European Parliament resolution of 25 March 2021 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 (TFEU),

– having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,


– having regard to Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (the ‘MFF Regulation’), and to the joint declarations agreed between Parliament, the Council and the Commission in this context, as well as to the related unilateral declarations,

– 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 resources,

– having regard to Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on

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the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom¹,

– 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 crisis²,

– 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 budget³,

– having regard to the general budget of the European Union for the financial year 2021⁴ and the joint statements agreed between Parliament, the Council and the Commission annexed hereto,

– having regard to the special report of the Intergovernmental Panel on Climate Change (IPCC) of 8 October 2018 on Global Warming of 1.5°C,

– having regard to the Global Assessment Report on Biodiversity and Ecosystem Services by the United Nations' Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services,

– having regard to the Council conclusions of 8 June 2020 entitled ‘Demographic Challenges – The Way Ahead’,

– having regard to UN General Assembly Resolution 70/1 of 25 September 2015 entitled ‘Transforming our world: the 2030 Agenda for Sustainable Development’, which entered into force on 1 January 2016,

– having regard to the European Pillar of Social Rights, and its resolution of 19 January 2017 thereon⁵,

– having regard to its resolution of 15 January 2020 on the European Green Deal⁶,

– having regard to the Council conclusions of 16 February 2021 on the 2022 budget guidelines,

– having regard to its resolution of 11 December 2018 on the full application of the provisions of the Schengen acquis in Bulgaria and Romania: abolition of checks at internal land, sea and air borders⁷,

– having regard to the Commission communication of 19 March 2020 entitled ‘Temporary Framework for State aid measures to support the economy in the current

⁷ OJ C 388, 13.11.2020, p. 18.
COVID-19 outbreak’ (C(2020)1863),

– having regard to Rule 93 of its Rules of Procedure,

– having regard to the opinions of the Committee on Industry, Research and Energy, the Committee on Transport and Tourism, the Committee on Agriculture and Rural Development and the Committee on Culture and Education,

– having regard to the position in the form of amendments of the Committee on Employment and Social Affairs,

– having regard to the letters from the Committee on Foreign Affairs, the Committee on Development, the Committee on Budgetary Control, the Committee on the Environment, Public Health and Food Safety, the Committee on the Internal Market and Consumer Protection, the Committee on Regional Development, the Committee on Civil Liberties, Justice and Home Affairs, 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 (A9-0046/2021),

**Back on track: 2022 budget 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, fair and inclusive recovery from the economic, social and employment-related 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 boosting the European economy, leveraging sustainable investments and supporting job preservation and the creation of quality jobs throughout the Union, as well as meeting the challenges of climate change and digital transition, and the Union’s enhanced climate ambition for 2030, with a view to reaching climate neutrality by 2050, and facilitating the reduction of economic, social, territorial, educational, generational and gender 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, focus on a strong European Health Union, promote an inclusive recovery with a focus on the young generation and ensure a safe and prosperous environment for EU citizens; considers these priorities to be essential in order to uphold the recovery and lay the foundations for a more resilient Union, in line with the Paris Agreement;

**A vibrant economy to boost investment and tackle unemployment**

3. Recalls that small and medium-sized enterprises (SMEs) constitute the backbone of the European economy, representing almost 99% of all businesses in the Member States, and providing around three-quarters of all jobs; underlines the significant contribution of SMEs to the creation of jobs, economic growth and stability; is concerned by the severe and long-lasting consequences of the crisis on SMEs and intends to secure sufficient funding for them through various EU programmes;

4. Underlines, in this context, the importance of an adequately funded Single Market
Programme to boost competitiveness, promote entrepreneurship, improve access to markets and effectively support small businesses, including through 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 SMEs negatively affected by the crisis; acknowledges the urgent need to create an SME-friendly business environment and to support SME clusters and networks, as well as to reduce the administrative burden for companies; underlines, particularly, the need to support initiatives at EU level that aim to facilitate the creation of new start-ups and improve their access to finance, as a means to foster innovation, job creation and youth entrepreneurship;

