



18.1.2024

# **DRAFT REPORT**

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

Committee on Budgets

Rapporteur: Victor Negrescu

## CONTENTS

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

## 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 its resolution of 15 December 2022 on upscaling the 2021-2027 multiannual financial framework: a resilient EU budget fit for new challenges<sup>1</sup>,
- 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 2027<sup>2</sup>,
- having regard to Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021-2027<sup>3</sup> and to the joint declarations agreed between Parliament, the Council and the Commission in this context<sup>4</sup> and the related unilateral declarations<sup>5</sup>,
- 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 2027<sup>6</sup>,
- having regard to its interim report on the proposal for a mid-term revision of the multiannual financial framework 2021-2027<sup>7</sup>,
- having regard to its resolution of 10 May 2023 on the impact on the 2024 EU budget of increasing European Union Recovery Instrument borrowing costs<sup>8</sup>,
- having regard to its resolution of 15 December 2022 on upscaling the 2021-2027 multiannual financial framework: a resilient EU budget fit for new challenges<sup>9</sup>,
- 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 the Commission proposal of 16 May 2022 for a regulation of the

---

<sup>1</sup> OJ C 177, 17.5.2023, p. 115.

<sup>2</sup> OJ L 325, 20.12.2022, p. 11.

<sup>3</sup> OJ L 433 I, 22.12.2020, p. 11.

<sup>4</sup> OJ C 444 I, 22.12.2020, p. 4.

<sup>5</sup> Texts adopted, P9\_TA(2020)0357.

<sup>6</sup> OJ C 445, 29.10.2021, p. 240.

<sup>7</sup> Texts adopted, P9\_TA(2023)0335.

<sup>8</sup> Texts adopted, P9\_TA(2023)0194.

<sup>9</sup> OJ C 177, 17.5.2023, p. 115.

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 resources<sup>10</sup>,
- having regard to Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union<sup>11</sup>,
- 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 proposal<sup>12</sup>,
- 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 crisis<sup>13</sup>,
- 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 budget<sup>14</sup>,
- 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 it<sup>15</sup>,
- having regard to the Interinstitutional Proclamation on the European Pillar of Social Rights of 13 December 2017<sup>16</sup> and its resolution of 19 January 2017 thereon<sup>17</sup>, 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 of the European Council in May 2021,
- having regard to the general budget of the European Union for the financial year 2024<sup>18</sup> 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

---

<sup>10</sup> OJ L 433 I, 22.12.2020, p. 28.

<sup>11</sup> OJ L 424, 15.12.2020, p. 1.

<sup>12</sup> OJ C 167, 11.5.2023, p. 162.

<sup>13</sup> OJ L 433 I, 22.12.2020, p. 23.

<sup>14</sup> OJ L 433 I, 22.12.2020, p. 1.

<sup>15</sup> OJ C 270, 7.7.2021, p. 2.

<sup>16</sup> OJ C 428, 13.12.2017, p. 10.

<sup>17</sup> OJ C 242, 10.7.2018, p. 24.

<sup>18</sup> OJ L XX, ....

(xxxxxx/2024),

- having regard to Rule 93 of its Rules of Procedure,
- having regard to the opinion of the Committee on Petitions,
- having regard to the letters from the Committees on Foreign Affairs, on Development, on Employment and Social Affairs, on the Environment, Public Health and Food Safety, on Industry, Research and Energy, on Transport and Tourism, on Agriculture and Rural Development, on Culture and Education, and on Women's Rights and Gender Equality,
- having regard to the report of the Committee on Budgets (A9-0000/2024),

***A people-centred EU budget 2025: Investments tailored to improving people's lives***

1. Is adamant that, in times of institutional change, financial pressure and societal challenges, a reliable, robust and people-centred EU budget remain instrumental for the implementation of the Union's policies and central in responding to people's needs;
2. Recalls 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. 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 has to kick off the budgetary procedure in the absence of certainty on several crucial elements in the financial programming for 2025, and is keenly aware of the very tight, and, in some instances, negative margins under the MFF ceilings;
4. Underlines that repayment of the European Union Recovery Instrument (EURI) borrowing costs is an obligation for the EU; 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 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; highlights that the MFF revision should not result in arrangements regarding the EURI line that cause undue collateral damage to programmed expenditure or availabilities under the non-thematic special instruments;
5. Recalls that the European economy is forecast<sup>19</sup> to grow very modestly (1.3 % 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 (3.5 % in 2024 and 2.4 % 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

---

<sup>19</sup> European Commission, '[Autumn 2023 Economic Forecast: A modest recovery ahead after a challenging year](#)', 2023.

