



**2025/2246(BUI)**

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# **DRAFT REPORT**

on general guidelines for the preparation of the 2027 budget, Section III –  
Commission  
(2025/2246(BUI))

Committee on Budgets

Rapporteur: Nils Ušakovs

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on general guidelines for the preparation of the 2027 budget, Section III – Commission (2025/2246(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) 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<sup>1</sup>,
- 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 2027<sup>2</sup>, and to the joint declaration agreed between Parliament, the Council and the Commission in this context<sup>3</sup> and the related unilateral declarations<sup>4</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>5</sup>,
- having regard to Council Regulation (EU, Euratom) 2024/765 of 29 February 2024 amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027<sup>6</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>7</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>8</sup>,
- having regard to its resolution of 3 October 2023 on the proposal for a mid-term revision of the multiannual financial framework 2021-2027<sup>9</sup>,
- 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

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

<sup>2</sup> OJ L 433I, 22.12.2020, p. 11, ELI: <http://data.europa.eu/eli/reg/2020/2093/oj>.

<sup>3</sup> OJ C 444I, 22.12.2020, p. 4.

<sup>4</sup> OJ C 445, 29.10.2021, p. 252.

<sup>5</sup> OJ L 325, 20.12.2022, p. 11, ELI: <http://data.europa.eu/eli/reg/2022/2496/oj>.

<sup>6</sup> OJ L, 2024/765, 29.2.2024, ELI: <http://data.europa.eu/eli/reg/2024/765/oj>.

<sup>7</sup> OJ C 445, 29.10.2021, p. 240.

<sup>8</sup> OJ C 177, 17.5.2023, p. 115.

<sup>9</sup> OJ C, C/2024/1195, 23.02.2024, ELI: <http://data.europa.eu/eli/C/2024/1195/oj>.

framework for the years 2021 to 2027<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 and repealing Decision 2014/335/EU, Euratom<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 its resolution of 10 May 2023 on the impact on the 2024 EU budget of increasing European Union Recovery Instrument borrowing costs<sup>13</sup>,
- having regard to the EU's obligations under the Paris Agreement and its commitments under the Kunming-Montreal Global Biodiversity Framework,
- 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 its resolution of 18 December 2025 on the implementation of the rule of law conditionality regime<sup>15</sup>,
- 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<sup>16</sup>,
- having regard to the Interinstitutional Proclamation on the European Pillar of Social Rights of 13 December 2017<sup>17</sup> and its resolution of 19 January 2017<sup>18</sup> thereon, 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 2026<sup>19</sup> and the joint statements agreed between Parliament, the Council and the Commission annexed hereto,
- having regard to the Council conclusions of (XXX) on the 2027 budget guidelines

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<sup>10</sup> OJ C, C/2024/6751, 26.11.2024, ELI: <http://data.europa.eu/eli/C/2024/6751/oj>.

<sup>11</sup> OJ L 424, 15.12.2020, p. 1, ELI: <http://data.europa.eu/eli/dec/2020/2053/oj>.

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

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

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

<sup>15</sup> Texts adopted, P10\_TA(2025)0343.

<sup>16</sup> OJ L 433I, 22.12.2020, p. 28, ELI: [http://data.europa.eu/eli/agree\\_interinst/2020/1222/oj](http://data.europa.eu/eli/agree_interinst/2020/1222/oj).

<sup>17</sup> OJ C 428, 13.12.2017, p. 10.

<sup>18</sup> OJ C 242, 10.7.2018, p. 24.

<sup>19</sup> Texts adopted, P10\_TA(2025)0294.

(XXXXXX/2026),

- having regard to Rule 95 of its Rules of Procedure,
- having regard to the opinions of the Committee on (XXX) and the Committee on (XXX),
- having regard to the letters from the Committee on (XXX) and the Committee on (XXX),
- having regard to the report of the Committee on Budgets (A10-XXXX/2026),