5. Emphasises the continued need to massively boost investment in research, development and innovation, in order to enable the EU to be a driving force in delivering the European Green Deal and the digital transition; underlines, in that respect, the particular merits of Horizon Europe, including the activity of the European Research Council; considers that it is essential to provide SMEs, start-ups and universities with adequate, tailor-made support in research and innovation so that they can actively take part in these immense challenges; points to the importance of fostering collaboration between academia and industry; stresses that the COVID-19 pandemic has clearly demonstrated the importance of European research on pharmaceutical products and vaccines as a means to strengthen the EU’s resilience in the event of a health crisis;

6. Stresses that the Union’s response to the challenges of the COVID-19 pandemic must be enabled by fast and targeted budgetary decisions; requests, in this context, that the unexpectedly high amount of research decommitments be made available in their entirety under Horizon Europe, in full compliance with Article 15(3) of the Financial Regulation, as one of the key means by which to neutralise new variants of the virus while anticipating future threats, in the interest of public health and saving lives; stresses that this level of decommitments was not anticipated and, consequently, not incorporated in the multiannual financial framework (MFF) agreement;

7. Underlines the pivotal role of EU cohesion policy as the prime investment policy of the Union and one of the cornerstones of a sustainable and inclusive recovery, and points to its unique European added value and contribution to the overall harmonious development of the EU and its Member States and regions; stresses, in particular, its potential to stimulate economic growth and create more quality jobs, which are central to the recovery process; highlights its key role in reaching EU strategic objectives such as economic, social and territorial cohesion and convergence between and within Member States, just transition, quality employment, a competitive, social, green and circular economy, and innovation, and as a driving force of a fair, inclusive and sustainable Union;

8. Points out the long-term effects of the extension of derogation to the State Aid rules during the ongoing crisis on the Single Market for the Member States with limited public funds and limited fiscal capacity; underlines that the EU budget has a key role in ensuring that the Member States and the EU will work closely to mitigate the socio-economic effects of the pandemic while finding concrete solutions to preserve the level playing field in the Single Market and to strengthen the economic and social cohesion between EU regions;

9. Stresses that the common agricultural policy (CAP) and the common fisheries policy
(CFP) are cornerstones of European integration which aim to ensure a safe, affordable, high-quality food supply and food sovereignty for Europeans, the proper functioning of agricultural markets, the sustainable development of rural regions and generational renewal of farmers; recalls the key role of these policies in contributing to stable and acceptable earnings for farmers, fisherwomen and fishermen, especially in the current difficult context; asks for particular attention to be paid to small-scale agriculture, young farmers and small fishing businesses and maintaining a stable and secure food chain for European citizens; points out that a number of agricultural sectors have been hit hard by the COVID-19 outbreak and other crises, and supports, where appropriate, targeted reinforcements of the relevant budget lines for market support measures; recalls that these challenges have to be addressed while simultaneously preparing for a reform of the CAP which is expected to play a more instrumental role in fulfilling the ambitions of the European Green Deal;

10. Stresses the need to give a particular boost to the tourism sector, especially the hospitality industry, which has experienced a particularly severe contraction as a result of the COVID-19 pandemic, with a devastating impact, notably on those regions that depend heavily on tourism; highlights that the tourism sector represents an important pillar of the Union’s economy and employs a significant share of its labour force, especially in SMEs and family businesses; expects that the relevant EU programmes, including the Recovery and Resilience Facility (RRF), regional policy, Digital Europe and InvestEU, will contribute decisively to the long-term competitiveness and sustainability of the sector and that the necessary resources will be made available through the EU budget in 2022; reiterates its disappointment that Parliament’s request for a dedicated EU programme on tourism was not followed through;

11. Stresses the need for a comprehensive European space strategy and recognises the added value of the EU space programme; stresses, in particular, the need for the Union to foster the development of innovative and competitive upstream (heavy space industry) and downstream (applications based on space data) sectors; points to the important role of the EU Agency for the Space Programme (EUSPA) and the need to secure the necessary level of funding and staffing;

