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DRAFT REPORT

on general guidelines for the preparation of the 2026 budget, Section III –
Commission
(2024/2110(BUI))

Committee on Budgets

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on general guidelines for the preparation of the 2026 budget, Section III – Commission (2024/2110(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 2021-2027¹ and to the joint declaration agreed between Parliament, the Council and the Commission in this context² and the related unilateral declarations³,
- 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 2027⁴,
- having regard to the Council Regulation (EU, Euratom) 2024/765 amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027⁵ (MFF Revision),
- having regard to its position of 16 December 2020 on the draft Council regulation laying down the multiannual financial framework for the years 2021 to 2027⁶,
- having regard to its resolution of 15 December 2022 on upscaling the 2021-2027 multiannual financial framework: a resilient EU budget fit for new challenges⁷,
- having regard to its resolution of 3 October 2023 on the proposal for a mid-term revision of the multiannual financial framework 2021-2027⁸,
- 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 2027⁹,
- having regard to Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on

¹ OJ L 433 I, 22.12.2020, p. 11, ELI: <http://data.europa.eu/eli/reg/2020/2093/oj>.

² OJ C 444 I, 22.12.2020, p. 4.

³ OJ C 445, 29.10.2021, p. 252.

⁴ OJ L 325, 20.12.2022, p. 11, ELI: <http://data.europa.eu/eli/reg/2022/2496/oj>.

⁵ OJ L, 2024/765, 29.2.2024, ELI: <http://data.europa.eu/eli/reg/2024/765/oj>.

⁶ OJ C 445, 29.10.2021, p. 240.

⁷ OJ C 177, 17.5.2023, p. 115.

⁸ OJ C, C/2024/1195, 23.02.2024, ELI: <http://data.europa.eu/eli/C/2024/1195/oj>.

⁹ OJ C, C/2024/6751, 26.11.2024, ELI: <http://data.europa.eu/eli/C/2024/6751/oj>.

the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom¹⁰,

- 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 proposal¹¹,
- having regard to Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast)¹² (the Financial Regulation),
- having regard to its resolution of 10 May 2023 on the impact on the 2024 EU budget of increasing European Union Recovery Instrument borrowing costs¹³,
- 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 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 resources¹⁵,
- having regard to the general budget of the European Union for the financial year 2025¹⁶ and the joint statements agreed between Parliament, the Council and the Commission annexed hereto,
- having regard to the Council conclusions of xxx on the 2026 budget guidelines xxx,
- having regard to Rule 95 of its Rules of Procedure,
- having regard to the opinions of the Committee on xxx,
- having regard to the letters from the Committee on xxx,
- having regard to the report of the Committee on Budgets (Axx),

¹⁰ OJ L 424, 15.12.2020, p. 1, ELI: <http://data.europa.eu/eli/dec/2020/2053/oj>.

¹¹ OJ C 167, 11.5.2023, p. 162.

¹² OJ L 2024/2509, 26.9.2024, p. 1: ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>.

¹³ OJ C, C/2023/1084, 15.12.2023, ELI: <http://data.europa.eu/eli/C/2023/1084/oj>.

¹⁴ OJ L 433 I, 22.12.2020, p. 1, ELI: <http://data.europa.eu/eli/reg/2020/2092/oj>.

¹⁵ OJ L 433 I, 22.12.2020, p. 28, ELI: http://data.europa.eu/eli/agree_interinstit/2020/1222/oj.

¹⁶ OJ L XX,

Budget 2026: building a resilient and prosperous future for Europe

1. Highlights the anticipated economic growth projected for 2025 and 2026 within the EU¹⁷, accompanied by an easing of inflation; notes nonetheless the persistent uncertainties stemming from Russia's war of aggression against Ukraine and the increasing frequency and intensity of natural disasters, which are compounded by new significant geopolitical changes, heightened security threats and a rise in global protectionism; emphasises that, in such an increasingly volatile landscape, it is imperative for the EU to enhance its strategic autonomy, increase its competitiveness and ensure a prosperous future for the continent;
2. Is determined to ensure that the 2026 budget, by focusing on economic resilience, preparedness and security as well as strengthening the single market, provides citizens with a robust ecosystem and delivers on their priorities; underlines the need for additional investment in research, innovation, small and medium-sized enterprises (SMEs), health, energy, border protection, the digital and green transitions, and the provision of opportunities for young people; insists that the EU budget is the largest investment instrument with leverage effect, complementing national budgets and therefore enabling the EU to navigate the complexities of a rapidly changing world while ensuring prosperity and stability for its citizens;