***Budget 2027: the final year of the current MFF must focus on delivery for people, the economy and the planet***

1. Considers that, in times of profound geopolitical and institutional instability, budgetary pressure and societal challenges, a predictable, robust and people-centred EU budget remains central to the implementation of the EU's policies; recalls that the EU budget should respond to increasing needs, deliver prosperity, create and protect high-quality jobs and ensure security, while leaving no one behind, in particular through the green and digital transitions;
2. Recalls that the EU budget, reinforced by NextGenerationEU and loans through the Support to mitigate Unemployment Risks in an Emergency scheme, has played a key role in alleviating the economic and social impact of the COVID-19 crisis and in responding to the effects of Russia's war of aggression against Ukraine; recalls, furthermore, that the EU budget remains ill-equipped, in terms of size, structure and rules, to fully play its role in adjusting to evolving spending needs, addressing shocks, responding to crises and giving practical effect to the principle of solidarity;
3. Highlights the fact that the EU budget for 2027 will be the seventh and final budget under the 2021-2027 multiannual financial framework (MFF); notes that the 2027 budget will act as a bridge to the upcoming 2028-2034 MFF and, therefore, needs to ensure continuity in addressing present and future challenges; is confident that a strong, responsible and forward-looking 2027 budget will consolidate the progress made under the current MFF; believes that successfully delivering on its commitments under the current MFF will reinforce the EU's credibility and enable it to pursue even more ambitious goals in the next MFF; considers, furthermore, that the 2027 budget, as the final one of the current MFF, constitutes a decisive test of the EU's financial management; insists that the Commission and the budgetary authority must carry out a comprehensive assessment of the impact of expenditure under the EU budget, thereby building a robust, evidence-based foundation for the next MFF, focused on effective implementation and tangible results for people;

***Strengthening Europe's social model, safeguarding fundamental values and fostering prosperity***

4. Emphasises the critical role of cohesion policy in fostering upward convergence as a key pillar of EU competitiveness; observes the growing challenges posed by the current economic and geopolitical context; calls for adequate funding to address these issues,

ensuring the sustainability and improvement of people's quality of life across all regions, thereby contributing to the EU's long-term growth;

5. Recalls the need to tackle the skills gap, the issue of brain drain and the mismatch between market needs and skills; calls for initiatives and investments aimed at promoting fair working conditions and for effective retention strategies in order to prevent systemic vulnerabilities in Member States, notably in the healthcare and social sectors; considers that, for the EU workforce to remain competitive in the future, it is necessary to identify key areas for training and reskilling; acknowledges that technology and artificial intelligence (AI) are rapidly changing the employment landscape; highlights the economic potential that human-centred and well-regulated AI technologies can bring to Europe's economic growth while improving the lives of citizens, and highlights the efforts needed to ensure a thriving and adaptable workforce; calls, in this regard, for reinforced commitments under the European Social Fund Plus, in particular the Employment and Social Innovation strand, in the 2027 budget;
6. Underlines the importance of implementing the European Pillar of Social Rights and highlights the crucial role of the EU budget in contributing to initiatives that reinforce social dialogue and strengthen workers' organisations;
7. Reiterates its position that housing is a fundamental right, not a commodity for speculation; considers that the EU is facing a housing crisis and a social emergency, marked by the sharp increase in house prices and the inadequate protection of tenants, resulting in a growing number of Europeans facing homelessness; calls for urgent and enhanced investment in 2027 in affordable, decent and sustainable housing, in line with the European Affordable Housing Plan;
8. Recalls the important role that the EU budget plays in promoting the European values enshrined in Article 2 of the Treaty on European Union and in supporting the key principles of democracy, the rule of law, solidarity, inclusiveness, justice, non-discrimination and equality, including gender equality; reaffirms, furthermore, the essential role of the Citizens, Equality, Rights and Values (CERV) programme in promoting European values and citizens' rights, and in ensuring an open, rights-based, democratic, equal and inclusive society based on the rule of law; reiterates the importance of the Daphne and Equality and Rights strands of the CERV programme, and stresses that necessary resources should be devoted to combating discrimination in all its forms, as well as tackling all forms of violence;
9. Reiterates that adequate resources should be devoted to fighting gender-based violence and to supporting sexual and reproductive health rights and services, women's rights organisations, and EU initiatives and bodies tackling discrimination against women and LGBTIQ+;
10. Emphasises the valuable work carried out under the Union Values strand of the CERV programme, which provides, among others, direct funding to civil society organisations as key actors in vibrant democracies; stresses that citizens and civil society organisations, which promote the will and interests of citizens, represent the core of European democracy; underlines, in this regard, the importance of all EU programmes and increased funding in supporting the genuine engagement of civil society,

particularly in the context of the impact of reduced funding for civil society by the EU's international partners; stresses, in addition, that supporting investigative journalism with sufficient resources is a strategic investment in democracy, transparency and social justice; stresses equally that adequately resourced action to counter disinformation and foreign information manipulation and interference is a strategic investment in democratic resilience and public trust;