Meeting the challenge of digital and green transitions

12. Stresses the urgent need, heightened by the COVID-19 crisis, to close the digital divide, notably by completing the European Education Area and implementing the digital education action plan in order to deliver on the digital skills objectives, and fostering inclusive learning, and to ramp up Europe’s digital transformation; points out to the importance of ensuring sufficient funding and synergies between EU programmes to create conditions conducive to accelerating the market uptake of breakthrough technologies and innovations, and enable Europe’s economy and public sector to be at the forefront of the digital transition; considers that the Digital Europe programme is essential to 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, ethical artificial intelligence, 5G technology and cybersecurity, as well as the promotion of advanced digital skills across the economy and society; calls on the Member States and the Commission to respect the criteria which state that a minimum of 20 % of RRF funding should be allocated to the digital transition;
13. Stresses the central role of the EU budget in ensuring the success of the European Green Deal, including the biodiversity strategy, and the application of the ‘do no harm’ principle, boosting the Member States’ economic and social recovery from the coronavirus crisis by turning green challenges into investments and structural reforms opportunities and facilitating the fair transition towards a more sustainable, inclusive and resilient economy; recalls that this transition requires significant structural change and that not all Member States, regions and cities are starting the transition from an equal level or have the same capacity to address it; stresses in particular the need to ensure that adequate resources, including recovery funds as well as the Just Transition Mechanism, underpin the new growth strategy, in order to enable the Union to deliver on its commitments while ensuring no-one is left behind, and intends to monitor closely the implementation of the strategy in the 2022 budget; underlines, in this context, that investing in energy efficiency, circular economy, sustainable and affordable smart mobility and modern and resilient EU infrastructure are key factors in restoring competitiveness, contributing to the achievement of the EU climate objectives and building up the EU’s strategic autonomy, as well as promoting sustainable industries; acknowledges, furthermore, the key role played by the Connecting Europe Facility (CEF) in interconnecting the Union and all of its regions, including the outermost, insular and sparsely populated ones, in the transport, digital and energy sectors;

14. Underlines the importance of supporting climate action and environmental protection by providing additional resources for the relevant programmes and instruments in the EU budget, in particular the LIFE programme; emphasises, moreover, that in the spirit of climate mainstreaming, efforts should be enhanced across all policy areas with a view to achieving the climate overall spending target over the entire MFF 2021-2027 of at least 30% of the total amount of the Union budget and the European Union Recovery Instrument expenditures; stresses, furthermore, the need for continuous work towards providing 7.5% of annual spending under the MFF for biodiversity objectives in 2024, and 10% as of 2026; calls for Parliament to be fully involved in the development of more robust, transparent and comprehensive methodologies for implementing and tracking such expenditure, and looks forward to the annual consultations with the Commission and the Council, as laid down in the Interinstitutional Agreement;

15. Calls on the Commission and Member States to secure sufficient funding for the implementation of the EU Chemical Strategy for Sustainability, including by boosting research and innovation for the transition towards safe and sustainable-by-design chemicals, materials and products and by ensuring adequate and sustainable resources for the European Chemicals Agency (ECHA), of the Circular Economy Action Plan based on non-toxic material cycles and upcoming of the Zero Pollution Action Plan for water, air and soil;

A strong European Health Union

16. Reaffirms the importance and potential of the EU4Health programme, which under the new MFF became the largest health programme to ever be funded by the EU budget; expects that synergies will be strengthened between all EU programmes involved in strengthening the capacity of EU health systems, as well as their preparedness and prevention capacity in case of crises, and those providing additional investments in the health sector such as the European Social Fund Plus (ESF+), the European Regional Development Fund (ERDF), Horizon Europe and Digital Europe; considers that the stockpiling of reserves should remain a priority in the EU budget through the RescEU
and EU4Health programmes; highlights the importance of the EU civil protection mechanism in ensuring that the EU will be better prepared for and able to respond to all types of natural disasters, pandemics and emergencies;

17. Recalls that the COVID-19 crisis has put Member States’ health systems under unprecedented stress and exposed shortcomings in production capacities for vaccinations and other essential medical products in the Union; stresses, therefore, that the Union needs solidarity and collective responsibility, which translate into more EU health competences and more concrete steps towards a stronger European Health Union; underlines the need for stronger investment in healthcare infrastructure and skills that has been revealed by the ongoing crisis, and the need to recover from past under-investment; welcomes, in this context, the Commission communication on the HERA incubator (COM(2021)0078) as a tool to step up efforts to detect COVID-19 variants, adapt vaccines, improve clinical trial efficiency, speed up regulatory approval and scale up vaccine production; points out that much of the production capacity is located outside the Union, which complicates the delivery of medicines in times of need and constitutes an obstacle to be overcome in building up the European Health Union; stresses the importance of ensuring sufficient funds to help increase production capacities for vaccines, antidotes and other essential drugs in Member States and enable the 2022 EU budget to react swiftly in case of emergency;

