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DRAFT REPORT

on general guidelines for the preparation of the 2022 budget, Section III –
Commission
(2020/2265(BUI))

Committee on Budgets

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CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on general guidelines for the preparation of the 2022 budget, Section III – Commission (2020/2265(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 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014 and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012¹,
- having regard to Council Regulation (EU, Euratom) No 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027², and to the joint declarations agreed between Parliament, the Council and the Commission in this context³, as well as to the related unilateral declarations⁴,
- having regard to the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council and the 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 resources⁵,
- having regard to Council Decision (EU, Euratom) No 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision (EU, Euratom) No 2014/335⁶,
- having regard to Council Regulation (EU) No 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis⁷,
- 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

¹ OJ L 193, 30.7.2018, p. 1.

² OJ L 433I, 22.12.2020, p. 11.

³ OJ C 444I, 22.12.2020.

⁴ Texts adopted, P9_TA(2020)0357, Annex II.

⁵ OJ L 433I, 22.12.2020, p. 28.

⁶ OJ L 424, 15.12.2020, p. 1.

⁷ OJ L 433I, 22.12.2020, p. 23.

protection of the Union budget⁸,

- having regard to the general budget of the European Union for the financial year 2021⁹ and the joint statements agreed between Parliament, the Council and the Commission annexed hereto,
- having regard to the Council Conclusions of ... on the 2022 budget guidelines (00000/2021),
- having regard to Rule 93 of its Rules of Procedure,
- having regard to the report of the Committee on Budgets (A9-0000/2021),

Back on track: budget 2022 for recovery from the COVID-19 crisis

1. Believes that, given the particular uncertainty about the economic outlook, which is not expected to recover to its pre-pandemic level in 2022, and the imperative need for a quick recovery from the economic and social damage caused by the COVID-19 pandemic, the 2022 Union budget should play an even more pivotal role in ensuring a positive and tangible impact on citizens' lives and contributing to sustaining the European economy, leveraging investments and supporting job creation throughout the Union, as well as facilitating the reduction of economic, social, territorial and generational disparities;
2. Intends, therefore, to set up a forward-looking budget that will be instrumental in the recovery process, and will enable the Union to boost investments and tackle unemployment, foster the digital and green transitions, improve the life prospects of the young generation and address demographic challenges, and ensure a safe and prosperous environment for EU citizens; considers these priorities to be essential in order to uphold the recovery and build up the foundations for a more resilient Union;

A vibrant economy to boost investments and tackle unemployment

3. Recalls that SMEs remain the backbone of the European economy and continue to play a vital role in job and growth creation; underlines the importance of an adequately funded Single Market Programme to boost competitiveness of small business with the development of digital and entrepreneurial skills; underscores, furthermore, the potential of the InvestEU programme in leveraging sustainable, innovative and social investments, but also in providing capital support to small and medium-sized enterprises (SMEs) negatively affected by the crisis;
4. Emphasises the continued need to invest in research and innovation, in particular for the EU to be a driving force in the green and digital transitions; underlines, in that respect, the particular merits of Horizon Europe, and considers essential to provide SMEs with adequate support in research and innovation so that they can actively take part in these

⁸ OJ L 433I, 22.12.2020, p. 1.

⁹ OJ L xx,

immense challenges;

5. Strongly supports regional policy as the prime investment instrument of the EU budget that enables economic, social and territorial cohesion, and one of the cornerstones of the recovery; highlights its role in reaching EU strategic objectives such as employment, green economy and innovation, and as a driving force of a more inclusive and sustainable Union;
6. Reaffirms the importance and potential of the EU4Health Programme, which under the new Multiannual Financial Framework (MFF) became the largest health programme to ever be funded by the EU budget; expects that synergies will be strengthened between all EU programmes that provide additional investments in the health sector like the ESF+, the ERDF, Horizon Europe and Digital Europe;

Meeting the challenge of digital and green transitions

7. Stresses the urgency, heightened by the COVID-19 crisis, to close the digital divide and ramp up Europe's digital transformation; points out to the importance of synergies between EU programmes to create successful conditions to accelerate the market uptake of breakthrough technologies and innovations; considers that the Digital Europe programme is essential in improving Europe's competitiveness in the global digital economy and achieving technological sovereignty; expects that this programme will boost investments in EU high-performance computing, artificial intelligence, cybersecurity, as well as the promotion of advanced digital skills across the economy and society;
8. Stresses the central role of the EU budget in ensuring the success of the European Green Deal and the fair transition towards a more sustainable and resilient economy; stresses in particular the need to ensure that adequate resources underpin the new growth strategy, in order to enable the Union to deliver on its commitments whilst ensuring no one is left behind, and intends to monitor closely the implementation of the strategy in the Budget 2022; underlines, in this context, that a modern and resilient EU's infrastructure is a key component of restoring competitiveness and building up EU's strategic autonomy; recognises, therefore, the added value of the Connecting Europe Facility (CEF) and EU space programmes;