11. Stresses that EU migration and asylum policy must be underpinned by solidarity, shared responsibility and respect for human rights, in line with EU values and international commitments; stresses that adequate funding remains critical to addressing evolving challenges and to ensuring effective, safe and dignified reception, while noting that migration pressure in the EU has shown a notable decline in recent years; considers that the Asylum, Migration and Integration Fund plays a central role in this context;
12. Observes that adequate funding for border protection capabilities is a cornerstone of a comprehensive migration policy to preserve the free movement of people within the EU and to address evolving migration and security challenges; reaffirms the vital role that the Integrated Border Management Fund and the Border Management and Visa Instrument play in safeguarding the EU's external borders; reaffirms that cooperation agreements on migration and asylum management with non-EU countries, in full respect of international law, can help prevent and counter irregular migration, combat organised crime and strengthen border security;
13. Recalls that the rule of law is one of the founding values of the EU and that respect for the rule of law is an essential prerequisite for the sound financial management and effective use of EU funding; recalls the obligation of Member States subject to measures under the Conditionality Regulation<sup>20</sup> to continue to honour all commitments to final recipients and beneficiaries; stresses that any measures taken to ensure that legitimate final recipients and beneficiaries can continue to access EU funding should not weaken the application of the Conditionality Regulation;
14. Underlines that rule of law conditionality is a fundamental principle that must apply to all EU funds without exception, so that no EU expenditure escapes effective scrutiny; calls on the Commission to maintain consistency in the application of conditionality across all EU funding streams; recalls its position that funds suspended in accordance with the Conditionality Regulation or on account of non-fulfilment of horizontal enabling conditions should not be eligible for programme amendments or transfers; insists that the decision to use decommitted funds is a prerogative of the budgetary authority within the framework of the annual budgetary procedure and should not be left to the discretion of the Commission;

### ***Creating economic opportunities in the face of strategic challenges***

15. Stresses the urgency of fully implementing the European Green Deal to meet the 2050 climate neutrality target, by supporting investments in areas such as renewable energy and resilient electricity grids, cross-border mobility, the circular economy, biodiversity

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<sup>20</sup> 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 (OJ L 433I, 22.12.2020, p. 1, ELI: <http://data.europa.eu/eli/reg/2020/2092/oj>).

protection, and digital innovation and AI; calls for adequate upskilling and reskilling programmes for workers, especially in regions dependent on carbon-intensive industries, and tailored support for small and medium-sized enterprises, to ensure a just and inclusive transition;

16. Emphasises that the EU budget for 2027 must act as an engine for completing a genuine energy union by bridging the investment gap of EUR 660 billion annually for energy-related investments, in particular in strategic technologies such as batteries, solar and wind, ensuring that the transition away from Russian fossil fuels is translated into industrial leadership and quality job creation;
17. Highlights the strategic importance of the common agricultural policy (CAP) and the common fisheries policy in delivering on key EU priorities, such as sustainable and inclusive growth, social inclusion, climate resilience, biodiversity and vibrant rural communities; underlines the need to ensure a fair, non-discriminatory and equal allocation of CAP direct payments, including by addressing unjustified disparities in support levels and access to measures across Member States, in particular in central and eastern Europe, especially in view of the disproportionate pressures on farmers in frontline regions resulting from Russia's war of aggression against Ukraine;
18. Underlines that emerging instruments in the blue economy, including the European Ocean Pact, should be financed in addition to, and not at the expense of, existing fisheries funding;
19. Emphasises the urgent need to uphold fair living and working conditions for farmers, farmworkers and people employed in the fisheries sector; outlines the importance of social conditionality by strengthening compliance with core EU labour standards, such as fair wages and safe working conditions, and calls for adequate resources to be mobilised to facilitate the implementation of this principle;
20. Is deeply concerned about the impacts of climate change and the biodiversity crisis both in Europe and globally; stresses that the cost of inaction is far higher than the investment needs, including in climate mitigation, adaptation efforts and water resilience infrastructure; calls, therefore, for ambitious funding in the 2027 budget for the Programme for the Environment and Climate Action (LIFE programme) in order to accelerate the shift towards a sustainable, climate-neutral and resilient economy;
21. Stresses the need to strengthen security and defence cooperation, which is essential for securing European strategic autonomy and reinforcing the EU's role as a global actor; highlights the fact that the EU budget is the most effective tool to pool resources, harmonise national efforts and optimise public spending, thereby achieving significant cost efficiencies and reducing duplication, in order to create a genuine capabilities-based European defence union and to better prepare for and respond to current warfare strategies, unprecedented geopolitical challenges and hybrid threats; highlights, in particular, the need for adequate financial support for Member States with external EU borders, especially those with a land border with Russia and/or Belarus; underlines that such support should ensure that these Member States have the necessary resources to maintain facilities and installations in order to secure the external borders of the EU, including necessary physical measures where relevant and duly justified;