18. Deplores that 2.7 million people in the EU were diagnosed with cancer in 2020 and approximately 1.3 million people lost their lives to it; welcomes the Europe’s Beating Cancer plan, which is an important pillar for a stronger European Health Union; recognises, in line with the plan, the need for a strengthened and enforced Union approach to cancer prevention, treatment and care; requests proper budget allocation in 2022 for the relevant EU programmes, namely EU4Health, the Health cluster within Pillar II of Horizon Europe, and Digital Europe, to finance new technologies, research and innovation as part of the Union’s fight against cancer;

19. Points, in particular, to the critical role played by the European Medicines Agency (EMA) and the European Centre for Disease Prevention and Control (ECDC) in the ongoing COVID-19 pandemic; calls for adequate funding in the 2022 budget to allow these key agencies to continue their work; looks forward to the proposal to establish the European Health Emergency Preparedness and Response Authority (HERA) to ensure effective, coordinated Union preparedness and response capability in the event of future health crises; recalls the need to provide fresh resources to HERA to ensure that it does not adversely impact existing programmes, policies and agencies and to ensure effective synergies with the EMA and the ECDC;

Inclusive recovery with a focus on the young generation

20. Underlines that, as was the case in the aftermath of the 2008 financial crisis, young people are once again particularly hard hit by the fallout of the COVID-19 crisis, with increasing youth unemployment and negative impacts on education and mental health, especially for those entering the labour market; highlights, therefore, that all funding possibilities must be fully explored in order to successfully improve labour market inclusion, in particular via vocational training, measures to improve social inclusion, working conditions and social protection, including for persons with disabilities, as well as family and life prospects for young people, taking into account the work-life balance directive;
21. Insists that the Union cannot find a sustainable path to recovery without a structured strategy for 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; stresses that Erasmus+ is a flagship programme of the Union that is widely known among its citizens and has delivered tangible results; highlights the potential of this programme in promoting excellence and in ensuring access for young people to innovation and entrepreneurship by providing guidance and education in an inclusive manner, as well as the need for training and mobility actions in adult education; deplores the negative impact of the COVID-19 crisis on the Erasmus+ programme, which has resulted in a significant reduction in the number of participants able to benefit from this experience; underlines, in this context, the importance of the 2022 budget to make up for missed opportunities; calls on the Commission to further promote European citizenship education and civic engagement; reiterates its call for Member States to dedicate at least 10% of funding under their recovery and resilience plans to quality and inclusive education;

22. Stresses that sustainable and long-term solutions must be found to successfully fight structural demographic challenges, as well as to mitigate brain drain in rural, insular, remote and less developed areas and regions 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; highlights the need to set up appropriate structures to study trends and propose measures to adequately address demographic change by adding, for instance, special criteria to the allocation methodology for structural funds in the future;

23. Highlights that women have been disproportionately affected by the fallout of the COVID-19 crisis; underlines the importance of the implementation of gender-responsive budgeting to ensure that women and men benefit equally from public spending; calls, in this context, on the Commission to accelerate the introduction of an effective, transparent and comprehensive methodology, in close cooperation with Parliament, to measure relevant gender expenditure, as set out in the Interinstitutional Agreement, in order to be able to show tangible results for the 2022 budget and in view of the extension of the methodology to all MFF programmes; calls, furthermore, for the swift implementation of the EU gender equality strategy; stresses the worrying and increasing backlash against gender equality and women’s rights and the importance of mobilising all EU instruments to combat this situation; calls for additional resources to support the protection, promotion and universal access to sexual and reproductive health and rights and to support women human rights defenders;

