (for Domènec Ruiz Devesa pursuant to Rule 209(7)), Gwendoline Delbos-Corfield, Pascal Durand, Sandro Gozi, Brice Hortefeux, Othmar Karas, Gilles Lebreton, Niklas Nienaaß, Max Orville, Antonio Maria Rinaldi, Helmut Scholz, Pedro Silva Pereira, Sven Simon and Rainer Wieland.

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:

1. Underlines that – 2025 being the post European election Year – effective communication and dialogue with citizens should be among the top priorities of the budget as fostering awareness of the EU's decision-making and Union policies is vital for the functioning of European democracy, next to the support of the legislative work of Parliament's committees;
2. Highlights that, pending the conclusions of the European Council - including the possible convening of a Convention - the budget for 2025 should provide the necessary resources for the implementation of the Treaty changes procedure, and support information campaigns as well as the dialogue with European citizens following the Conference on the Future of Europe; underlines that the reform of the Treaties is linked to the deepening of the political integration of the Union in view of possible future enlargements and points out that the challenge of future EU enlargement cannot be met without increasing the EU budget and with additional own resources; calls for the start of discussions of the relevant financial reforms in 2025 in parallel with the ongoing accession negotiations;
3. Demands that the necessary resources are safeguarded to permanently and structurally counter disinformation and fake news, and to fight foreign interference within the EU; reminds of the need to secure proper financing for the structures within the EU institutions that are responsible for communication with citizens and countering disinformation such as the Commission Representations and European Parliament Liaison Offices/ Antennae, in order to enable them to effectively fulfil their tasks;
4. Recalls the need for the adequate financing of the Union's programmes, activities and initiatives, in particular the European Citizens' Initiative as well as other participatory instruments and the Citizens, Equality, Rights and Values Programme, which facilitate the participatory democracy processes in the EU, build citizens' trust and enhance their understanding of the Union's policies; calls for means to be made available to enhance citizens' participation, especially the youth; recalls the need to promote a budget line on demonstrative and voluntary primary and secondary curriculum for EU and global citizenship education;
5. Calls for adequate resources to ensure transparency in the activities of interests groups and lobbies; requests in this regard to strengthen the Parliament's Advisory Committee on the Conduct of Members as well as the Joint Transparency Register Secretariat by providing both with adequate staff and financial resources to fulfil their tasks; suggests also to ensure sufficient resources for the set up and functioning of an interinstitutional ethics body, commensurate with its mandate and tasks, in the event of its establishment;
6. Recommends that the Authority for European Political Parties and European Political Foundations receives adequate resources, in particular for staffing purposes in view of the significant enlargement of its tasks as foreseen by the Commission proposal for the

recast of Regulation (EU, Euratom) 1141/2014 and considering the importance of the 2024 European election year and the additional workload created for the Authority;

7. Highlights the need to devote proper resources for the EU's actions to strengthen the rule of law, in particular to increase the resources of the European Union Agency for Fundamental Rights in view of the enlargement of its tasks as foreseen by the revised mandate based on the Council Regulation (EU) 2022/555 of 5 April 2022;
8. Recalls the importance to enhance the participation of the Union's local entities, towns and villages, beyond Member States capitals in the democratic life of the Union in particular, and to support the implementation of *BELC - Building Europe with local Councillors*¹ – the network of locally elected politicians aimed at communicating the European Union through an unprecedented alliance between the European and local government structures;
9. Calls on Council and Commission to apply Regulation (EU, Euratom) 2020/2092 on a general regime of conditionality for the protection of the Union budget in full; stresses that funds cannot be disbursed if Member States do not comply with all relevant requirements set forth by the Court of Justice;
10. Reiterates its long standing call for full co-decision powers, the European Parliament's right of legislative initiative, and the abolition of vetoes for the adoption of the multiannual financial framework.

¹ https://building-europe-with-local-councillors.europa.eu/index_en

24.1.2024

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

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: Opinion on Guidelines for the 2025 Budget – Section III (2023/2220(BUI))

Dear Mr Chair,

Under the procedure referred to above, the Committee on Women's Rights and Gender Equality has been asked to submit an opinion to your committee. At its meeting of 29 November 2023, the committee decided to send the opinion in the form of a letter.