Providing better prospects for the young generation and addressing demographic challenges

9. Underlines that, as was the case in the aftermath of the 2008 financial crisis, young people are once again particularly hit by the fallout of the COVID-19 crisis; highlights, therefore, that all funding possibilities should be fully explored to successfully improve the labour market inclusion and life prospects for young people;
10. Insists that the Union cannot find a sustainable path to recovery without its young generation; points, in that respect, to the extreme relevance of increasing financial resources for Union programmes such as Erasmus+, whose success in broadening education, training and job opportunities across the Union is undisputable; highlights the potential of this programme in promoting, excellence, innovation and entrepreneurship in an inclusive manner;

11. Stresses that sustainable and long-term solutions must be found to successfully fight structural demographic challenges, as well as mitigating brain drain in rural, remote and less developed areas of the EU; emphasises the need for financial resources to revitalise areas suffering from population decline and to provide ageing populations in Europe with adequate support in terms of access to healthcare, mobility and public services; highlights the need of setting up appropriate structures to study trends and propose measures to adequately address demographic change;

Ensuring a safe and prosperous environment for European citizens

12. Considers that the economic growth and prosperity, internal security, protection of the EU's external borders, proper functioning of the Schengen area and freedom of movement within the EU are inextricably linked and mutually beneficial; stresses that further integration of the Schengen area, based on expert assessments, would provide Member States on external borders with enhanced financial opportunities for border control; underlines the importance of robust EU investments in the area of internal security with a view to enhancing EU law enforcement and judicial response to cross-border criminal threats and promoting information exchange;
13. Highlights the need for adequate funding, staffing and staff training for all agencies operating in the field of security, justice and border control in order for them to fulfil their increased responsibilities, as well as the importance of cooperation among them, the need for technological innovations and adaptation, and their vital role in reinforcing cooperation and coordination among the Member States;
14. Strongly supports strengthened EU efforts to tackle rising security threats such as terrorism, radicalisation and violent extremism within Europe and neighbouring countries as well as better coordination of such programmes at EU level;
15. Underlines the responsibility of the EU to ensure it has the adequate resources to address the geopolitical consequences of the crisis and ensure a secure and stable global environment;

Specific and cross-cutting issues of the 2022 budget

16. Expects, in the run-up to the adoption of the 2022 budget, that the full potential of the MFF package will be put into practice and intends to monitor closely the implementation of all elements of the agreement reached; recalls that 2022 will be the first year of application of the programme-specific adjustments under Article 5 of the MFF Regulation, regarding inter alia the envelopes of EU flagship programmes to be financed from the new fines-based mechanism;
17. Stresses that, following the late adoption of the MFF 2021-2027, the launch of EU flagship programmes like Erasmus +, Horizon Europe, as well as the financing for the Green Deal and digitalisation strategies, were significantly delayed; expects, therefore, that every effort will be made to ensure that all new EU programmes are fully operational in 2022; recalls, in that respect, the joint statement by Parliament, the Council and the Commission on tackling the impact of the COVID-19 crisis issued in the joint conclusions on the 2021 budget, in which a particular attention is given to the sectors of the economy that are most hit by the crisis such as SMEs, tourism and

hospitality sector, as well as the people that are most affected by the crisis;

18. Expects, furthermore, a sufficient level of payment appropriations to be entered in the 2022 budget, for both the new programmes and the completion of past ones, especially in the context of higher expected needs for payments in the area of cohesion, and to ensure that the Union budget provides the necessary economic stimulus;
19. Stresses that the EU budget will be significantly reinforced by the European Union Recovery Instrument (EURI) in 2022, with at least 60% of its total allocation to be committed under the different programmes by the end of that year; is concerned, however, about the delayed start of the borrowing and lending operations under this Instrument, as the new Own Resources Decision (ORD), providing the authorisation for these operations, is not yet in force; calls, therefore, on the Member States to accelerate further the ratification process of the new ORD, in order not to jeopardise the timely effect of the recovery;
20. Underlines that the 2022 Union budget will constitute a bridge between the first and second steps of the roadmap towards the introduction of new own resources; points, in that respect, to the need for a smooth implementation so that new own resources cover at least the expenditure related to the repayment of the EURI;
21. Instructs its President to forward this resolution to the Council, the Commission and the Court of Auditors.