22. Recalls that certain Member States, in particular those with a land border with Russia and/or Belarus in the Baltic region and frontline Member States, and vulnerable sectors of the economy, such as agriculture, infrastructure and military mobility, remain exposed to the consequences of the war in Ukraine; underlines that, in border regions, measures to mitigate economic and social impacts and to strengthen resilience should be prioritised alongside security needs, ensuring a balanced response based on solidarity, including targeted support for affected people and border municipalities facing added pressure on services and local economies, including pressures arising from demographic pressures and workforce shortages, building on the experience of rapid-response adjustment instruments; calls for the 2027 budget to provide adequate funding in this regard and, within the current MFF, to ensure the continuity of support and to facilitate the early implementation of mature projects in the next long-term budget;

***Global Europe: acting today, preparing for tomorrow***

23. Stresses the urgent need for the EU to strengthen its common external policy and global influence, given the evolving geopolitical landscape, marked by shifts in US policy and escalating global conflicts; points out the necessity for the EU to secure commensurate funding and resources in the 2027 budget;
24. Highlights the importance of enhancing the EU's role as a leading humanitarian actor and calls for adequate funding for the humanitarian aid programme to address crises in regions affected by protracted conflict, displacement, food insecurity and natural disasters; stresses that this is especially urgent in the light of the sudden decline in international aid from other major donors; emphasises that the EU requires sufficient resources for long-term investments in building global partnerships, and points out the importance of the participation of non-EU countries in EU programmes, where appropriate; welcomes, in this context, the agreement on the participation of the United Kingdom in the Erasmus+ programme as of 2027;
25. Underlines that Russia's illegal, unprovoked and unjustified war of aggression against Ukraine has profoundly altered the EU's security environment; stresses the critical importance of the Internal Security Fund in addressing rising threats, such as cross-border organised crime and cybercrime; calls on the Member States to ensure consistent and complementary efforts in their defence investments;
26. Firmly reiterates its unconditional and full support for Ukraine in its fight for freedom and democracy against Russian aggression, as the war on its soil enters its fourth year; condemns the devastating human and economic toll of Russia's war; underlines the ongoing and pressing need for high-level funding to address humanitarian needs, repair critical infrastructure, and enhance the capacity of the EU-Ukraine Solidarity Lanes to deliver essential supplies; welcomes the agreement by Member States to provide support to Ukraine through a EUR 90 billion loan under enhanced cooperation over two years through joint borrowing and to immobilise indefinitely Russian assets of up to EUR 210 billion that have been frozen in the EU since the start of the war; stresses the importance of ensuring accountability for core international crimes;
27. Insists on the benefits of pre-accession funds, both for enlargement countries and for the EU itself, through the creation of more stability and enhancement of economic

convergence with the EU's single market; underlines the importance of sustained support for candidate countries in implementing necessary accession-related reforms, in particular regarding the rule of law, anti-corruption, democracy, economic resilience, and the prevention and countering of hybrid threats;

28. Underlines that EU neighbourhood policy, namely its Eastern and Southern Partnerships, contributes to the overall goal of enhancing the stability, prosperity and resilience of the EU's neighbours, thereby increasing the security of our continent; stresses, therefore, the importance of reinforcing the Southern and Eastern Neighbourhood budget lines in order to support political, economic and social reforms in those regions, facilitate peace processes and reconstruction and provide assistance to refugees, in particular through continuous, reinforced and predictable funding for relevant actors and continuous implementation on the ground;
29. Recalls that the EU must continue to address global crises and assist the most vulnerable populations around the world through its humanitarian aid programme, as well as maintain its global role through the Neighbourhood, Development and International Cooperation Instrument – Global Europe to tackle global challenges, promote human rights, freedoms and democracy, support the capacity building of civil society organisations and deliver on the EU's international climate and biodiversity commitments, all within a comprehensive monitoring and control system;