24. Underlines that the recovery process must leave no-one behind and that the Union and the Member States must therefore tackle the risk of poverty and social exclusion; stresses that the Union’s 2022 budget and the European Union Recovery Instrument (EURI) should contribute to the implementation of the UN Sustainable Development Goals and deliver on the European Pillar of Social Rights by supporting life-long learning, reinforcing social dialogue and guaranteeing access for all to vital services such as healthcare, mobility, adequate nutrition and decent housing; underlines, in that respect, the added value of the ESF+ and believes that adequate funding should be allocated under shared management to the implementation of the Youth Guarantee and
the forthcoming Child Guarantee; welcomes the focus on the Europe’s social dimension at the next Social Summit in Porto;

25. Underlines that the cultural and creative sectors, as well as cultural tourism, are and will continue to be among the main sectors that bear the burden of the crisis the EU is experiencing; calls for additional measures for those sectors and additional funding for related EU programmes, notably the Creative Europe programme; welcomes the New European Bauhaus creative and interdisciplinary initiative;

Ensuring a safe and prosperous environment for European citizens

26. Considers that economic growth and prosperity, internal security, protection of the EU’s external borders, fundamental rights, 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 the Union’s external borders with enhanced financial opportunities for border management; recalls that the Schengen area brings economic benefits to its participant states; stresses that the EU economy could be boosted by the accession to the Schengen area of the candidate countries that already meet all the technical requirements; stresses that the accession of these Member States to the Schengen area would amplify the impact of the EU budget and recovery funds and that it would have a direct impact in bringing about a faster economic recovery; reiterates its call for the speedy integration of Romania, Bulgaria and Croatia into the Schengen area; underlines the importance of robust EU investment 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;

27. Takes note of the fact that the 2021-2027 multiannual financial framework provides for higher amounts than in previous years for the implementation of migration, asylum and integration policies; expects asylum and migration to remain high on the EU’s agenda; stresses that solidarity measures such as relocation programmes, resettlement or humanitarian admission remain crucial pending meaningful reform of the Common European Asylum System; highlights, in that regard, that Member States will continue to require financial support for the reception, registration and examination of asylum applications, as well as for returns and relocation; calls for more funding to be directed towards coordination with transit countries and countries of origin of irregular migration with the aim of controlling and stopping human trafficking and human smuggling; is deeply concerned by the continuing loss of life in the Mediterranean and believes that search and rescue is a responsibility that cannot be left exclusively to non-state actors; adds that non-EU countries at the Union’s external borders that are faced with migration flows to the EU will also continue to require financial support; highlights the important role of the European Border and Coast Guard (Frontex) in this regard and its recently enhanced mandate, and calls for adequate funding for Frontex to enable it to deliver in all areas of responsibility falling under its new mandate; insists that the effective management of the external borders must comply with Union and international law, respecting, in particular, the right to asylum and the principle of non-refoulement, especially in the context of recent allegations concerning possible involvement in pushbacks; recalls, therefore, the need for recruitment of fundamental rights officers, in
line with article 110 of Regulation (EU) 2019/1896\(^1\), in order to contribute to the promotion of fundamental rights as part of European integrated border management; underlines that increases in the budgetary allocations to Frontex need to be accompanied by a corresponding increase in accountability and transparency and are conditional on the Agency’s commitment to Union law;

28. Highlights the need for adequate funding, staffing and staff training for all agencies operating in the field of security, justice, law enforcement, fundamental rights, asylum and migration, and border management in order for them to fulfil their increased responsibilities, and draws attention to the importance of cooperation between them, the need for technological innovation and adaptation, and their vital role in reinforcing cooperation and coordination among the Member States; highlights the importance of the proper implementation and operational management of large-scale EU IT systems in the area of freedom, security and justice;

29. Strongly supports strengthened EU efforts to tackle rising security threats such as terrorism, radicalisation and violent extremism, criminal smuggling, human trafficking, drug trafficking, cybercrime and hybrid threats within Europe and neighbouring countries, and disinformation campaigns against European democracies steered from third countries as well as to improve coordination of such programmes at EU level; recalls that recent terror attacks prove that improvements to the interoperability of information systems in the area of justice and home affairs are necessary to strengthen the Union’s internal security; notes that the pandemic has led to new criminal challenges; welcomes, therefore, the strategy for a security union presented by the Commission on 24 July 2020, and calls for adequate funding for the action plans contained therein;