Investing in a solid and resilient economy

3. Is adamant that sound economic resilience can be achieved in the EU by boosting investment, supporting competitiveness and thereby improving strategic autonomy, ensuring that the EU remains agile and self-reliant in the face of global challenges and volatility;
4. Reaffirms, in this regard, that research and innovation remain crucial for the EU's success in cutting-edge industries and new clean technologies; calls, therefore, for sufficient funding to be provided under Horizon Europe to enable companies, especially SMEs, to bring new developments to the market, to ensure solid economic growth and to boost the Union's competitiveness in the global economy;
5. Highlights the importance of targeted support and accessible financing for SMEs as a vector for pioneering innovation, emphasising the role of InvestEU and the SME component of the single market programme in facilitating start-ups and scale-ups of innovative companies, supporting them in their growth and contributing to a greater role for the EU economy on the global stage; underlines furthermore the importance of the single market programme to leverage the full potential of the EU's cross-border dimension;
6. Underscores the urgency of further accelerating the green and digital transitions as catalysts for a future-oriented and resource-efficient economy that remains attractive for innovative businesses; advocates substantial investment in forward-looking digital infrastructure, underpinned by artificial intelligence and cybersecurity;

¹⁷ European Commission: Directorate-General for Economic and Financial Affairs, *European economic forecast – Autumn 2024*, Publications Office of the European Union, 2024.

A better-prepared Union, capable of effectively responding to crises

7. Highlights the importance of ensuring the effective implementation of the Asylum and Migration Pact; stresses that effective management and protection of the EU's external borders is essential for the proper functioning of the Schengen area, and is crucial for the security of the EU and its citizens; underlines the need to strengthen the fight against criminal networks involved in migrant smuggling and trafficking and to address the EU's vulnerability regarding the instrumentalisation of migrants as part of hybrid attacks;
8. Acknowledges the common agricultural policy as a key strategic European policy for food security and greater EU autonomy in affordable and high-quality food production; calls for adequate resources to help farmers cope with the impact of inflation, fuel costs, changes in the global food market as well as adverse climate events; emphasises the need to help new and young farmers as well as the need for continued support for the promotion of EU agricultural products; underlines the need for appropriate support for research and innovation in the agricultural sector, in particular through the Horizon Europe programme;
9. Stresses the strategic role of fisheries and aquaculture and the need for them to be adequately supported; insists that special attention must be devoted to the EU's fishing fleet in order to improve safety, working conditions, energy efficiency and sustainability, as well as to renew the fleet;
10. Stresses that enhancing energy security and independence remains fundamental for the EU; highlights the EU's role in ensuring security of energy supply, assisting households, farmers and businesses in managing price volatility; calls for additional investment in critical infrastructure, low-carbon and renewable energy sources and energy efficiency; highlights the need to adapt European infrastructure to meet future energy demands as part of the transition to a clean and modern economy; underlines the importance of interconnections, in particular cross-border ones, for a fully integrated EU energy market that enhances Europe's diversified supply security and resilience to energy market disruptions, ultimately ensuring affordable and sustainable energy for EU citizens;
11. Regrets that recent natural disasters in the EU have led to a high number of victims as well as long-term devastating effects on the citizens, farmers and businesses living and working in the regions concerned; calls for sufficient funding for the EU Civil Protection Mechanism, including the rescEU capacities, to support Member States quickly and effectively in overwhelming crisis situations; underlines the EU's role as a hub for coordinating and improving the Member States' preparedness and capacities to respond immediately to large-scale, high-impact emergencies;
12. Underlines the need to enhance EU security and defence capabilities to better prepare for and respond to unprecedented geopolitical challenges; considers that such cooperation not only makes Europe and its citizens safer but also leads to greater efficiency, potential savings and strategic autonomy; highlights the importance of military mobility in funding dual-use transport infrastructure as well as the importance of the EU's space programme in enhancing the strategic security of the Union through a

variety of civil and military applications;