#### ***Cross-cutting issues in the 2027 budget***

30. Underlines that the repayment of the European Union Recovery Instrument's borrowing costs is a legal obligation for the EU and therefore non-discretionary; notes that 31 December 2026 is the deadline for payments to Member States under NextGenerationEU; notes, furthermore, that borrowing costs will depend on the pace of disbursements under the Recovery and Resilience Facility in 2026 and on market fluctuations in bond yields, and are therefore inherently unpredictable and volatile;
31. Takes note of the Commission's forecasts that interest costs in 2027 could reach EUR 10 billion, exceeding the financial programming of EUR 4.98 billion by over EUR 5 billion; is extremely concerned about the pressure that this will put on the 2027 budget; recalls that the three institutions agreed that expenditures covering the financing costs of NextGenerationEU must not reduce the number of EU programmes and their respective funding; intends to ensure that all programmes are properly resourced and that the budget's flexibility and response capacity is maintained throughout the annual budgetary procedure; insists, furthermore, on the need for the Commission to provide reliable, timely and accurate information on NextGenerationEU borrowing costs and on expected Recovery and Resilience Facility disbursements throughout the budgetary procedure, as well as on liquidity management costs and available decommitments; expects the Commission to update the decommitments forecast when presenting the draft budget;
32. Underlines the importance of providing sufficient payment appropriations in the 2027 budget; notes that programme implementation has reached cruising speed, with payment execution peaking in rural development programmes, leading to significantly higher payment needs in 2025 than initially estimated; recalls that several regulatory changes,

such as the mid-term review of cohesion policy, provided for the frontloading of payments in the 2024-2026 budgets; notes, however, that uncertainties remain regarding Member States' actual uptake of these new possibilities; highlights the ongoing trend of increasing inaccuracy in Member States' payment forecasts; calls on the Commission to closely monitor payment developments and to provide timely information to Parliament;

33. Notes with concern the high level of *reste à liquider* (RAL) (outstanding commitments) due to expected substantial payments on these commitments from the 2021-2027 MFF and prior MFFs; calls on the Commission and the Member States to boost the implementation of the programmes in 2027, in particular by accelerating mature and demand-driven projects, in order to decrease the level of RAL to be carried over to the next MFF; calls on the Commission to prevent an 'absorption at any cost' approach in the final year of the MFF, such as the financing of low added-value projects, and stresses that efforts to reduce the RAL must fully respect sound financial management principles;
34. Stresses that new own resources are essential not only to enable the repayment of NextGenerationEU borrowing, but also to ensure that the EU is equipped to cover increasing investment needs and to respond to unforeseen developments; deeply regrets the lack of progress towards the introduction of new own resources, despite the commitments set out in the 2020 Interinstitutional Agreement and its annexed roadmap; welcomes the Commission's efforts in identifying additional options for new sources of revenue for the EU budget; takes note, in this respect, of the Commission's proposal of 16 July 2025 on the 2028-2034 MFF, and calls on the Council to adopt this proposal as a matter of urgency and without further delay;
35. Emphasises that effective programme execution depends on adequately funded and staffed EU bodies and decentralised agencies; calls for the 2027 budget to provide funding and staffing that reflect the evolving mandates of EU bodies and agencies and to address backlogs from prior budgets, which have been exacerbated by past inflation; recalls its position that new tasks and new responsibilities must be proportionately accompanied by fresh resources;
36. Stresses the need for measures to address gender disparities and promote equal opportunities across and through all EU funding programmes in the delivery of their objectives; takes note of the Commission's work on developing a gender mainstreaming methodology in the current MFF; believes that, going forward, it is necessary to move beyond impact measurement towards the integration of gender-responsive budgeting across all EU spending;
37. Recalls that, in accordance with the Financial Regulation<sup>21</sup>, when implementing the budget, Member States and the Commission must ensure compliance with the Charter of Fundamental Rights and respect the EU's values enshrined in Article 2 of the Treaty on European Union; underlines, in particular, Articles 137, 138 and 158 of the Financial Regulation and recalls the Commission and the Member States' obligation to exclude

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<sup>21</sup> 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 (OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>).

from EU funds any persons or entities found guilty by a final judgment of terrorist offences, terrorist activities, incitement, aiding, abetting or attempts to commit such offences, as well as corruption, organised crime or other serious offences;

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