The Committee on Women's Rights and Gender Equality considered the matter at its meeting of 24 January 2024². 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.

Yours sincerely,

Robert Biedroń

² The following were present for the final vote: Maria da Graça Carvalho, Frances Fitzgerald, Arba Kokalari, Elżbieta Katarzyna Łukacijewska, Eleni Stavrou, Rainer Wieland, Sylvie Brunet, Samira Rafaela, María Soraya Rodríguez Ramos, Marco Zullo, Laura Ballarín Cereza, Robert Biedroń, Vilija Blinkevičiūtė, Milan Brglez, Marina Kaljurand, Carina Ohlsson, Evelyn Regner, Sandra Pereira, Eugenia Rodríguez Palop, Gwendoline Delbos-Corfield, Alice Kuhnke, Diana Riba i Giner, Sylwia Spurek, Johan Nissinen, Margarita de la Pisa Carrión, Christine Anderson, Livia Járóka, Andželika Anna Możdżanowska, Maria Veronica Rossi

SUGGESTIONS

- A. whereas gender equality and the elimination of inequalities is one of the core values on which the European Union is founded and whereas the Union is committed to promoting gender equality and gender mainstreaming in all of its actions as enshrined in Article 8 TFEU;
 - B. whereas the European Parliament has repeatedly asked the Commission to promote and implement the use of gender mainstreaming, gender budgeting and gender impact assessments in all Union policy areas;
 - C. whereas gender equality in the Union has been particularly impacted by the multiple crises facing the Union, which women are disproportionately affected by, such as war and the use of sexual violence as a weapon of war, an increase in gender-based and domestic violence, restrictions of sexual and reproductive health and rights (SRHR), backlashes against women's rights, as well as the persistent gender pay gap;
 - D. whereas budgets are never gender neutral and therefore need to be established with the clear objective of achieving gender equality, anti-discrimination and the goal of reaching everyone and their specific needs, including women and girls in all their diversity, as well as promoting women's economic empowerment, via a tangible commitment to gender mainstreaming;
 - E. whereas discrimination needs to be eradicated and effectively addressed by the Member States and the EU and whereas an increasing percentage of the EU budget, including the EU Structural Funds and investment in high-quality and accessible public care services, must be designed to create new, equal opportunities in the EU labour market including for female-led SMEs, while aiming to achieve a "equal carer- and equal-earner" model of society;
- 1. Underlines that a gender perspective must be integrated and evaluated in the budgetary cycle and in all programmes, at all stages, and regrets that despite repeated calls of the European Parliament, this objective still has not been achieved; calls for systematic and mandatory collection, reporting and evaluation of comparable gender-disaggregated data to enable mandatory gender impact assessments in all Union policy areas, in particular for a full breakdown of the scores within the gender equality methodology;
 - 2. Stresses that a gender equality perspective and gender-related objectives should be integrated into all policy areas and EU programmes; reiterates therefore its call for the implementation of gender budgeting at all stages of the budgetary process as well as the identification of relevant budget lines to enable the effective monitoring of the EU budget's contribution to gender equality and a gender-sensitive review of all programmes and spending;
 - 3. Stresses the need to further develop the EU Commission gender tracking methodology, which should not just identify the actions with a gender impact in some EU programmes, but also track the overall funding volume dedicated to gender equality in the EU budget;