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;

6. Deplores the slow pace 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;
7. Regrets the fact that the capacity to respond to unforeseen events or to launch new initiatives is affected by budgetary scarcities and intends to rectify this situation to the extent possible; recalls that it is necessary to establish an additional permanent 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;
8. Is determined, despite these numerous constraints, to maintain a coherent and unified position which reflects its established policy priorities and institutional interests, minimises negative impacts on flagship programmes and maximises the concrete benefits for all citizens;

***An equitable, fair and inclusive budget that offers better opportunities to all EU citizens***

9. Observes that affordable living and societal cohesion continue to be persistent challenges across EU Member States; considers, therefore, that the social dimension of EU spending, as a necessary feature for its acceptability and legitimacy, should become a prominent cross-cutting criterion for all policy areas; wishes to accentuate inclusiveness and accessibility to funding wherever appropriate and in accordance with pertinent eligibility criteria;
10. Underlines that the EU budget is above all an investment budget with leverage effect, able to support policymaking, complementing national policies and, therefore, responding to the needs of all EU citizens; expects that ongoing efforts to deploy and spend the funds received under the RFF and the cohesion funds will benefit the Union; believes that no effort should be spared to ensure that these two major sources of EU funding are spent effectively and without further delay;
11. Is firmly determined to use the EU budget to make a tangible and visible difference to citizens and to the economy in the single market by supporting quality job creation and fighting unemployment, enhancing European competitiveness, supporting small and medium-sized enterprises (SMEs) and young people, improving infrastructure, investing in social and territorial cohesion and inclusion, and supporting vulnerable, remote and rural communities, agriculture and research and innovation throughout the Union; underlines that funding possibilities should be maximised to support elderly people, young farmers, better working conditions, access to health, education and upskilling and reskilling, including through talent booster schemes;

12. 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 and employability, as well as promoting social inclusion; reiterates the need to ensure that both programmes offer greater opportunities to people from disadvantaged backgrounds; maintains its view that mobility grants in Erasmus+ must cover increases in living costs to ensure accessible and inclusive participation;
13. Underlines the importance of implementing the European Pillar of Social Rights; highlights the crucial role of the EU budget in contributing to initiatives that reinforce social dialogue, 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; 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; calls, therefore, for programmes to establish equity within this hard-working sector; calls for adequate resources to be allocated to support the monitoring of working conditions across the Member States;
14. Calls on the Commission and the Member States to allocate adequate resources for the enforcement of EU regulations related to EU welfare systems in order to allow EU citizens, in particular mobile workers, to benefit from easier transfer of social 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; acknowledges that technology and artificial intelligence (AI) are rapidly changing the employment landscape, and that some jobs are already becoming obsolete; calls for complementary support to national employment strategies for job retraining and mobility at EU level in a harmonised and coordinated way;
15. Calls on the Commission to rapidly implement the solutions identified as key during the European Year of Youth, including the youth test and banning unpaid internships;
16. Highlights 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;
17. Underlines the importance of strengthening the European Health Union; 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 in some Member States and calls for the implementation of specific measures, including under the EU4Health programme, to tackle these challenges and reduce inequalities between Member States; 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;
18. Recalls the need to tackle the skills deficit, the issue of brain drain and the correlation between market needs and skills; considers that for the EU workforce to remain competitive in the future, defining key areas for training and reskilling is necessary;

stresses that 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 for Skills and the European Education Area to be accelerated; 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;