30. Recalls that respect for the rule of law is an essential precondition for compliance with the principles of sound financial management enshrined in Article 317 TFEU; welcomes the entry into force on 1 January 2021 of the Rule of law Regulation, which sets a general regime of conditionality for the protection of the Union budget, and stands strongly committed to ensuring its full, immediate and correct implementation; calls for a considerable strengthening of funding devoted to ensuring the protection of these fundamental principles; stresses, therefore, the importance of a well-equipped and sufficiently funded and staffed European Public Prosecutor’s Office (EPPO) to fight crimes against the Union budget, and insists that it must be able to follow up on the backlog of open cases and have the capacity to review and investigate all new cases;

31. Stresses that the promotion of European values and cultures plays an active role in supporting democracy, non-discrimination and gender equality, and in tackling disinformation and fake news; expresses concern at the deterioration of the rule of law, democracy and fundamental rights in some Member States and underlines the need for financial resources to support press, media and artistic freedom in the Union; highlights that the new Citizens, Equality, Rights and Values programme is of strategic importance to strengthen European citizenship and democracy, equality and the rule of law in the EU, as well as to support victims of gender-based violence; recalls also that the justice programme includes a specific objective aimed at supporting and promoting judicial

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training, with a view to fostering a common legal, judicial and rule of law culture; calls for the funding of these programmes to be evenly spent during the MFF period and urges full expenditure of annual funds for the specific objectives highlighted; welcomes, furthermore, the continuous, comprehensive work in covering the law and practice of Member States in those areas carried out by the Fundamental Rights Agency; believes that the Conference on the Future of Europe is among the tools to tackle a number of democratic and fundamental rights challenges and considers it paramount that each EU institution involved in the setting up and management of the forthcoming Conference should be adequately equipped with administrative budgets;

32. Recalls the key contribution of the Neighbourhood, Development and International Cooperation Instrument (NDICI) to addressing the root causes of migration and forced displacement, to promoting sustainable development, democracy, political and economic reforms the rule of law and human rights, and to supporting electoral processes; underlines, furthermore, the strategic importance of enlargement policy in the Western Balkans countries; calls, in this regard, for additional funding for the Western Balkans and the countries of the Eastern and Southern Neighbourhood, as well as for the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and humanitarian aid; underlines the responsibility of the EU to ensure it has the adequate resources to address the geopolitical consequences of the COVID-19 crisis, ensure a secure and stable global environment and show solidarity with heavily-affected third countries by mobilising the EU’s external financing instruments to help these countries to strengthen the capacities of their health systems, including improving their access to vaccines, and to alleviate the socio-economic impact of the crisis; emphasises the importance of complying with the COVID-19 vaccine distribution system, COVAX, in order to ensure equitable access to vaccines for the most fragile countries; welcomes, furthermore, the fact that direct support will be provided to the EU’s neighbourhood, and notably its immediate neighbourhood;

33. Recalls the importance of providing the EU budget with a sufficiently detailed nomenclature to allow the budgetary authority to fulfil its decision-making role effectively and for Parliament in particular to fulfil its democratic oversight and scrutiny roles across all headings; insists, therefore, on the need for the budget nomenclature to fully and as soon as possible reflect the agreement on the NDICI Regulation; invites the Commission, in this sense, to present a draft amending budget to the 2021 EU budget, implementing the agreement reached in the negotiations on the NDICI Regulation on five separate envelopes for geographic programmes in Asia, notably the Middle East, South Asia, Central Asia, North and South-East Asia and the Pacific, through the creation of corresponding separate budget lines; believes that such a harmonisation could and should be carried out ahead of the 2022 budgetary procedure;

34. Emphasises the importance of ensuring adequate financial support, both from the Member States and through the European Defence Fund, in order to implement a progressive framing of the EU’s common defence policy and to increase the EU’s security and strategic autonomy; underlines, furthermore, the need to improve competitiveness and innovation in the European defence industry, which can contribute to stimulating growth and job creation, and the need to enhance deployability and operational effectiveness through increased efforts in joint military and civilian capability development;

Specific and cross-cutting issues of the 2022 budget
35. Expects, in the run-up to the adoption of the 2022 budget, the full potential of the MFF package to 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;