Enhancing citizens' opportunities in a vibrant society

13. Insists that continued investment in EU4Health and Cluster Health in Horizon Europe are key to improving health and preparedness for future health crises, thereby improving the health status of citizens; reiterates its support for Europe's Beating Cancer Plan in particular, as a central pillar of a stronger European health union;
14. Stresses the importance of investing in young generations, as major agents of change and progress; points, in that respect, to the relevance of sufficient financial resources for EU programmes such as Erasmus+, which has proven highly effective in broadening education and training across the Union as well as promoting new job opportunities and fostering skills and youth employability;
15. Highlights the crucial role of the cultural and creative sectors in enhancing media literacy, combating disinformation, and safeguarding media freedom and pluralism for good cultural resilience, all of which are fundamental to a thriving democracy; reaffirms, furthermore, the essential role of the Citizens, Equality, Rights and Values programme in promoting European values and citizens' rights as well as gender equality, thereby sustaining and further developing an open, rights-based, democratic, equal and inclusive society;
16. Considers it essential for the Union's stability and progress to ensure the proper use of Union funds and to take all steps towards protecting the Union's financial interests; emphasises the clear link between respect for the rule of law and efficient implementation of the Union's budget in accordance with the principles of sound financial management;

A strong Union in a changing world

17. Observes that the need for the EU to maintain a strong presence on the global stage is increasingly crucial amid escalating global conflicts, geopolitical shifts, foreign influence efforts worldwide, and the evolving dynamics of its relationships with other global political powers; stresses that the Union requires sufficient resources to respond to major crises in its neighbourhood and throughout the world;
18. Underlines that the EU's security environment has changed dramatically following Russia's illegal, unprovoked and unjustified war of aggression against Ukraine; recalls the importance of enhancing citizens' safety and of achieving efficiency in the area of defence and strategic autonomy, through a comprehensive approach to security that covers military and civilian capabilities, external relations and internal security;
19. Stresses that Russia's war of aggression against Ukraine has had substantial economic and social consequences for the people of Europe; recalls that certain Member States, in particular those with border regions with Russia and frontline Member States, as well as vulnerable sectors of the economy, remain particularly exposed to the consequences of war and deserve support in areas such as agriculture, infrastructure and military mobility, in the spirit of EU solidarity;

20. Firmly reiterates its unconditional support for Ukraine as the war on its soil nears the three-year mark; underlines the ongoing need for high levels of funding, including in humanitarian aid and for repairs to critical infrastructure; welcomes the establishment of the Ukraine Facility as well as the Ukraine Loan Cooperation Mechanism to support Ukraine's recovery, reconstruction and modernisation, as well as to foster Ukraine's progress on its EU accession path;
21. Insists on the benefits of pre-accession funds, both for countries with EU candidate status and for the EU itself, as the funding creates more stability in the region; underlines, furthermore that the EU neighbourhood policy, namely its Eastern and Southern Partnerships, contributes to the overall goal of increasing the stability, prosperity and resilience of the EU's neighbours and thereby increasing the security of our continent; recalls that the EU must continue to alleviate other crises and assist the most vulnerable populations around the world through its humanitarian aid programme, as well as maintaining its global positioning with the Neighbourhood, Development and International Cooperation Instrument;

Cross-cutting issues in the 2026 budget

22. Underlines that the 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; insists, therefore, on the need for the Commission to provide reliable, timely and accurate information on NextGenerationEU (NGEU) borrowing costs and on expected RRF disbursements throughout the budgetary procedure as well as on available decommitments; expects the Commission to update the decommitments forecast when it presents the draft budget; calls on the Commission to take into account the interinstitutional agreement adopted as part of the 2020 multiannual financial framework (MFF) agreement, whereby expenditure to cover NGEU financing costs 'shall aim at not reducing programmes and funds';
23. Highlights again Parliament's full support for the cohesion policy and its key role in delivering on EU policy priorities; reiterates that the cohesion policy's optimal added value for citizens depends on its effective and timely implementation; in the same vein, urges the Member States and the Commission to step up the implementation of operational programmes under shared management funds as well as of the recovery and resilience plans so as to ensure swift budgetary execution and to avoid accumulated payment backlogs in the two last years of the MFF period;
24. Stresses that the outermost regions should benefit from adequate funding to offset the special characteristics and constraints of their structural social and economic situation, as referred to in Article 349 TFEU;
25. Recalls that effective programme implementation is achievable only with the backing of a committed administration; emphasises the essential work carried out by bodies and decentralised agencies and asserts that they must be properly staffed and sufficiently resourced to fulfil their responsibilities effectively;

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