19. Underlines the added value of funding programmes in the areas of democracy and rights and values; wishes to see the relevant budget lines strengthened in order to address polarisation, low institutional trust, democratic backsliding, the erosion of the rule of law, the shrinking space for civil society and the instrumentalisation of Euroscepticism; emphasises the valuable work carried out under the Daphne and Equality and Rights strands of the Citizens, Equality, Rights and Values (CERV) programme; reiterates that the necessary resources should be devoted to fighting gender-based violence and to supporting access to safe sexual and reproductive health services and women's rights organisations, as well as EU initiatives tackling discrimination against women;
20. Underlines the need to strengthen journalistic freedom through adequate resources, in line with relevant regulations; calls for adequate support to the cultural sector, including for the promotion of the cross-border circulation of European films, music and video games;

#### ***A budget that delivers on strategic priorities***

21. 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) in this respect; reiterates the need for an AI and robotics education programme designed for teachers and learners, and financed through Erasmus+, DEP and CEF-Digital; underlines that the EU budget must adequately support the ethical use of AI, especially in the education and cultural sectors; recalls the need for EU-funded programmes to bridge the digital gap in education and lifelong learning;
22. Underlines the central role of the 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 and preserving biodiversity; 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 Paris Agreement, supporting climate mitigation and adaptation measures, reducing emissions, increasing the use of renewable energy, creating a circular economy, protecting ecosystems and reversing the alarming trend of biodiversity loss;
23. Highlights 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 young farmers; calls for additional and immediate resources to help farmers cope with the impact of inflation, fuel costs and new production standards; emphasises the need to help new and young farmers, thereby ensuring the sustainability of the sector and generational renewal, while addressing



labour and skills shortages in the agri-food sector; notes that the labour shortage and difficult working conditions represent a real challenge for the agricultural sector and calls for adequate resources to be mobilised to facilitate the implementation of social conditionality measures; calls for appropriate investments to accelerate and facilitate the transition towards a sustainable and affordable food system;

24. 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 a new methodology to measure the gender impact of Union spending as set out in the Interinstitutional Agreement;
25. 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 access to critical raw materials and developing resilient value chains for EU industrial ecosystems;

#### ***A future-fit budget for a changing world***

26. 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 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 and preserving the free movement of people within the Union; recalls that Romania and Bulgaria will join 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, also in the light of the new Migration and Asylum Pact;
27. Continues to put strong emphasis on European security and defence capabilities; wishes to reinforce its most successful and pertinent programmes and bodies in this context; underscores the necessity of addressing issues such as cybercrime or organised crime with a cross-border dimension;
28. Stresses that Russia's war against Ukraine has brought substantial economic and social consequences for the people of Europe; 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;
29. Remains determined to help Ukraine through the proposed Ukraine Facility, which will provide support in the form of grants and loans for macro-financial assistance, reconstruction, social, economic and environmental upward convergence and public investments; 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*;

30. Considers that support for the Western Balkan countries in view of EU enlargement remains important; underlines the importance of sustained support for candidate countries in implementing the necessary accession-related reforms and in enhancing their resilience and preventing and countering hybrid threats; welcomes the decision to grant the Republic of Moldova candidate country status and insists on the need to deploy the necessary funds to support its accession process; stresses that the allocation for the Instrument for Pre-accession Assistance (IPA III) and other pertinent budget lines in 2025 should catalyse the cooperation with Moldova in this regard, as well as with Georgia;
31. Notes that the Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe cushion has been depleted and should have benefited from reinforcements under the MFF revision;
32. 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 adequate and predictable funding for the relevant agencies, and to enable support along the southern migration routes; supports the efforts made by the EU and its Member States to provide humanitarian assistance to the people in need in the Middle East region;
33. Expects the financial needs for humanitarian aid to remain very high as a consequence of wars, increasing geopolitical instability, persistent extreme poverty and more frequent natural disasters; considers 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 should be reinforced to respond to the intensified needs on the ground;

#### ***Boosting implementation of programmes***

34. Recalls Parliament's full support for the cohesion policy and reiterates its conviction that the objectives of cohesion policy can only be achieved if delays in programme execution are tackled head on; considers that such an approach would also be the most effective way of making the added value of EU spending visible and tangible for EU citizens;
35. 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;
36. 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 2025 should be used to identify and rectify any bottlenecks that impede a more effective implementation; calls for adequate budget to accelerate the implementation of programmes through additional capacity building and technical

assistance for Member States, as well as measures to expedite fair, competitive and efficient procurement and tendering procedures to boost implementation efforts;

37. 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;

◦

◦      ◦

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