4. Reiterates the need to reinforce the European Institute for Gender Equality (EIGE) with the necessary staff and budget to enable it to perform its mandated duties and to cope with a sharp rise of requests for technical assistance on gender mainstreaming; recalls that EIGE has a crucial role in sharing valuable knowledge on the situation of gender equality and women's rights in the EU and expertise on policy, gender mainstreaming and gender sensitive analysis; recognises the value of EIGE's annual report which allows Member States to delve into the underlying aspects which hinder gender equality; notes that EIGE faces ever increasing requests for its services and underlines that under-funding and under-staffing EIGE is inconsistent with the objectives and values of the Union; in addition, highlights that rectifying worrying trends raised by EIGE would help the wider European economy become more competitive, efficient and resilient; stresses the importance of making use of the existing tools developed by the EIGE such as its toolkit for gender budgeting in all stages of evaluation, implementation and monitoring in the European Structural and Investment Funds;
5. Regrets the lack of specific budget lines for measures dedicated to gender equality and stresses the importance of increasing the funding for preventing and combating gender-based violence within the DAPHNE strand, as well as gender equality and gender mainstreaming within the CERV programme; calls in particular for increased funding for women fleeing the war in Ukraine, who are at significant risk of violence; recalls the importance of having specific gender-related budget lines along with clear data on the allocated funding; reiterates that this should be the practice for all programmes which include gender equality related goals, such as ESF+ and calls for special attention to be paid to cyber violence against women in this and other related horizontal programmes;
6. Stresses the worrying and increasing backlash against gender equality, rule of law and women's rights and the importance of EU instruments to raise awareness of and combat this situation; regrets that the Commission did not include a specific programme on gender equality in their budgetary proposal; repeats its concern at the interrelation between the attacks on the rule of law, democracy and human rights and the backlash on gender equality and women's rights;
7. Calls on the Commission to increase the budget allocation to civil society organisations (CSO) within the existing programmes, especially those dealing with sexual and reproductive health and rights (SRHR), including providing and facilitating access to safe and legal abortion and those working on combatting gender-based violence and providing support services for the victims, repeats its calls for the Commission to strengthen the rule of law and ensure that EU funds are not made available to any entity that is implicated in breaches of human rights, especially of minorities, and any breaches of the rule of law, which impact including women's freedoms and fundamental rights, including and SRHR;
8. Stresses that gender equality concerns are largely missing from the green transition and digital transformation pillars of the Recovery and Resilience Facility, which represents a missed opportunity to effectively integrate gender equality into climate and environmental objectives.

**ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

The Chair declares under his exclusive responsibility that he did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	4.3.2024
Result of final vote	+: 28 -: 2 0: 2
Members present for the final vote	Rasmus Andresen, Pietro Bartolo, Katalin Cseh, José Manuel Fernandes, Eider Gardiazabal Rubial, Vlad Gheorghe, Andrzej Halicki, Eero Heinäluoma, Niclas Herbst, Monika Hohlmeier, Hervé Juvin, Fabienne Keller, Moritz Körner, Joachim Kuhs, Janusz Lewandowski, Margarida Marques, Victor Negrescu, Bogdan Rzońca
Substitutes present for the final vote	Ana Collado Jiménez, Jonás Fernández, Jens Geier, Charles Goerens, Francisco Guerreiro, Eva Maria Poptcheva, Petri Sarvamaa
Substitutes under Rule 209(7) present for the final vote	Asim Ademov, Maria da Graça Carvalho, Enikő Győri, Javier Moreno Sánchez, Matjaž Nemec, Mounir Satouri, François Thiollet

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

28	+
PPE	Asim Ademov, Maria da Graça Carvalho, Ana Collado Jiménez, José Manuel Fernandes, Andrzej Halicki, Niclas Herbst, Monika Hohlmeier, Janusz Lewandowski, Petri Sarvamaa
Renew	Katalin Cseh, Vlad Gheorghe, Charles Goerens, Fabienne Keller, Moritz Körner, Eva Maria Poptcheva
S&D	Pietro Bartolo, Jonás Fernández, Eider Gardiazabal Rubial, Jens Geier, Eero Heinäluoma, Margarida Marques, Javier Moreno Sánchez, Victor Negrescu, Matjaž Nemec
Verts/ALE	Rasmus Andresen, Francisco Guerreiro, Mounir Satouri, François Thiollet

2	-
ID	Joachim Kuhs
NI	Hervé Juvin

2	0
ECR	Bogdan Rzońca
NI	Enikő Győri

Key to symbols:

+ : in favour

- : against

0 : abstention