36. Points to the serious delays in the implementation of EU programmes and funds, especially those under shared management, during the 2014-2020 period; calls on the Member States to accelerate the implementation of those programmes, in order not to jeopardise the timely launch of new EU programmes under the 2021-2027 MFF, as well as those financed by the EURI; is concerned by the risk of further delays in the implementation of the new MFF programmes, owing to the need for Member States to comply first with the very tight timetable for RRF implementation;

37. Regrets, moreover, the late adoption of the 2021-2027 MFF and considers that the consequences of this delay will be felt throughout the current MFF period; underlines that, consequently, the launch of all EU flagship programmes, as well as the financing of the European Green Deal and digitalisation strategy, 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, which states namely that particular attention should be paid to the sectors of the economy that are hardest hit by the crisis, such as tourism and SMEs, as well as to the people that are most affected by the crisis;

38. Expects, furthermore, a sufficient level of payment appropriations to be entered in the 2022 budget to cover both new programmes and the completion of past ones, especially in the context of higher expected need for payments in the area of cohesion and rural development, and to ensure that the Union budget provides the necessary economic stimulus; is determined to prevent any future payment crisis, like that experienced at the beginning of the previous MFF period, and intends, to that end, to monitor very closely the level of outstanding commitments (RAL); calls on the Commission to present without delay any draft amending budget that is deemed necessary for an increase of payments linked to a further acceleration of EU programmes;

39. Stresses that the EU budget will be significantly reinforced by the EURI in 2022, with at least 60 % of its total allocation to be committed under the different programmes by the end of that year; stresses that the overall EURI implementation will be monitored closely by Parliament, while particular focus will be placed on the scrutiny of the RRF; is concerned, however, about the delayed start to 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; stresses, therefore, the need for urgent ratification by the Member States of the new ORD, in order not to jeopardise the timely recovery, to the detriment of future generations;

40. Points to the legally binding nature of the roadmap to introduce new own resources in the course of the current MFF, which is enshrined in the Interinstitutional Agreement, and reaffirms its strong commitment to this process; underlines that the 2022 Union budget will constitute a bridge between the first and second steps of this roadmap; calls, in particular, on the Council to start deliberating without delay, as soon as the
Commission presents the legislative proposals on the new own resources based on a carbon border adjustment mechanism, a digital levy and the EU emissions trading system (EU ETS), with a view to making a decision by 1 July 2022; expects, moreover, that discussions on the financial transaction tax under enhanced cooperation will be positively concluded by the end of 2022, which will allow the Commission to come forward with a proposal for a new own resource; points, in that respect, to the need for smooth implementation so that new own resources cover at least the expenditure related to the repayment of the capital and interest of the EURI;

41. Highlights furthermore that the EU budget and national budgets are negatively affected by tax fraud, tax evasion and tax avoidance; calls for enhanced coordination in the field of taxation in order to protect EU and national revenue sources;

42. Underlines the pivotal role played by the Union’s decentralised agencies in providing operational support and expertise to ensure the effective implementation of EU policy objectives; recalls that agencies must be properly staffed and adequately resourced so that they can fully execute their responsibilities and deliver the best possible results; underlines that agencies’ tasks evolve in line with policy priorities and stresses that new responsibilities must be accompanied by fresh resources;

43. Underlines the value of pilot projects and preparatory actions (PP-PAs) in trialling new policy initiatives and laying the groundwork for future Union actions; intends, therefore, to propose a package of PP-PAs in line with its political priorities; calls on the Commission to ensure that PP-PAs adopted in the budget are implemented in full, in a timely manner and in cooperation with Parliament, and are given greater visibility in order to maximise their impact;

44. Calls on the Commission to take due account of Parliament’s political and budgetary priorities, set out in this resolution, when preparing the draft budget for 2022; stands ready, however, to make optimal use of existing flexibility and other provisions set out in the MFF Regulation and the Financial Regulation, in order to reinforce key EU programmes in the 2022 budget and to adequately respond to urgent needs that arise in relation to the COVID-19 health crisis and the recovery process, among others; insists, in this context, on the timely activation of the Emergency Support Instrument as well as on the mobilisation of the MFF special instruments, such as the European Globalisation Adjustment Fund, to provide financial support whenever needed;

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